

# THE DIRECTORY OF SOCIAL CHANGE

England & Wales · Charity number 800517

## Details

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**Other names** D S C, DSC

**Status** Registered

**Legal form** Charitable company

**Company number** [02320712](#)

**Registered** 1988-12-08

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

## Contact

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

## Activities

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**Objects:** THE PROMOTION AND ADVANCEMENT OF EDUCATION; AND THE PROMOTION OF THE EFFICIENCY AND EFFICACY OF CHARITIES.

**Activities:** An independent source of information and support to voluntary and community organisations, through being an independent voice, providing information and training, running conferences and fairs, undertaking research projects and providing books and websites on topics of interest to the voluntary and community sectors. DSC also runs the Annual Social Change Awards.

## Classification

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- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

## Geography

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- Australia
- Bahrain
- Belgium
- Bermuda
- Canada
- Finland
- France
- Germany
- Gibraltar
- Ireland
- Jamaica
- Jersey
- Mozambique
- New Zealand
- Nigeria
- Northern Ireland
- Qatar
- Scotland
- Spain
- Switzerland
- United States
- Throughout England And Wales

## Finances

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Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,911,977	£1,641,399	£420,548	29
2023-12-31	£1,455,853	£1,585,543	£149,970	31
2022-12-31	£1,637,897	£1,648,391	£299,385	30
2021-12-31	£1,847,254	£1,690,897	£309,879	31
2020-12-31	£1,693,013	£1,825,766	£201,994	31

## Trustees

Name	Role	Appointed
<b>William Gibson Butler</b>	Chair	2017-07-26
Dhillon Timur Shenoy		2023-10-26
Dr ANDREW JAMES PURKIS OBE		2018-04-30
Elizabeth Denise Kenyon		2020-04-28
Emily Victoria Hughes		2017-07-26
Emma Kirby		2026-04-30
Garry Jones		2023-10-26
Khalid Ayaz		2026-04-30
LESLEY THORNLEY		2011-03-14
Michaela Clark		2023-10-26
Nicola Goldman		2026-04-30
Thomas Traynor		2026-04-30

**THE DIRECTORY OF SOCIAL CHANGE**

England & Wales - Charity number 800517

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# Accounts

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Company Number: 02320712 (England & Wales)  
Charity Number: 800517

## The Directory of Social Change

Trustees' Report and Financial Statements  
For the year ended 31 December 2024

**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2024**

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## **Message from the Chair**

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2024 was once again a year of rapid and unpredictable change, not just for our sector but for the country. We had a new government earlier than expected, accompanied by several financial shocks to the sector, including the increase to Employer National Insurance contributions, which NCVO have estimated will cost the sector around £1.4bn and almost wipes out the contribution from gift aid (in the region of £1.3bn according to the Charity Finance Group). Inevitably, these changes affected both the sector's confidence in its ability to continue to provide services at current levels and resulted in charities being more risk-averse about their expenditure, which in turn impacted our own performance towards the year end.

Consequently, DSC experienced the same sort of funding challenges faced by many of the charities we serve. And while we endeavour to be almost entirely self-funding and to only use grants to cover designated projects, nevertheless, by the middle of the year we faced a significant drop in expected income. As a result, we found ourselves in the unusual position of having to reach out and ask for help. So, we approached several funders with whom we have an established relationship and to which most responded with warmth and understanding, providing a combined £90k in unrestricted grants, which saw us through a very difficult period.

However, what was most gratifying to the Board, wasn't just the much needed offers of financial support but the warm praise and recognition of the importance of our work to the sector. Consequently, we offer our grateful and heartfelt thanks to the Seafarers' Charity, The Pears Foundation, Barrow Cadbury Trust, Esmée Fairbairn Foundation and The Lloyds Bank Foundation for England and Wales, all of whom enabled us to continue to provide vital sector support. As did continuing City Bridge Foundation funding, through which over 200 small London based charities accessed the DSC products and services that best meet their needs.

A particular shout out goes to the Jessa Family, who continue to support us with their invaluable donations and to our key partners in the year, including but not restricted to, The Forces In Mind Trust, the Armed Forces Covenant Fund Trust, Benefact Group (previously Ecclesiastical), the National Lottery Community Fund, Sayer Vincent and the Samworth Foundation.

Taking everything into account, we ended the year with a reasonable contribution to unrestricted reserves of £66.5k, which given all the financial challenges we faced the Board is very pleased with.

Activity highlights include: the Women in Leadership Conference, which had some of the best feedback with 100% of attendees rating it as excellent or good; our Engage conference focused on how to influence politicians and policy makers on behalf of beneficiaries, also had a record number of attendees; and we continued our long-standing, highly successful partnership with Sayer Vincent, with the Charity Accountants Conference attracting a record 200 attendees over 2 days, again with excellent feedback on the quality of the speakers and programme content.

Our ongoing offer to beneficiaries includes a steady stream of new or updated publications to the sector, with highly topical titles - such as our Campaigning Speed Read and Guide to Investing for Charities. Of particular note, was the new publication 'It's a Nightmare with the Numbers' written by Caron Bradshaw, our previous Chair and CEO of the Charity Finance Group.

We also continued to be a key player in the Civil Society Group, the loose collaboration of sector infrastructure bodies, details of whose achievements are outlined in the report.

We also undertook a meta-analysis of the use of our Governance App, which aids Boards to assess their performance against the charity governance code and the report summarised the key areas where Boards felt they did well, and those they identified as needing improvement. In addition, we were extremely pleased that our own annual governance review, using the Governance App, demonstrated our continued improvement, both as a Board and a charity in all seven governance code areas. And I'm so grateful to have a Board who are both open to looking at ways to improve our governance and committed to living up to the standards we urge others to aspire to.

Finally, a big thank you to our incredible DSC staff team, who faced a year of real challenge and stress with their typical swift, innovative thinking and warm support for those we serve. We have a wonderful culture at DSC, of which the Board are very proud, demonstrated by the results of our annual Staff Wellbeing Survey, which despite the pressures, was even better than last year.

High and sustained staff commitment is amply demonstrated by the work of our often unsung and outstanding customer service team, without whom the whole organisation couldn't operate as effectively as we do. They deal with orders, queries and the very small number of complaints from thousands of people each year and regularly receive plaudits from those charities we serve, with 98% good or excellent customer satisfaction ratings.

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**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2024**

**Message from the Chair**

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Here are two typical examples:

'I was really amazed at the quick responses that I got to my queries. In these days of unhelpful and slow customer services, I was truly surprised at how efficient DSC is in this regard.'

'I am writing to express my utmost satisfaction with the service I received from DSC Customer Service. The team demonstrated exceptional professionalism, attentiveness, and efficiency in addressing my concerns. Their prompt responses and willingness to go the extra mile truly made a positive impact. I am thoroughly impressed and grateful for the outstanding support provided. Thank you for ensuring a seamless and pleasant experience.'



**William Butler**  
Chair  
The Directory of Social Change

## **Trustees' Report**

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### **Trustees' Report**

Welcome to the Trustees' Annual Report and Audited Financial Statements for the year ended 31 December 2024.

#### **1. Achievements and Activities during 2024 Against the Strategic Priorities**

During 2023 the trustees agreed a new set of strategic priorities for the coming years and these were implemented during 2024. The overall strategic objective remains the same - to extend the scale and reach of our support to the sector.

The strategic priorities which support this are:

- **Governance**  
To improve the overall standard of governance in the sector.
- **Leadership**  
To improve the overall standard of leadership in the sector.
- **Fundraising**  
To equip fundraisers with the skills and information they need to raise money for their cause.
- **Funding**  
To improve the overall standard of funding to the sector.
- **Speaking out**  
To inspire the sector to speak out in service of their cause and to inspire them with our example.

Below we list the activities undertaken during the year to support those strategic priorities.

#### **1.1 Governance**

The Governance App continued to provide a simple and free way for Boards of trustees to assess their performance against the key elements of the Charities Governance Code. During 2024, 4,914 trustees from 1,467 organisations used the app to review their performance – including DSC's own board of trustees.

In October, DSC also published a report containing analysis and insight from over 1000 users of DSC's Governance App. The report outlined how charity trustees feel their boards are performing and made recommendations to umbrella bodies, funders and boards about how to address the challenges they are facing.

Governance publications made up a considerable proportion of our publications in the year, with *It's a Battle on the Board*, *The Charity Trustees' Handbook*, *The Charity Treasurer's Handbook* and *Charity Policies and Procedures Templates* all helping charities to improve their governance. New finance titles in the year were *Investing for Charities* and *It's a Nightmare with the Numbers* by Caron Bradshaw, CEO of Charity Finance group with its direct and feisty approach to explaining finance in an approachable way for those who need to know about, but don't work with figures every day. Both titles will be invaluable to trustees needing to ensure that their organisation's funds are best applied.

We continued to deliver training in governance, which was a popular topic of requested training for in-house and continues to be a popular topic of our public course offering. We also delivered Our Good Governance Matters Conference for the second time and were very pleased to have some fantastic speakers such as, Caron Bradshaw, CEO Charity Finance Group; Kamran Mallick, CEO Disability Rights UK; Malcolm John, CEO, Action for Trustee Racial Diversity UK; Kai Adams, Managing Partner, Green Park; and our keynote speaker Ray Lock, Chair, Stoll Housing Association.

## **Trustees' Report**

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### **1.2 Leadership**

In terms of publications, we published three Speed Reads in 2025. Inductions focusing on how to introduce and integrate new staff and volunteers to your organisation in the most effective way, along with Decision-making and Managing your Manager, bringing the series up to a total of 23 titles on a wide range of subjects. Other core titles, including It's Tough at the Top, It's Murder in Management and The Complete Volunteer Management Handbook continued to sell well, and provided practical guidance and advice to hundreds of our beneficiaries.

We continued to find charities wanting dedicated training delivered to their staff teams either at their premises or online. During the year Leadership and Management continued to be one of the most requested topics, delivering training to Bristol City Council; Trussell Trust and National Library of Wales, who are just a few of the organisations we were very happy to support.

In public courses our leadership courses also proved to be very popular throughout the year. Examples such as, "This course led me to understand my role better and made me feel more confident being a manager"; "Training was really insightful, accessible and interesting!"; and "The training and trainer, left me inspired, informed and confident to continue my professional development."

We ran the Women in Leadership conference for the first time in 2024. The one-day conference which was well attended, with some very good feedback such as "OMG ... just too much to mention, what amazing speakers, inspiring, challenging, thought provoking ... I could not have wished for better. Incredible.". At this conference we were very lucky to have Dr. Sarah Hughes, CEO, MIND, as our opening keynote speaker.

In 2024 we continued to do the Charity Questions Podcast with 801 listens. We also created a new weekly podcast called Debra and Peter are doing a Podcast (hosted by our CEO Debra Allcock Tyler and Sir Peter Wanless – ex CEO of NSPCC) and we did 11 episodes with 1,321 listens.

### **1.3 Fundraising**

In 2024 Funds Online continued to be an excellent source of funding information for thousands of our beneficiaries. Throughout the year the platform provided subscribers with comprehensive funding entries from four main datasets, made up of funding from trusts giving a combined total of £4.9 billion, companies giving £330 million in cash and in-kind contributions, £2.4 billion in funding from local, regional and central government and £383 million in funding to individuals for social welfare, education and training. There was also significant progress made to improve functionality for subscribers, including enhanced geographical search results.

Progress was made in improving internal processes, which were reviewed and upgraded. This enabled our research team to significantly increase the speed of updating funder records resulting in record numbers of updates sent to subscribers with saved funders and searches in their Dashboard. The dashboard allows subscribers to track activity, new funding opportunities and saved funders while also uploading documents including applications, enabling all information to be stored in one place.

Our monthly Funds Online webinars delivered by our fundraising trainer focused on highlighting the key features and benefits of the platform remained a popular and hugely beneficial addition to the platform. We delivered 18 sessions, which were attended by 584 attendees.

In terms of our publications, The Guide to Grants for Individuals in Need 2024/25 and The Guide to New Trusts 2024/25 were published in the spring and The Guide to Major Trusts 2025/26 in September.

In May we were very pleased to bring out a fully revised and enlarged 2<sup>nd</sup> edition of *The Porcupine Principle* with its quirky and very popular take on the fundraising profession.

Following it in June we published *Investing for Charities* by James Brooke Turner of The Nuffield Foundation which turns assumptions about charity investing on its head. In September we released *Charity Fundraising Templates*, the second in our

## **Trustees' Report**

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practical series of templates which aims to share ready-made tools that will make a real difference to the productivity of smaller charities.

In 2024 we continued our work with Benefact Group, organising four webinars. The webinars were free to attend for Benefact customers and other small charities and covered the topics of fundraising, in particular writing applications, digital fundraising, and fundraising in general.

We also continued to deliver public courses training covering different areas of fundraising training, as well as our two-day Fundraising Now conference for the third year. For this conference we are pleased to have Rob Woods, Fundraising Expert of Bright Spot Fundraising, as our opening keynote speaker. And Ngozi Lyn Cole, Executive Coach and Leadership Catalyst as our closing keynote speaker.

### **1.4 Funding**

The majority of our work supporting funders in 2024 centred around our provision of Funder Plus support to around 20 funders of all different sizes, types and focus. We provided a combination of targeted and comprehensive support to over 500 grant holders, who thanks to their funders covering the cost, were able to strengthen and develop themselves through free access to DSC's products and services.

DSC also supported funders by for example researching Armed Forces Charities during the year, with the fourth edition of DSC's successful Sector Insight Armed Forces Charities report published in April to around 200 online delegates. This research, which provides an overview and analysis on the scale and nature of the Armed Forces charities sector, was the last and largest of 12 published reports over a decade-long partnership between DSC and Forces in Mind Trust (FiMT). DSC also published the final Online Interactive Database of Armed Forces Charities in April. Over the course of the project, this research has been used to influence central government policy and to inform strategic decision-making by Armed Forces charities.

### **1.5 Speaking Out**

During the year DSC continued to respond to consultations and policy announcements affecting charities, particularly concerning the Charity Commission, which unveiled a new strategy early in the year under the banner 'Fair, balanced and independent'. DSC argued that it marked a welcome and much-needed return to a constructive rather than confrontational relationship between charities and their main regulator.

DSC's Chief Executive Debra Allcock Tyler continued to author regular articles in Third Sector magazine and online, on topics such as the government's withdrawal of funding for the Inter-faith Network, and how a new government is never a 'silver bullet' for fixing every problem. These are also published on DSC's website. Our policy trustee Andrew Purkis contributed content on the regulatory and policy environment for charities for the DSC website and in Civil Society Media, for example on the self-censorship of charity leaders, and the Charity Commission's trust and confidence research. Our marketing team coordinated monthly policy updates on key policy issues, and publicised relevant news stories, consultations and calls to action in our daily bulletin to raise awareness with our beneficiaries. In total we published 40 policy related articles on the DSC website in 2024.

A main focus for 'speaking out' during the year involved the General Election, which took place earlier than anticipated in July. In February we released Speed Reads: Campaigning, authored by Jay Kennedy, DSC's Director of Policy and Research, to help charities maximise the impact of their policy work in the general election year. Jay authored a steady stream of free policy and campaigns-related analysis and updates for our audience throughout the year, primarily about helping charities to understand the General Election and its aftermath, campaigning law and regulation, and how to influence the political system.

Some of the topics included: an outline of key dates and things to know to help charities plan for the election period; an in-depth analysis of the parties' election manifestos across 10 key policy areas that affect the voluntary sector; an analysis of the new government's Cabinet and its unusual level of charity sector experience; an assessment of the new intake of MPs and the new Parliament, and the Bills in the King's Speech; an analysis of the new government's first Budget and Spending Review in the Autumn.

## **Trustees' Report**

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We brought many of these themes together in our annual Engage conference in October. A suite of expert speakers gave their analysis of the rapidly changing policy context for charities, and we produced a written summary full of insights after the event for those unable to make it on the day.

Throughout the year we hosted several speakers through our conference programme, giving an opportunity for speakers to speak out and share valuable insights, lived experiences, new perspectives and space to engage with and connect with the charity sector. We say thank you to everyone who spoke at our conferences, which included keynote speakers David Holdsworth, Chief Executive Officer, Charity Commission and Board member; Siobhan Nugent, Interim Associate Director of Fundraising (Mass), Alzheimer's Society; Lizzie Kenyon, Chief Executive, The Bike Project and DSC Trustee; and Andy King, Fireside Fundraising.

Since March 2020, DSC has been a major contributor of time and resources to an unprecedented collaboration between charity infrastructure organisations called the Civil Society Group ("CSG"). Throughout 2024, DSC continued to help coordinate many of the CSG's meetings between CEOs, policy and public affairs teams, and communications staff. DSC staff regularly chaired meetings, organised agendas and minutes, and authored or helped produce policy proposals and briefings. This has involved substantial and dedicated time by senior staff and trustees over an extended period but clearly meets DSC's charitable objects and purposes in service of our beneficiaries.

Some of the group's achievements and activities during 2024 included:

- Making detailed submissions to HM Treasury in advance of the Spring Budget, and the new Labour government's Budget and Spending Review in the Autumn.
- Coordinating meetings between CSG members and the former Shadow Minister for Civil Society, Lilian Greenwood MP, and the new Chief Executive of the Charity Commission, David Holdsworth.
- Sharing information and intelligence about the General Election, the formation of the new government in the summer, and the new Parliament, and the implications for charities and the wider voluntary sector.
- Continuing to support the VCSE Barometer Survey produced by Nottingham Trent University, by feeding into survey development and question design, helping to promote engagement and disseminate results. The survey has developed into a key tool to inform and influence policy makers in central government.

The CSG is planning further work for 2025 as the new Government's policy and legislative programme continues to gather pace.

@DSC\_Charity X/Twitter followers stood at around 19,000 followers at the end of the year. We made the strategic decision to stop posting content on X from December onwards, with a pinned Tweet pointing people towards our LinkedIn account. LinkedIn has been our main social media focus in 2024 and at the end of the year we had approximately 14,200 followers. In December we also created a DSC account on BlueSky

### **1.6 An independent DSC, financially robust in self-generated revenue**

DSC generated 94.9% of its own funds in 2024 (2023: 99.5%), with the balance of 4.7% and 0.4% being provided by unrestricted grants and donations respectively. There was an increase in income generated of 31.5% to £1,904,958 from £1,448,243 in 2023.

There was an increase in the defined benefit pension scheme deficit. The current value of the defined benefit pension scheme provision for 2024 was £5,360 (2023: £3,118).

Commissioned research has continued to bring in material income of £12,500 in 2024 (2023: £32,714) derived from a range of projects, including the Armed Forces Covenant Research. Our continuing experience with these types of projects provides a good record for developing these research income generating activities in the future.

In 2024 we also received a number of grants to support our work, including £306,000 from the City Bridge Foundation to provide support to small London-based charities over the next three years, and £25,000 each from Pears Foundation, Barrow Cadbury Trust and Esmee Fairbairn Foundation, and £15,000 from Lloyds Bank Foundation to support our ongoing activities.

## Trustees' Report

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### 2. Public Benefit

The Charitable Company has complied with the guidance on public benefit requirement in accordance to Section 17 of the Charities Act 2011.

The Charity Commission in its "Charities and Public Benefit" Guidance requires that key principles be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit, and secondly the benefit must be to the public or a section of the public.

The Guidance lists "promoting the efficiency of other charities" as one of the examples of benefits to the public, and the objects of The Directory of Social Change include the promotion and advancement of education and the promotion of efficiency and efficacy of other charities. It achieves this through its educational publishing, courses, conferences, exhibitions and electronic websites. In pursuing these objectives, the Trustees are mindful of and strive to achieve ways of minimising the impact of its activities and products on the environment.

Although DSC aims principally to serve the charity sector, we also provide services to the wider not-for-profit sector and grade our level of charges specifically so as to remain affordable to smaller charities with limited resources.

We continued to send daily email bulletins (covering policy, news, free top tips and our products and services) to our all of our beneficiaries in 2024, as well as adding consistent conference follow-up emails and occasional marketing to Governance App users, resulting in 64,919 individuals clicking links in those emails.

In addition, we continued to make a number of facilities available free to our beneficiaries during the year.

#### 2.1 Free content

Of the 35,000 people DSC reaches every year, by far the majority of them access our free services, information and advice. At the end of 2024 we had approximately 28,000 registered users of our website, who downloaded a total of 25,841 pieces of free content in 2024.

This support includes:

- **Blog posts and articles:** including inspirational articles, practical articles giving tips and advice, and policy position papers explaining issues and sharing our views, including consultation responses and recommendations. In 2024 we published 147 new articles, and all of our blogs and articles were read just under 24,000 times.
- **Video content:** 360 videos on our YouTube page (with some also appearing on the DSC website), covering all of our main topic areas, our Charity Questions Podcast and some recorded event content from our Charity Accountants' Conference and other training sessions. These videos have been viewed nearly 68,000 times.
- **Podcasts:** our Charity Questions podcast is available for free on all major podcast platforms and the DSC website. In 2024 we did 5 episodes with 801 listens. We also created a new weekly podcast called *Debra and Peter are doing a Podcast* and we did 11 episodes with 1,321 listens.
- **Free virtual sessions:** Monthly free demonstrations of the Funds Online platform and Governance App platform. During the year 18 Funds Online sessions were delivered with 584 attendees, and 12 governance app sessions were delivered and attended by 70 attendees.
- **Event/meeting speakers:** Our senior staff regularly speak at external events, meetings, launches etc. benefitting both the hosts/organisers and the attendees.

A number of our products and services are also free to the end user because we've received grant funding to either develop or maintain them.

## **Trustees' Report**

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This includes:

- **The Governance App:** Free governance review tool available to all charities. Developed with funding from Clothworkers' Company, Tudor Trust, The National Lottery Community Fund and Lloyds Bank Foundation, The Governance App helped 4,914 trustees from 1,467 organisations to review their performance during 2024.
- **Armed Forces Charities database and research:** a huge database and archive of research into Armed Forces Charities, available through the main DSC website. The final in-depth *Sector Insight* report on the subject was published in April.

Some of our more in-depth and expert-level support, which most people pay a fee for, are also available for free via intermediaries:

- **Books:** most of our books are available, and all can be requested, from local libraries. Many infrastructure and membership organisations either bulk purchase for their members or have copies of titles like DGMT at their offices for members to access.
- **Funds Online:** Increasingly membership bodies, funders and other organisations are taking out subscriptions on behalf of their users, beneficiaries and grantees so that the service is free to them.
- **Funders, federations and infrastructure organisations:** During 2024 we further extended the number and range of intermediary organisations that covered the cost of their members, grant holders or other beneficiaries to access vital support from DSC, ensuring that they could access the help they need at no cost to them. This included the delivery of a number of Funder Plus type programmes, as well as grant funding from City Bridge Foundation to deliver free event places, publications and Funds Online subscriptions to over 1,000 small London-based charities.

### **2.2 Accessibility**

For those with severe mobility difficulties without access to a computer, we provide a free copy of our publication *The Guide to Grants for Individuals in Need*. This information can also be accessed free of charge via [www.fundsonline.org.uk](http://www.fundsonline.org.uk) by visitors to those public libraries that subscribe to the service.

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or mobile and e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

Support is provided to anyone attending our courses, conferences, or any DSC event as requested. DSC has an inclusive approach to support anyone in attending any of our training or events, this includes providing any reasonable adjustments that we can, to ensure we are being inclusive and as accessible as we can be. Some examples of a standard approach we take, for all training or events are:

- If using a venue, ensuring it is accessible for all (such as wheelchair users)
- Providing any handouts in larger font size, or in advance if required
- Enabling transcript and informing participants of this, for all online training and events
- Supporting attendees to take additional breaks as required
- Supporting attendees to bring additional support to training or events, at no costs when informed and required

There are also some supports we can provide, when notified in advance such as:

- British Sign Language Interpreters
- Speech-to-Text Reporters (STTR)

DSC will always endeavour to meet any request made wherever possible; any requests can be made to the customer service team at [cs@dsc.org.uk](mailto:cs@dsc.org.uk).

**Trustees' Report**

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**3. Regulatory and Administrative Details**

**3.1 Regulatory Compliance Statements**

The Directory of Social Change is registered in England and Wales as a company limited by guarantee (without share capital) with number 02320712 and as a charity no. 800517.

The Trustees are also the Directors of the Charitable Company for the purposes of the Companies Act. The Trustees in presenting their annual report and financial statements for the year ended 31 December 2024 for the Charitable Company confirm that they comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (effective 1 January 2017) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

**3.2 Who we are**

Established in 1975, The Directory of Social Change (DSC) campaigns for an independent voluntary and community sector. DSC is the largest provider of information and training to the UK voluntary and community sectors.

The main activities of the organisation include:

- Championing the needs of small and medium voluntary sector organisations
- Providing practical training courses
- Running conferences, seminars and fairs
- Researching and publishing reference guides and handbooks
- Providing the subscription website [www.fundsonline.org.uk](http://www.fundsonline.org.uk)
- Campaigning on issues that affect the voluntary sector
- Publishing valuable free content pieces across social media and electronic channels
- Providing the free Governance App to improve charity governance
- Providing advice and support to CEOs and charity boards

Visit our website for more information at [www.dsc.org.uk](http://www.dsc.org.uk)

**3.3 Where we are**

Our registered address is.  
c/o BWB,  
First floor  
10 Queen Street Place  
London , EC4R 1BE  
E-mail: [cs@dsc.org.uk](mailto:cs@dsc.org.uk)

## **Trustees' Report**

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### **3.4 Trustees:**

The following individuals acted as Trustees throughout the year and to the date of this report, except where otherwise stated:

William Butler, Chair	Third Sector Consultant
Michaela Clark	Sustainability Coordinator, Scania UK
Joyce Fraser (resigned 30 April 2024)	Founder and Chair of Black Heroes Foundation
Matthew Hill	Associate Director of IT, ReThink Mental Illness
Emily Hughes	Head of Volunteer Experience, Girlguiding, Trustee
Garry Jones	CEO, Support Staffordshire
Anneka Kapadia (resigned 24 January 2024)	Policy and Programme Officer, Greater London Authority
Lizzie Kenyon	CEO, The Bike Project
Phyllida Perrett (resigned 24 January 2024)	Third Sector Consultant
Andrew Purkis OBE	Charity Chair and Trustee, school governor and blogger
Dhillon Shenoy	Student and Volunteer
Nasrullah Tahir	Head of Global Development, The Citizens Foundation
Lesley Thornley	Ex Chief Executive, Hull & East Riding, CAB
Andrew Townend (resigned 25 March 2025)	Chief Administrative Officer, LightEn

### **3.5 Chief Executive, Company Secretary and Senior Management:**

Chief Executive	Debra Allcock Tyler
Company Secretary	Harry Wrafter

The Senior Leadership Team during 2024 comprised:

Debra Allcock Tyler	Chief Executive
Ben Wittenberg	Director of Development and Delivery
Jay Kennedy	Director of Policy and Research
Annette Lewis	Director of Services
Yvonne Coleman	Director of Finance and IT

### **3.6 Auditors, Bankers and Solicitors**

#### **Auditors:**

TC Group  
3rd Floor Suffolk House  
George Street  
Croydon CR0 0YN

#### **Bankers:**

National Westminster Bank Plc	National Westminster Bank Plc
PO Box 224	6 Grange Road West
9 The Broadway	Charing Cross
Stanmore	Birkenhead
Middlesex HA7 4XW	Merseyside CH41 4DF

#### **Solicitors:**

Bates Wells & Braithwaite London LLP  
10 Queen Street Place  
London, EC4R 1BE

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**Trustees' Report**

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**3.7 The Regulatory Environment**

The regulatory environment within which DSC operates is considered to be the following:

**Finance and Accounting**

- The Companies Act 2006
- The Charities Act 2011
- Charities SORP,
- United Kingdom Accounting Standards
- Financial Reporting Standard FRS 102
- UK Generally Accepted Accounting Practice (UK GAAP)
- VAT partial exemption regulations

**Human Resources**

- Employment Law
- Health and Safety Regulations
- Pensions Regulator Requirements
- The Equalities Act

**Operational Matters**

- Data Protection Legislation
- Health and Safety Regulations
- The Equalities Act
- Legal Deposit Libraries Act 2003
- Copyright Designs and patents Act 1988

**Maintaining awareness of legislative and regulatory changes**

The charitable company's Solicitors provide regular e-newsletters, updates and provide webinars on topical subjects.

DSC also receives updates from firms of accountants and solicitors with whom it has professional relationships.

A number of members of staff have professional qualifications whose professional institutes provide updates and information to their members. These organisations include The Chartered Institute of Personnel and Development, The Chartered Association of Certified Accountants.

Being a training organisation many of the trainers bring their professional expertise to bear and enable courses, training session and webinars to be put on by DSC and from which the organisation itself benefits.

## **Trustees' Report**

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### **4. Structure, Governance and Management**

#### **4.1 Governing Document and Constitution**

The Directory of Social Change is registered as a company limited by guarantee (without share capital) and as a charity. Its governing instrument is its Memorandum and Articles of Association last revised on 15th December 2004. All the Members of the Charitable Company are Trustees and undertake to contribute to its assets in the event of it being wound up while s/he is a member, such amount as may be required not exceeding £1. All the Trustees are also Directors of the Charitable Company for the purposes of the Companies Act.

#### **4.2 Charity Governance Code**

The Board of Trustees oversees the charity's governance policies and procedures. All work undertaken is in line with the Charity Governance Code which although not a legal or regulatory requirement, it sets the principles and recommended practice for good governance. The charity recognises that good governance is fundamental to its success and strives to develop high standards of governance.

#### **4.3 Trustees Appointment, recruitment, training and induction**

All Trustees are unremunerated and are voluntary. Trustees are appointed by resolution of the Trustees. At each Annual General Meeting one-third of the Trustees are subject to retirement by rotation but may offer themselves for re-election. No person other than a Trustee retiring by rotation may be appointed or re-appointed a Trustee at any general meeting of Trustees unless he or she is recommended by the Trustees.

Training of Trustees is given on new legislative issues affecting charity trustees and directors as needed. As a training organisation Trustees also have the right to attend any of DSC's courses as part of their duties to ensure that products being offered are within the objects of the organisation and of appropriate quality.

There is a specified Trustee Recruitment Policy and Procedure which outlines clearly our approach to recruiting trustees and has been amended to ensure it reflects diversity and inclusion.

There is a defined procedure for the induction of Trustees, which includes the provision of a detailed information pack upon each appointment which covers introduction to fellow Trustees, the leadership team and staff with organisation chart; Memorandum and Articles of Association; the history of the organisation, its objectives and policies, its work and products; recent Trustees minutes of meetings; the latest audited Trustees Report and Financial Statements; information on the role and responsibilities of a Trustee, access to training where required and a buddy system where existing trustees mentor new ones.

### **Governance Review**

In December 2024 we carried out our third full governance review using DSC's own Governance App, the tool available to any charity that wants to carry out a free and comprehensive review of their governance against key elements of the Charity Governance Code.

## Trustees' Report

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Overall governance scores have improved yet again, largely as a result of actions put in place following the 2023 review, and the continued work on our EEDI strategy that was put in place following the 2021 review:

<b>Section average scores</b>	<b>2024</b>	<b>2023</b>	<b>2021</b>
Organisational purpose	8.8	8.7	8.4
Integrity	9.1	9	8.8
Leadership	8.6	9	8.5
Board effectiveness	8.8	8	8.5
Equality, diversity and inclusion	8.0	7.7	7.5
Openness and accountability	8.2	7.7	7
Decision-making, risk and control	8.7	8.6	8.2
<b>Average</b>	<b>8.6</b>	<b>8.4</b>	<b>8.1</b>

### 4.4 Organisation Structure and decision making

A voluntary Board of Trustees is responsible for the overall management and direction of the Charitable Company. The Board meets four times a year and at any other time as circumstances dictate.

The Board also has a number of working groups that consist of trustees and staff which focus on particular areas of interest. These working groups act as advisors and sounding boards for the charity's work. Some of the working groups are set up to deal with specific issues as and when needed. Others are more long-standing. The current working groups are: Audit, Wellbeing, Equity, Equality, Diversity and Inclusion; Policy; and one that meets between the main board meetings for general update on progress. Financial matters are dealt with by the Board as a whole.

A Senior Leadership Team meets weekly and the trustees are kept updated every 6 weeks at the Generic Board Working Group and the main board meeting. The Executive Team also regularly communicates with the board electronically about issues as they arise. The day to day running of the charity is delegated to the senior leadership team.

### 4.5 Relationships with other charities, organisations and individuals

We work with a very wide range of organisations. We are very grateful to all the members of the Civil Society Group who we worked alongside during the year.

We would also like to thank the following partners and sponsors for their support during 2024:

- Anglia Ruskin University
  - Barrow Cadbury Trust
  - BBC Children in Need
  - Benefact Group
  - Charity Commission for England and Wales
  - City Bridge Foundation
  - Civil Society Media
  - Cobseo, the Confederation of Service Charities
  - Esmee Fairbairn Foundation
  - Forces in Mind Trust (FiMT)
  - Lloyds Bank Foundation for England and Wales
  - Natwest Bank plc
  - Nottingham Trent University
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## **Trustees' Report**

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- Pears Foundation
- Seafarers' Charity
- Shyrose Jessa/Murtaza Jessa/The Jessa family
- Samworth Foundation
- Sayer Vincent
- The National Lottery Community Fund
- The People's Health Trust
- The Tudor Trust
- The Clothworkers' Foundation
- Third Sector
- University of Kent
- Zurich Community Trust

### **4.6 Risk**

We monitor risk on an ongoing basis and we examine three areas:

1. Specific risks which are current – e.g. daily cash flow
2. General risks that we're managing all the time – e.g. decline in revenue streams, IT failures
3. Unpredictable, large risks – e.g. pandemics, collapse of the economy.

The Executive look at risk as part of normal monthly reporting. Trustees are updated every six weeks or as an when a risk occurs.

#### **Current areas of specific risk:**

- Charity closures due to rising inflation and the energy crisis impacting revenue streams
- DSC's customer base being vulnerable to fluctuating funding patterns
- Cyber Security, IT Systems outage or collapse
- Suppliers' insolvency
- Cashflow – ensuring that cash in balances cash out

#### **Actions taken to mitigate these risks are:**

- Live financial and operational information is reviewed weekly by the Executive Team
- Audit Board Working Group in place to review the yearly accounts and risk profile during the audit which reports to the full Board
- Plans in place to quickly respond to the short-term nature of order and bookings patterns
- Further development of on-line offerings
- Offsite hosting of websites in multiple data centres, so if one server goes down another is brought online; all critical data is backed-up offsite.
- A Disaster Recovery Plan has been prepared
- Back-up plans are in place

#### **General risks:**

These might include matters such as failure or poor performance of a specific product; damage to reputation from a specific instance of poor delivery or customer service, or a failed partnership that damages reputation or ability to deliver other services.

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## **Trustees' Report**

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### **Actions taken to mitigate these risks are:**

Risk management has been integrated into our monthly management reporting, with a clear assessment and escalation process. Managers are accountable for identifying and communicating risks in their own areas of the business. Following the monthly management reports, discussions about mitigating action with regard to any risk needing attention takes place either at the Leadership Team meeting, or with the relevant Senior Leader.

Specific Board Working Groups are set up to monitor high risk investments or projects eg, IT, as and when required.

### **Unpredictable, large risks:**

Risks that emerge or occur quickly are assessed and referred immediately (along with a planned response where appropriate) to the relevant member of the senior leadership team.

DSC adopts the Charity Finance Group approach to managing risk which is to identify current operational risks, emerging longer term risks and mitigating actions on a monthly basis as part of general management practices and trustees discuss this at quarterly board meetings.

Risks are reviewed by the Trustees from time to time to reflect the need to keep particular items under review, but also to respond to new or existing risks that are given public prominence concerning charities generally.

## **5. Finance Review**

In 2024 DSC generated 94.9% of its own funds (2023: 99.5%), the balance of 4.7% and 0.4% being provided by unrestricted grants and donations respectively. The self-generated income arises through the sales of our books, websites, training, research services and events.

Overall charitable income in 2024 was £1,904,958 compared to £1,448,243 from 2023, a change of 31.5% on 2023 (2023: 11% change on 2022). Income from publications, subscriptions and research has increased by 42.9% compared to a reduction of 18.4% in 2022. We continue to hold our online and face-to-face training programmes which have continued to be a success and have been reflected in the 2024 training and events income increasing by 12.7% from 2023. (2023: an increase of 4.7% on 2022).

Expenditure on unrestricted activities was £1,539,399 in 2024 compared to £1,444,951 in 2023, an increase of 6.5% (2023: 4.3% 6.2% increase compared to 2022), while expenditure on restricted activities increased by 27.4% to £102,000 from £140,592 in 2023. There were also reductions of 2.6% in governance and a reduction of 6% in staffing costs.

In 2024 we continued to adopt the policy of holding regular Board Working Group meetings to monitor the financial situation on a regular basis. This strategy has continued to pay off as decisions could be made rapidly as needed. In 2024 we continued to hold regular Audit Board Working Group meetings, this was initially set up in 2022 to provide oversight on controls, risk management and financial reporting in the year and this is reflected in the Governance costs of £66,548 in 2024 (2023: £68,291). The analysis is shown in Note 6 to the Accounts.

At the end of 2024 we had restricted reserves of £204,000. (2023: £nil).

There has been a 19.4% increase in current assets in 2024 compared to 35% decrease in 2023, and a 10.1% decrease in total liabilities (2023: 1.4% decrease). Overall, we had a 180.4% increase in net assets in 2024 (2023: 46.4% decrease).

## Trustees' Report

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### 5.1 DSC Earned Income

We continue to work closely with a wide range of individuals and organisations, while at the same time ensuring that we are not financially dependent on any single funder, purchaser or provider for our operational programme. We received donations of £6,875 in 2024 (2023: £7,072).

Our financial structure enables us to continue to be independent, flexible and free to comment without fear or favour. This is a core value for us.

### 5.2 Remuneration Policy

The overall policy on remuneration within DSC is as follows:

- Trustees are voluntary and not remunerated. Out-of-pocket expenses paid to trustees are shown as part of Note 6 to the Financial Statements.
- The Chief Executive's salary is determined in line with the pay policy for all DSC staff.

Each year the salary budget for the ensuing year is considered at a Trustees Board Meeting based on proposals put forward by the Senior Leadership Team. DSC has a clear and concise salary policy.

### 5.3 Reserves

DSC has adopted the recommendations of the Charity Finance Group contained in their report 'Beyond Reserves'. As such Trustees do not consider reserves in isolation, but as part of the overall resources of the charity which should be used for the short, medium and longer term success of the organisation to meet its charitable objectives.

DSC holds financial reserves to be applied to future activities under the following categories:

**Unrestricted funds** are available for use in the furtherance of the general objectives of the charity. They may include cash, funds raised or grants awarded for no specified project, and fixed assets.

**Unrestricted free funds** are those reserves readily accessible as cash. They are included in the Unrestricted funds total shown in the Accounts.

**Designated funds** represent those unrestricted funds that have been allocated by the board of trustees for specific purposes, but remain unrestricted funds.

**Restricted funds** - to be spent on specific purposes determined by the funder.

Currently when determining the reserves position for the forthcoming year the Board considers whether the resources available for use in the planned activities of the Charitable Company within the year are sufficient before determining what should be the appropriate level of reserves for that particular year. During the year under review Trustees agreed that the medium to long term goal is to increase the level of unrestricted free reserves, as funds allow.

The full Board considers the reserves position of the Charitable Company on a quarterly basis when reviewing the management accounts with an analysis of the results by activity and the forecast results for the coming quarters; together with a review of management of debtors, statistical management indicators and cash flow analysis and forecasts.

In any one year, we may earmark Unrestricted General Funds for a particular project or to use as Designated Funds. The reasons for the setting up of such funds, the policy for any transfers between funds, and allocation to or from designated funds, will be stated in the notes to the accounts.

Funds are designated to an amount equal to the sum represented by the net book value of Fixed Assets comprising leasehold improvements, furniture and fittings and computer equipment. Our Designated Funds are reviewed annually.

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## **Trustees' Report**

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Trustees continue to believe that the current policy of managing resources generally rather than just reserves in isolation is the right course to adopt in the current economic climate, however, this decision is continually reviewed including the ongoing level considered acceptable.

Total unrestricted reserves at the end of 2024 were £216,548 and restricted reserves were £204,000 the Trustees are working to increase these levels in 2025.

### **5.4 Investment Policy and Performance**

At the Balance Sheet date, the Charitable Company only held cash investments. The Bank of England base rate was 5.25% from the beginning of 2024 dropping to 4.75% by the end of December 2024. The continuing national policy of holding rates at such a low-level means that it is not viable to manage the movement of funds between current and investment accounts. All funds during 2024 were held on current account. Income generated in 2024 amounted to £144 (2023: £538).

### **5.5 Fundraising**

The Charitable Company has not made any fundraising appeals to the general public during the year and is unlikely to do so in the future. Fundraising focusses on securing grants and donations from registered charities and business links. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the Charitable Company is not registered with the Fundraising Regulator and received no fundraising complaints in the year.

### **5.6. Restricted Funds**

To the extent that Restricted Grants are liable to be returned to Grant Providers where they are unspent and it is not intended that they be spent, there was no grant due to be returned at 31 December 2024 (2023: £Nil).

## **6. Strategic Report - Plans for the Future**

During 2024 the Trustees revisited the organisational strategy and decided that the overall aim of increasing reach remained unchanged but that the charity would target its resources at helping the sector to improve its governance, fundraising, leadership, voice and how funders do their work.

## **7. Auditors**

The auditors, TC Group, have been appointed in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 7 May 2025 and signed on their behalf, by:



**William Butler**  
**Chair**



**Lesley Thornley**  
**Trustee and Chair of Audit Board Working Group**

**The Directory of Social Change**  
**Statement of Trustees' Responsibilities**

**For the year ended 31 December 2024**

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The Trustees (who are also directors of The Directory of Social Change for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2024

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### Opinion

We have audited the financial statements of The Directory of Social Change (the 'charitable company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2024, and of the 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 Companies Act 2006 and the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 annual report of the trustees, 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.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Report of the Trustees has been prepared in accordance with applicable legal requirements.
-

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2024

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 charitable company 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 auditor under the section 144 of the Charities Act 2011 and report in accordance with 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit, in respect to fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and its management.

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2024

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Our approach was as follows:

- We obtained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, through discussions with management and those charged with governance, and also from our detailed understanding of the sector. We identified the financial reporting framework including but not limited to (United Kingdom Generally Accepted Accounting Practice, The Charities Act 2011 and the Companies Act 2006), Data Protection Act 2018, Bribery Act 2010 being of significance in the context of The Directory of Social Change and its ongoing activities.
- We made enquiries with management and those charged with governance and also reviewed board meeting minutes to confirm our understanding that the charitable company continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charitable company to ensure ongoing compliance.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charitable company's policies and procedures on fraud risks through discussion with the charitable company's management.
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls, and improper revenue recognition. To address these risks we tested the appropriateness of journal entries posted, reviewed those judgements made in making accounting estimates, and tested the application of revenue recognition and the cut-off of revenue.
- We communicated those laws and regulations considered relevant to the charitable company, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
John Millidge (Senior Statutory Auditor)  
for and on behalf of TC Group, Statutory Auditors  
Suffolk House, George Street, Croydon, CR0 0YN

21 May 2025

The Directory of Social Change  
Statement of Financial Activities (incorporating the Income and Expenditure Account)

For the year ended 31 December 2024

	Note	Restricted Funds 2024 £	Unrestricted Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
<b>INCOME FROM</b>					
Donations and legacies	2	-	6,875	6,875	7,072
Charitable activities	3				
- Training and events		-	617,111	617,111	547,346
- Publications		306,000	981,847	1,287,847	900,897
Investments		-	144	144	538
<b>Total income</b>		<b>306,000</b>	<b>1,605,977</b>	<b>1,911,977</b>	<b>1,455,853</b>
<b>EXPENDITURE ON</b>					
Charitable activities	5				
- Training and events		-	480,736	480,736	538,730
- Publications		102,000	1,058,663	1,160,663	1,046,813
		<b>102,000</b>	<b>1,539,399</b>	<b>1,641,399</b>	<b>1,585,543</b>
<b>Net income / (expenditure)</b>		<b>204,000</b>	<b>66,578</b>	<b>270,578</b>	<b>(129,690)</b>
<b>Transfers between funds</b>		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>204,000</b>	<b>66,578</b>	<b>270,578</b>	<b>(129,690)</b>
Total funds at 1 January 2024		-	149,970	149,970	279,660
<b>Total funds at 31 December 2024</b>		<b>204,000</b>	<b>216,548</b>	<b>420,548</b>	<b>149,970</b>

All amounts are from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year. There is no other comprehensive income in the year, or in the previous year.

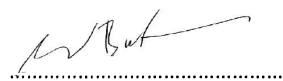
The notes on page 25 - 40 form part of these financial statements.

For the year ended 31 December 2024

	Note	2024		2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		3,794		6,326
Intangible assets	12		357,345		282,186
			<b>361,139</b>		<b>288,512</b>
<b>CURRENT ASSETS</b>					
Stock	13	327,721		430,200	
Debtors	14	279,252		81,705	
Cash at bank		40,868		30,574	
		<b>647,841</b>		<b>542,479</b>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	(568,704)		(632,856)	
<b>NET CURRENT ASSETS</b>			<b>79,137</b>		<b>(90,377)</b>
Creditors: amounts falling due after more than one year	15		(19,728)		(48,165)
<b>NET ASSETS</b>			<b>420,548</b>		<b>149,970</b>
<b>CHARITABLE COMPANY FUNDS</b>					
Restricted funds			204,000		-
Unrestricted - designated funds	17		3,794		6,326
Unrestricted - general funds	17		212,754		143,644
			<b>420,548</b>		<b>149,970</b>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Trustees on 7 May 2025 and were signed below on their behalf by:



**William Butler**  
Chair



**Lesley Thornley**  
Trustee and Chair of Audit Board Working Group

The notes on page 25 - 40 form part of these financial statements.

The Directory of Social Change  
Statement of Cash Flows

For the year ended 31 December 2024

	2024	2023
	£	£
<b>Cash flows from operating activities</b>		
Net deficit for the year	270,578	(129,690)
Amortisation of intangible assets	65,371	47,177
Depreciation of tangible assets	3,660	4,548
Interest receivable and similar income	(144)	(538)
Decrease / (increase) in stock	102,479	147,110
Decrease in debtors	(197,547)	175,144
Decrease / (increase) in creditors	(60,589)	22,519
<b>Net cash generated from / (used in) operating activities</b>	<b>183,808</b>	<b>266,270</b>
<b>Cash flows from investing activities</b>		
Interest income	144	538
Purchase of tangible assets	(1,128)	-
Purchase of intangible assets	(140,530)	(211,064)
<b>Net cash used in investing activities</b>	<b>(141,514)</b>	<b>(210,526)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(32,000)	(32,000)
<b>Net cash used in financing activities</b>	<b>(32,000)</b>	<b>(32,000)</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>10,294</b>	<b>23,744</b>
Cash and cash equivalents at the beginning of the year	30,574	6,830
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>40,868</b>	<b>30,574</b>

**Analysis of net debt 2024**

	At 1 Jan 2024 £	Cash Flows £	At 31 Dec 2024 £
Cash at bank and in hand	30,574	10,294	40,868
Bank loan	(80,000)	32,000	(48,000)
	<b>(49,426)</b>	<b>42,294</b>	<b>(7,132)</b>

## **1. ACCOUNTING POLICIES**

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

### **Statement of compliance**

The financial statements have been prepared in accordance with current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (second edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland the Companies Act 2006.

The Directory of Social Change meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### **Company Status**

The Directory of Social Change is registered in England and Wales as a company limited by guarantee (without share capital) no. 02320712 and a charity no. 800517. Its governing instrument is its memorandum and articles of association. The members of the charitable company are the trustees named on page 10. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The Charity's registered office is First Floor, 10 Queen Street Place, London, EC4A 1BE.

### **Preparation of accounts on a going concern basis**

The Trustees have reviewed the financial performance and position of the charity for the year ended 31 December 2024, and have considered the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. While the year presented significant challenges in funding, economic uncertainty and sector-wide pressures, the charity remained resilient and adaptable throughout.

Despite these difficulties in the year, the charity has ended the year with a financial surplus. The Funders Project which was initiated in 2023 continues to perform well supported by the ongoing contracts throughout 2024. Notably, the charity's financial year end typically marks a period of lower activity, making the surplus and cash balance achieved at the end of the year a particularly positive outcome. This performance reflects prudent financial management, strong governance, ongoing support from the sector, and the commitment and dedication of staff in delivering services effectively under changing conditions.

As is the charity's practice, forecasts, and month end reports against budget, prepared by the Executive Team are reviewed quarterly by the full Trustee Board. Between Board meetings, the Generic Board Working Group reviews the charity's performance at six-week intervals, this structured oversight enables trustees to regularly assess financial risks and take timely, informed decisions to mitigate them.

In reviewing these financial statements, the Board has also reviewed updated budget forecasts and cash flow projections for the upcoming year including scenario planning that account for potential fluctuations in income and rising operational costs. The Trustees are confident in the charity's current financial position, and its ability to continue operating as a going concern.

Looking forward, the charity remains committed to its core mission and has developed a robust strategic plan that addresses potential economic uncertainties while the Executive Team continues to explore opportunities for operational efficiency and potential new funding sources.

Based on these considerations, the Trustees consider that there are no material uncertainties regarding the charity's ability to continue as a going concern. The Trustees therefore consider it appropriate for the financial statements to be prepared on a going concern basis. The Trustees will continue to monitor financial performance closely and adapt strategies as necessary to sustain operations and deliver impact in line with its charitable objectives.

**For the year ended 31 December 2024**

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### **Significant judgements and sources of examination uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Depreciation and amortisation rates used;
- The overhead rate used when calculating a value for work in progress; and
- A discount rate of 4.90% (previously 5.31%) has been used to calculate the present value of pension provision.

### **Income**

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

#### Donations and legacies

Donations and gifts are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably. Gift Aid received or receivable in respect of donations is included where applicable.

#### Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

#### Grants

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

#### Income from charitable activities

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

#### Subscription income

Subscription income is recognised on a straight line basis over the subscription term. This results in deferred income within creditors (refer Note 16).

#### Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

**For the year ended 31 December 2024**

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### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities comprises of expenditure associated with training and events, publications and dissemination of information.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead support costs and are apportioned based on turnover as follows:

- Training and events: 32% (2023 - 38%)
- Publications and dissemination: 68% (2023 - 62%)

### **Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

### **Operating leases**

Rental charges are charged on a straight-line basis over the life of the lease.

### **Intangible Fixed Assets**

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible fixed assets are amortised over the following useful economic lives:

Software development costs	8 years
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**For the year ended 31 December 2024**

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### **Tangible fixed assets**

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Leasehold improvements	41 months, straight line (the life of the lease)
Furniture, fittings and equipment	5 years straight line
Computer equipment	4 years straight line

### **Financial instruments**

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

#### Creditors and provisions

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

#### Debtors

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

#### Cash at bank and in hand

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

### **Stock**

Stocks are valued at the lower of cost and net realisable value.

#### Publications

Book stocks and work in progress on forthcoming books are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes, in the case of books and publications produced by the charitable company, production costs and applicable overheads as reduced by the amount of any grant receivable; in the case of books bought in from other publishers, purchase cost only is included. A provision has been made for slow-moving items on the basis of expected future sales.

#### Subscription websites

The work in progress relates to the subscription websites for re-saleable items. Cost includes staff costs and associated overheads, which are amortised over the annual life of the subscriptions. This is continued on a rolling basis as the subscription websites are continually updated.

**The Directory of Social Change  
Notes to the Financial Statements**

**For the year ended 31 December 2024**

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Electronic work-in-progress

The Work-in-Progress relates to work on the Funding Online website, live streaming work, and work for on-line learning. Cost includes staff costs, associated overheads and third-party supplier costs as incurred for these developments. Once live these will be amortised over 8 years.

**Funds**

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

**Employee benefits**

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme

The Directory of Social Change operates a defined benefit pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of The Directory of Social Change in an independently administered fund.

The pensions costs charged in the financial statements represent the contributions payable during the year. There was also a defined benefit pension scheme which was closed to new contributions on 30 September 2013. Further information is provided in note 10.

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2024

2. DONATIONS AND LEGACIES	Total Funds 2024 £	Total Funds 2023 £
Donations	6,875	7,072
3. INCOME FROM CHARITABLE ACTIVITIES	Total Funds 2024 £	Total Funds 2023 £
Training and events	617,111	547,346
Publications and dissemination of information	1,287,847	900,897
	<u>1,904,958</u>	<u>1,448,243</u>

Income from publications and dissemination of information includes restricted grant income of £306,000 (2023: £Nil) relating to providing support to small London based charities over the next three years. Further details are provided in note 17.

4. OTHER INCOME

There was no other income in the year or in the prior year.

5a ANALYSIS OF EXPENDITURE	Staff Costs £	Amortisation & Depreciation £	Other Costs £	Support Costs £	Total Costs £
Training and events	333,604	22,090	58,548	66,494	480,736
Publications and dissemination of information	708,910	46,940	263,512	141,301	1,160,663
	<u>1,042,514</u>	<u>69,030</u>	<u>322,060</u>	<u>207,795</u>	<u>1,641,399</u>

The staff costs for each expenditure type shown above comprise the staff costs from each charitable activity, together with the staff costs allocated to activities as part of governance costs and support costs as detailed in Notes 6 and 7 respectively.

For the year ended 31 December 2024

**5b COMPARATIVE ANALYSIS OF EXPENDITURE (2023)**

	<b>Staff Costs £</b>	<b>Amortisation &amp; Depreciation £</b>	<b>Other Costs £</b>	<b>Support Costs £</b>	<b>Total Costs £</b>
Training and events	390,124	19,656	54,901	74,049	538,730
Publications and dissemination of information	636,518	32,069	257,409	120,817	1,046,813
	<u>1,026,642</u>	<u>51,725</u>	<u>312,310</u>	<u>194,866</u>	<u>1,585,543</u>

**6. GOVERNANCE**

	<b>Total Funds 2024 £</b>	<b>Total Funds 2023 £</b>
Staff costs	44,855	47,741
Other costs	3,843	1,850
Audit and accountancy	17,850	18,700
	<u>66,548</u>	<u>68,291</u>

During the year, no Trustees received any remuneration (2023: £Nil) or any benefits in kind (2023: £Nil).

During the year 2 Trustees were reimbursed £148 for out-of-pocket expenses for travel and subsistence (2023: 2 Trustees were reimbursed £151).

**7a SUPPORT COSTS ALLOCATED TO ACTIVITIES**

	<b>Staff Costs £</b>	<b>Office Costs £</b>	<b>Premises Costs £</b>	<b>Governance Costs £</b>	<b>Total Costs £</b>
Training and events	17,558	24,455	3,186	21,295	66,494
Publications and dissemination of information	37,311	51,968	6,769	45,253	141,301
	<u>54,869</u>	<u>76,423</u>	<u>9,955</u>	<u>66,548</u>	<u>207,795</u>

Support costs are the costs of central management. These costs are apportioned to activities based on total and direct costs.

For the year ended 31 December 2024

**7b COMPARATIVE SUPPORT COSTS ALLOCATED TO ACTIVITIES (2023)**

	Staff Costs £	Office Costs £	Premises Costs £	Governance Costs £	Total Costs £
Training and events	20,533	18,747	8,818	25,951	74,049
Publications and dissemination of information	33,501	30,588	14,388	42,340	120,817
	<u>54,034</u>	<u>49,335</u>	<u>23,206</u>	<u>68,291</u>	<u>194,866</u>

**8. NET INCOME FOR THE YEAR**

	2024 £	2023 £
This is stated after charging:		
- Depreciation of tangible fixed assets	3,660	4,548
- Amortisation of intangible fixed assets	65,371	47,177
- Auditors' remuneration for audit services	15,350	16,200
- Auditors' remuneration for non-audit services	2,500	2,500
	<u>87,881</u>	<u>70,565</u>

**9. STAFF COSTS AND NUMBERS**

	2024 £	2023 £
Wages and salaries	1,019,560	1,004,335
Social security costs	98,509	100,391
Pension costs	24,169	23,691
	<u>1,142,238</u>	<u>1,128,417</u>

An amount of £169,858 (2023: £182,819) of the above was allocated to work in progress at the year end.

There were no redundancy payments made in the year (2023: none). There were no payments made in the year for agreed early termination notice period (2023: none).

The average number of employees during the year were as follows:

	No.	No.
Training	8	10
Publications	13	13
Accounting and administrative support	8	8
	<u>29</u>	<u>31</u>
Full time equivalent	<u>27</u>	<u>29</u>

1 employee received remuneration of between £90,000 - £100,000 (2023: 1 employee between £90,000 - £100,000). The employer pension contributions for this employee were £1,321 (2023: £1,321).

The total employee remuneration of the key management personnel of the Charitable Company was £363,198 (2023: £352,483).

For the year ended 31 December 2024

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## 10. PENSION COMMITMENTS

The company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

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From 1 April 2025 to 31 January 2028:	£2,100,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

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From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

For the year ended 31 December 2024

10. PENSION COMMITMENTS (continued)

Present values of provision

	2024 £	2023 £	2022 £
Present value of provision	5,360	3,118	5,864

Reconciliation of opening and closing provisions

	2024 £	2023 £
Provision at start of period	3,118	5,864
Unwinding of the discount factor (interest expense)	88	212
Deficit contribution paid	(2,953)	(2,953)
Remeasurements - impact of any change in assumptions	33	(5)
Remeasurements - amendments to the contribution schedule	5,074	-
Provision at end of period	5,360	3,118

11. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Computer Equipment £	Total £
<b>COST</b>			
At 1 January 2024	2,243	24,279	26,522
Additions	-	1,128	1,128
Disposals	-	-	-
At 31 December 2024	2,243	25,407	27,650
<b>DEPRECIATION</b>			
At 1 January 2024	2,243	17,953	20,196
Charge for the year	-	3,660	3,660
Disposals	-	-	-
At 31 December 2024	2,243	21,613	23,856
<b>NET BOOK VALUE</b>			
At 31 December 2024	-	3,794	3,794
At 31 December 2023	-	6,326	6,326

For the year ended 31 December 2024

12. INTANGIBLE FIXED ASSETS

	<b>Total £</b>
<b>COST</b>	
At 1 January 2024	889,476
Additions	140,530
Disposals	(125,862)
	<hr/>
At 31 December 2024	904,144
	<hr/>
<b>DEPRECIATION</b>	
At 1 January 2024	607,290
Charge for the year	65,371
Eliminated on disposal	(125,862)
	<hr/>
At 31 December 2024	546,799
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2024	357,345
	<hr/> <hr/>
At 31 December 2023	282,186
	<hr/> <hr/>

Material intangible assets include the following:

	Carrying value as at 31 December 2024 (£)	Remaining amortisation period
	<hr/>	<hr/>
Funding website	35,085	5 years
Online Learning Platform	43,997	6 years
Governance App	159,942	8 years
Internally generated integrations	118,321	8 years
	<hr/>	
	357,345	
	<hr/> <hr/>	

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2024

<b>13. STOCKS AND WORK IN PROGRESS</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
<b>Publications</b>		
Work in progress	174,916	172,162
Finished books	119,260	99,061
<b>Subscription websites</b>		
Work in progress	33,545	22,979
<b>Electronic</b>		
Work in progress	-	135,998
	<u>327,721</u>	<u>430,200</u>

<b>14. DEBTORS</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade debtors	37,669	37,741
Other debtors	2,455	2,608
Prepayments and accrued income	239,128	41,356
	<u>279,252</u>	<u>81,705</u>

Within other debtors is an amount of £102,000 (2023: £nil) which is due after more than one year.

<b>15. CREDITORS: amounts falling due within one year</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Trade creditors	86,040	86,054
Other taxation and social security	104,950	147,205
Other creditors	8,115	19,139
Accruals	20,883	14,173
Deferred income (see note 16)	315,084	331,332
Pension provision	1,632	2,953
Bank loan	32,000	32,000
	<u>568,704</u>	<u>632,856</u>

**CREDITORS: amounts falling due after more than one year**

Bank loan	16,000	48,000
Pension provision	3,728	165
	<u>19,728</u>	<u>48,165</u>

Bank loans are repayable in instalments over the full term of 6 years, of which 3 years are remaining. Interest is payable at 1.90% over base rate.

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2024

16. DEFERRED INCOME

	2024 £	2023 £
Balance at the start of the year	331,332	320,363
Less: Amounts released to income	(331,332)	(320,363)
Add: Amounts deferred in the year		
- Subscriptions	268,286	291,062
- Training income	46,798	40,270
	315,084	331,332
	315,084	331,332

17. STATEMENT OF FUNDS 2024

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	6,326	-	-	(2,532)	3,794
General funds	143,644	1,605,977	(1,539,399)	2,532	212,754
	149,970	1,605,977	(1,539,399)	-	216,548
Restricted funds	-	306,000	(102,000)	-	204,000
Total funds	149,970	1,911,977	(1,641,399)	-	420,548
	149,970	1,911,977	(1,641,399)	-	420,548

STATEMENT OF FUNDS 2023

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	10,874	-	-	(4,548)	6,326
General funds	120,293	1,455,853	(1,444,951)	12,449	143,644
	131,167	1,455,853	(1,444,951)	7,901	149,970
Restricted funds	148,493	-	(140,592)	(7,901)	-
Total funds	279,660	1,455,853	(1,585,543)	-	149,970
	279,660	1,455,853	(1,585,543)	-	149,970

**Designated funds**

The fixed asset fund reflects the net book value of tangible fixed assets tied up in unrestricted funds at the year end. During the year £2,532 (2023: £4,548) was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

For the year ended 31 December 2024

## 17. STATEMENT OF FUNDS 2023 (continued)

### Restricted funds

Restricted funds represent grants received to enable specific areas of charitable activities to be undertaken.

The restricted funds held at the year end of £204,000 (2023: £nil) related to City Bridge Foundation funding of £204,000 (2023: £nil). Grant funding of £306,000 was received in 2024 to deliver free event places, publications and Funds Online subscriptions to over 1,000 small London-based charities over three years.

During 2023, expenditure of £140,592 was incurred in relation to FIMT funding, which was granted in 2021 to cover the continued operation of the Armed Forces Charities Website ([www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)) for 2021 - 2023. There was a nil balance held at the end of 2023.

During 2022, a grant was received from the National Lottery Community Fund towards the development of the governance app, for an amount of £107,446. Of this, £nil (2023: £7,901) was spent. A transfer was undertaken in 2023 to move this value to unrestricted funds as at the year end, as a reflection that the asset itself is held for general purpose rather than restricted purpose.

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2024

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	-	3,794	3,794
Intangible fixed assets	-	357,345	357,345
Stock	-	327,721	327,721
Debtors	204,000	75,252	279,252
Cash at bank	-	40,868	40,868
Creditors: amounts falling due within one year	-	(568,704)	(568,704)
Creditors: amounts falling due after more than one year	-	(19,728)	(19,728)
Amounts spent in advance of monies received on restricted funds	-	-	-
	204,000	216,548	420,548

## ANALYSIS OF NET ASSETS BETWEEN FUNDS 2023

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	-	6,326	6,326
Intangible fixed assets	-	282,186	282,186
Stock	-	430,200	430,200
Debtors	-	81,705	81,705
Cash at bank	-	30,574	30,574
Creditors: amounts falling due within one year	-	(632,856)	(632,856)
Creditors: amounts falling due after more than one year	-	(48,165)	(48,165)
Amounts spent in advance of monies received on restricted funds	-	-	-
	-	149,970	149,970

## **19. TAXATION**

As a registered charity, no tax arises on trading surpluses (since all the trading is carried out in pursuit of the charitable company's primary purposes), voluntary income or interest. The charity is exempt from corporation tax.

## **20. RELATED PARTY TRANSACTIONS**

Lizzie Kenyon, a Trustee of the Charitable Company, is also CEO of The Bike Project, which organisation purchased a training session.

Garry Jones, a Trustee of the Charitable Company, is also Chief Executive of Support Staffordshire, which organisation purchased a training course.

Emily Hughes, a Trustee of the Charitable Company, has a close family member who is a Director of Detention Action, whose organisation purchased a book for £110 (2023: £20).

Other than as stated above there were no transactions between the Charitable Company in the year and any entity with which any of the Trustees was connected.

In 2023 the following activity took place with no equivalent in 2024.

Emily Hughes, who is also Head of Volunteer Experience Girlguiding, whose organisation sent a delegate to attend a training course at £209, and purchased books totalling £38; a close family member, who is a Director of Detention Action, whose organisation sent delegates to attend training courses at £1,112 and purchased an in-house course at £875.

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2024

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2023)	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £
<b>INCOME FROM</b>			
Donations and legacies	-	7,072	7,072
Charitable activities			
- Training and events	-	547,346	547,346
- Publications	-	900,897	900,897
Other income	-	-	-
Investments	-	538	538
<b>Total income</b>	<b>-</b>	<b>1,455,853</b>	<b>1,455,853</b>
<b>EXPENDITURE ON</b>			
Charitable activities			
- Training and events	-	538,730	538,730
- Publications	140,592	906,221	1,046,813
	<b>140,592</b>	<b>1,444,951</b>	<b>1,585,543</b>
<b>Net expenditure</b>	<b>(140,592)</b>	<b>10,902</b>	<b>(129,690)</b>
<b>Transfers between funds</b>	<b>(99,545)</b>	<b>99,545</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>(240,137)</b>	<b>110,447</b>	<b>(129,690)</b>

**THE DIRECTORY OF SOCIAL CHANGE**

England & Wales - Charity number 800517

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# Accounts

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Company Number: 02320712 (England & Wales)  
Charity Number: 800517

## The Directory of Social Change

Trustees' Report and Financial Statements  
For the year ended 31 December 2023

**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2023**

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**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2023**

**Message from the Chair**

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The challenges faced by the sector in 2022 continued unabated into 2023, with a ramping up of the culture wars, Local Authorities struggling to manage their finances and trusts and foundations facing unprecedented numbers of applications for funds. The year also saw more charity closures, downsizing of services and a huge increase in need from beneficiaries across the sector, all of which continue to reinforce the critical role that charities play in society.

While this all had a considerable impact on our revenue, and despite the additional cost to us, we continued to help the sector navigate its challenges through the provision of more free-to-end user services, such as webinars and advice. So although it was a tough year financially, to the best of our ability we sustained our mission to serve and support the sector.

However, notwithstanding the continued challenge of funding our work, we kept our eye on the future and the board agreed a new set of strategic priorities to further develop our reach, which we outline in this report.

We were also extremely pleased that our annual governance review demonstrated our improved performance, both as a board and a charity in all seven governance code areas. In addition, we were able to extend our conference offering, with new topics around governance, leadership and influencing policy and politicians, all of which were very well received.

Our books proved to be even more popular than ever, with a further eight new or revised print titles, and we were particularly pleased with the performance of our revised Charity Policies and Procedures publication, which provide templates of standard policies for charities to save them having to draft their own from scratch.

Towards the end of the year, we launched a project to enable funders to support their grantees with access to information and training in all areas, especially fundraising and governance. This got off to a very promising start and we expect to see it expand throughout 2024.

Our research team delivered five key research projects covering topics such as: changes in Local Authority Funding to the sector, the extent to which the needs of people affected by HIV in London have changed following the onset of the COVID-19 pandemic; what the available evidence tells us about small grants and small grants programmes; the funding landscape and grant-making support by charities for Armed Forces children and young people; and the annual COBSEO Members' survey (the membership body for Armed Forces Charities) in addition to our continued partnership with Forces in Mind Trust (FiMT), which funds our research on Armed Forces Charities.

DSC is proud to continue to be a key part of the Civil Society Group, which is a loose collaboration of around 80 infrastructure bodies who work together to influence the sector and government policies. In addition to which our own policy work continued, with key contributions to the Social Media Guidance published by the Charity Commission for England and Wales and briefings on the new draft Code of Conduct for non-party campaigners. We also continued to be members of The Department of Culture, Media and Sport Cost of Living Advisory Board.

A particular shout out to the Jessa Family who continue to support us with their invaluable donations, and to our key partners in the year, including but not restricted to, The Forces In Mind Trust, Armed Forces Covenant Fund Trust, Benefact Group (previously Ecclesiastical), Lloyds Bank Foundation for England and Wales, the National Lottery Community Fund, Sayer Vincent and the Samworth Foundation.



**William Butler**  
Chair  
The Directory of Social Change

## **Trustees' Report**

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### **Trustees' Report**

Welcome to the Trustees' Annual Report and Audited Financial Statements for the year ended 31 December 2023.

#### **1. Achievements and Activities during 2023**

DSC's vision is 'An independent voluntary sector at the heart of social change'. In 2023 we continued to work towards our Strategic Objectives which underpin this vision:

- Equip voluntary sector organisations with high quality services and products that support them.
- Promote the value of a vibrant and diverse independent voluntary sector.
- Connect givers, influencers and social change makers.
- An independent DSC, financially robust in self-generated revenue.

DSC's strategic priorities as agreed in 2016 remain with an over-arching aim to increase our overall reach by:

- **Regional:** by increasing our range of services accessible throughout the UK
- **Expertise:** through growing expertise and reaching more beneficiaries with specific and expert help.
- **Digital:** through online learning and provision of other information and support.

The activities delivered, which are outlined in the following sections, all contributed to DSC reaching over 35,000 beneficiaries in 2023.

During the year, following a full strategy review, the Board of Trustees set a new group of Strategic Priorities for 2024 and beyond. They are better:

- Governance
- Leadership
- Fundraising
- Funding
- Speaking Out

These priorities shaped some key activities towards the end of the year, and were key to the planning carried out for 2024.

#### **1.1 Regional**

DSC undertook a range of activities in 2023 that were specifically aimed at supporting the widest number of charities across England and Wales, irrespective of their geographical location.

##### **1.1.1 In house training**

During the year we supported organisations including Bengali Workers Association; Berkshire Multiple Sclerosis Therapy Centre Ltd; Local Trust; Northfield Community Partnership; PEN International; Scripture Union; The Royal Society of Wildlife Trusts; WMCA and Zurich Community Trust.

Popular topics for in-house training delivery continued to be, governance and board development, finance, management development programmes, leadership, personal development and fundraising.

## **Trustees' Report**

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In 2023 we continued our work with Benefact Group, organising six webinars. The webinar was free to attend for Benefact customers and other small charities and covered the topics of, fundraising, volunteering, writing applications, challenge events, and impact measurements. The webinars are recorded and available to watch after the webinar has taken place.

### **1.1.2 Free content**

DSC continues to publish a large amount of free content from voluntary sector experts including DSC staff, trainers and authors. We published 125 free content articles in 2023.

This typically takes the form of 'how to' guides, best practice, top tips, interesting research findings, and topical debate features in written, audio or video format that is distributed across DSC's (and external media's) extensive social media and other electronic channels.

We continued to send daily email bulletins (covering policy, news, free top tips and our products and services) to our all of our beneficiaries in 2023, as well as adding consistent conference follow-up emails and occasional marketing to Governance App users, resulting in 52,563 individuals clicking links in those emails.

@DSC\_Charity Twitter followers stood at just under 19,800 followers at the end of the year.

In 2023 we did 6 episodes of *Charity Questions Podcast* which received 855 listens (142 listens on average per episode).

## **1.2 Expertise**

In 2023 DSC undertook a range of activities designed to connect either our own expertise or that of others in the sector, with the charities that most need it.

### **1.2.1 Public Training Courses**

Throughout 2023 we continued to deliver courses live online using a virtual platform, 215 courses were delivered and with over 1400 delegates attending. We are really pleased that we have been able to continue to support charities, and those that work within them, with our training.

We continued to deliver our free to attend DSC virtual online talks, DSC Sector Insights, which are one-hour sessions covering topical and current charity sector challenges. Speakers either from within DSC or invited guests shared their expertise or experience on a particular topic, with participants having the chance to ask questions and engage in conversations.

During 2023 we delivered three talks that covered subjects such as philanthropy, grant reports and community funding. All the talks were free to attend and were attended by over 300 participants.

### **1.2.2 Conferences**

In 2023 DSC organised eight conferences which were all run live online, six of the conferences were one-day events and two were two days. Conferences run were, Going Green; Fundraising Now 2023; The Ultimate Guide to Marketing Your Charity; From Here to Diversity; Good Governance Matters; Engage: Influencing Policy and Politicians; It's Tough at the Top: Good Leadership Matters, and The Charity Accountants' Online Conference 2023.

In total over 600 people attended the conferences throughout the year, the most well attended conference being The Charity Accountants Conference which is delivered in partnership with our long-time partners Sayer Vincent. Which was attended by a total of 146 people.

We worked with many people throughout the year to deliver the programme of conferences, which include DSC internal training associates and many guest speakers.

## **Trustees' Report**

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Some of the guest speakers included:

- ACEVO
- Carla Whalen, Russell-Cooke
- Catherine Johnstone, Royal Voluntary Service
- CFG
- Charity Commission
- Danyele Higgins, National Trust
- Dr Sanjiv Lingayah, Reframing Race
- DSC External Training Associates
- Edward Garrett, CAF
- Enver Solomon, Refugee Council
- Fozia Irfan, Children in Need
- Grace Da Costa, Quakers in Britain
- Harriet Lamb CBE, Ashden
- Henry Swithinbank, Surfers Against Sewage (SAS)
- Joe Barrell, Eden Stanley
- Jonathan Bird, Delivered Social
- Kate Bratt-Farrar, Heart Research UK
- Kate Lee, Alzheimer's Society
- Kathy Evans, Children England
- Kunle Olulode MBE, Voice for Change England
- Louise Parkes, GOSH
- Lucy Rhodes, Bates Wells
- Malcolm John, Action for Trustee Racial Diversity UK
- NCVO
- Ndidi Okezie, UK Youth
- Nicole Sykes, Pro Bono Economics
- Nilesh Pandya, Cripplegate Foundation and Islington Giving
- Penny Wilson, Getting on Board
- Radojka Miljevic, Campbell Tickell
- Rosemary Forest, Bond
- Sayer Vincent
- Wanda Wyporska, Black Equity Organisation

### **1.2.3 Publishing**

In 2023 nearly 8,000 copies of titles on the DSC website were sold and distributed to our customers in the UK and beyond in both print and digital formats. It was a year of variety for Publishing with new editions released of established DSC funding guides, core guidance texts and one publication representing a brand-new subject area for us.

*The Guide to UK Company Giving 2023/24* and *The Guide to New Trusts 2023/24* were published in the spring and our flagship publication, *The Directory of Grant Making Trusts 2024/25* in September – all three were in high demand. In February 2023 we also released a new 2<sup>nd</sup> edition of our *Charity Policies and Procedures Templates*. Instantly popular when published during the COVID-19 pandemic in 2020, for the new edition we added a further 21 new templates to create a complement of 55 oven-ready templates for charities to apply or adapt for their own organisations. Later in the autumn, in October, we brought out a new 6<sup>th</sup> edition of *The Charity Treasurer's Handbook*. Never out of print since it was first published back in 2002, the new edition was substantially revised by a new lead author, Elaine Alsop, with expert support from original author Dr Gareth G. Morgan.

An exciting addition to our publishing list in February 2023, *Advising Philanthropists*, focused on the emerging profession of philanthropic advice and attracted widespread interest not just in the UK but in the US and much of Europe. The new title was written by Emma Beeston and Beth Breeze and was inspired by their well-regarded course at the University of Kent.

## **Trustees' Report**

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The full list of new print titles from DSC in 2023 in order of publication was:

- *Advising Philanthropists*
- *Charity Policies and Procedures Templates (2<sup>nd</sup> edition)*
- *The Guide to UK Company Giving 2023/24 14<sup>th</sup> edition*
- *The Guide to New Trusts 2023/24 12<sup>th</sup> edition*
- *The Directory of Grant Making Trusts 2024/25*
- *The Charity Treasurer's Handbook (6<sup>th</sup> edition)*
- *Managing Your Inbox (Speed Read)*
- *Networking (Speed Read)*

### **1.2.4 Civil Society Group**

Since March 2020, DSC has been a major contributor of time and resources to an unprecedented collaboration between charity infrastructure organisations called the Civil Society Group ("CSG"). The CSG is supported by over 80 representative and membership bodies across the sector and its strategy has three themes:

- To use collective power to influence the governments in all parts of the UK and other key stakeholders.
- To promote and support programmes of beneficial change within the sector.
- To maintain a mechanism for better cooperation and communication, and data collation and dissemination.

Throughout 2023, DSC continued to help coordinate many of the Group's meetings between CEOs, policy and public affairs teams, and communications staff. DSC staff regularly chaired meetings, organised agendas and minutes, and authored or helped produce policy proposals and briefings. This has involved substantial and dedicated time by senior staff and trustees over an extended period, but clearly meets DSC's charitable objects and purposes in service of our beneficiaries.

Some of the group's achievements and activities during 2023 included:

- Securing £100m in the Spring Budget to support key charitable services for people during the ongoing cost-of-living crisis. DSC and other members of the CSG engaged with officials in DCMS throughout the year in the design and roll out of a £76m fund to support frontline organisations, launched in the summer and fully allocated by the end of the year, and a £25.5m fund for energy efficiency, launched in December.
- Continuing to support the State of the Sector Survey produced by ProBono Economics and Nottingham Trent University, by feeding into survey development and question design, testing the survey and promoting it. The survey has developed into a key tool to inform and influence policy makers in central government.
- Commissioning and publishing a major review on dismantling racism in the charity sector titled *From Good Intentions to Impact*, published on [www.civilsocietygroup.org.uk](http://www.civilsocietygroup.org.uk).

The CSG is planning further work for 2024, in anticipation of a General Election at some point before January 2025.

### **1.2.5 Policy and public affairs**

During the year DSC continued to respond to formal consultations and policy announcements affecting charities, particularly concerning the Charity Commission. Our Policy Principle of Responsible Regulation holds that the regulation of charities should be proportionate, appropriate and enabling, and we stressed these principles in relevant responses and communications.

In the summer we responded to the Charity Commission's consultation on new draft Social Media guidance for charities. DSC's response focused on practical ways to improve the draft that had been released earlier in the year, and we encouraged others to take part, including via the Civil Society Group. In September the Charity Commission released a revised version of the guidance and which clearly took on board the substantial feedback received from the sector and made many positive changes, including

## **Trustees' Report**

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things that DSC recommended. The final version is more realistic in its expectations of trustees and more practical about what they need to put in place in terms of policies and procedures around social media.

In the autumn we assessed the regulatory environment for charities in light of the coming General Election. This included analysing the new draft Code of Conduct for non-party campaigners, which was approved by Parliament and then put in force by the Electoral Commission in December. We wrote a briefing article for the DSC website on the latest developments and updated delegates at DSC's annual Engage conference in October on these and other relevant issues.

As in previous years, DSC analysed and commented on the Government's Budget statements, including the Spring Budget in March and the Autumn Statement in November, as well as the King's Speech in November, examining their implications for charities in articles on DSC's website. We know that many colleagues value our concise, freely available articles which cut through dense policy material to explain implications for charities.

DSC's Chief Executive Debra Allcock Tyler also authored monthly articles in Third Sector magazine and online, on topics relevant to the charity sector. These articles are also published on DSC's website. Our policy trustee Andrew Purkis also continued to contribute content on the regulatory and policy environment for charities for the DSC website and in Civil Society Media.

### **1.2.6 Research on Armed Forces Charities**

2023 marked the ninth year of DSC's research partnership with Forces in Mind Trust (FiMT), which funds DSC's research on Armed Forces Charities. The ongoing work provides information via reports and interactive data, all of which is housed on DSC's website. We have also completed several other related research projects for FiMT over the years.

DSC's *Sector Insight: Armed Forces Charities 2020*, remains the definitive guide to that particular sub-sector of charities, and feedback shows that it continues to be used by senior policy-makers and practitioners. In addition, DSC's *Focus On* series of eight reports provide topical analysis on areas of charitable provision by Armed Forces charities, which continue to be downloaded and cited. In 2023, DSC's researchers finalised written work and analysis for the next (third) edition of *Sector Insight Armed Forces Charities*, which is scheduled to be published in early 2024.

During 2023, DSC undertook a survey of Cobseo member organisations to provide up to date insight into how the cost-of-living crisis was affecting them. This work has helped inform policy discussions in support of Cobseo's membership organisations. The survey report was published on the DSC website, along with the accompanying *Cobseo Members' Impact Database*, which allow users to generate additional insights and graphics on survey response data.

DSC's sector-wide online Interactive Database of all Armed Forces Charities continued to be updated each month during 2023, providing regular analysis of key data on Armed Forces charities. Users can undertake custom searches and create tailored graphs to visualise the sector in different ways. We understand this has been used at Cabinet Office level and has become a definitive evidence tool to support strategic work on the Armed Forces charities sector.

The ongoing partnership with FiMT continues to be strategically important for DSC, and our expertise in this area has had a demonstrably positive impact on the sector.

### **1.2.7 Commissioned Research**

DSC has a track record of providing high-quality impact evaluations, strategic reviews, data analyses, surveys, and other research consultancy for clients. During 2023 DSC successfully delivered five research projects, which had been planned or funded prior to 2023. These projects included:

- *Grants for Good: Exploring local authority grant-making to the VCSE sector* (DSC, 2023). This research explored local authority grant-making to the Voluntary, Community and Social Enterprise (VCSE) sector in the UK.
  - *London's HIV voluntary and community sector: Responding and rebuilding after Covid-19* (FTCI – Fast Track Cities Initiative, 2023). This report presents new research investigating the extent to which the needs of people affected by
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## **Trustees' Report**

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HIV in London have changed following the onset of the COVID-19 pandemic. It also sheds light on the resilience of voluntary and community organisations and their readiness to respond to these varied and changing needs.

- *Funding for Armed Forces children and young people* (SCiP – Service Children’s Progression Alliance, 2023). This project, which was funded by Forces in Mind Trust, examined the funding landscape and grant-making support by charities for Armed Forces children and young people.
- *Small Grants, Big Changes: An overview and analysis* (Armed Forces Covenant Fund Trust, 2023). This report was funded by the Armed Forces Covenant Fund Trust. It looks at what the available evidence tells us about small grants and small grants programmes, highlighting examples of best practice and featuring the thoughts and opinions of representatives of organisations with experience in applying for and receiving small grants.
- *Cobseo Members’ Survey: June 2023* (Cobseo/FiMT, 2023). Funded by Forces in Mind Trust (FiMT), this survey-based research with members of Cobseo (The Confederation of Service Charities), enables member organisations to provide insight into the impact of the cost-of-living crisis on their ability to serve beneficiaries.

### **1.3 Digital**

2023 saw DSC continue to extend its digital reach in a number of areas, increasing the help that we are able to offer online, and delivering information support in formats that are easier to access for a range of our beneficiaries.

#### **1.3.1 Digital Publishing**

We further extended the number of titles available in dual print and digital platforms. Most of our titles are now available digitally either as Kindle titles through [amazon.co.uk](https://www.amazon.co.uk) or as viewable pdfs and epub formats through both [www.dsc.org.uk](http://www.dsc.org.uk) and [www.kortext.com](http://www.kortext.com). In 2023 we produced the following e-publications in digital formats from brand new books:

- *Advising Philanthropists*
- *Charity Policies and Procedures Templates (2<sup>nd</sup> edition)*
- *The Charity Treasurer’s Handbook (6<sup>th</sup> edition)*
- *The Guide to New Trusts 2023/24*
- *Networking (Speed Read)*
- *Managing Your Inbox (Speed Read)*

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

#### **1.3.2 Funding websites**

In 2023 Funds Online supported thousands of our beneficiaries looking for funding information.

The platform provided detailed funding entries from four main datasets to subscribers, made up of funding from trusts giving a combined total of £4.9 billion, companies giving £330 million in cash and in-kind contributions, £2.4 billion in funding from local, regional and central government and £383 million in funding to individuals for social welfare, education and training.

There was also significant progress made to improve functionality for subscribers, including enhanced search results and details of when entries had been last been updated. Internal processes were also reviewed and upgraded, which enabled our research team to significantly increase the speed in updating funder records. This increase in frequency, meant that those subscribers with saved funders and searches in their Dashboard received emails even more updates on funders. The dashboard allows subscribers to track activity, new funding opportunities, saved funders while also uploading documents including applications, enabling all information to be stored in one place.

Our monthly webinars delivered by our fundraising trainer, focused on highlighting the key features and benefits of the platform remained a popular and hugely beneficial addition to the platform.

## **Trustees' Report**

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### **1.3.3 DSC website [www.dsc.org.uk](http://www.dsc.org.uk)**

The user profile facility of our main website is an area where users register and set up their own space to download and store information including a range of free factsheets, downloadable publications, presentations, brochures and policy briefings.

At the end of 2023 we had approximately 24,500 registered users. Free downloads totalled 17,923 in the year (11,400 not including Look Insides).

### **1.3.4 Governance App**

The Governance App continued to provide a simple and free way for Boards of trustees to assess their performance against the key elements of the Charities Governance Code. During 2023, 3,760 trustees from 1,412 organisations used the app to review their performance.

In 2023, with support from the National Lottery Community Fund, we launched new functionality enabling organisations to generate automatic reports and benchmark themselves against their previous reviews.

### **1.3.5 An independent DSC, financially robust in self-generated revenue**

DSC generated 99.5% of its own funds in 2022 (2021 – 99.9%), the balance of 0.5% being provided by donations. There was a decrease in generated income of 11% to £1,448,243 from £1,627,759 in 2021.

Despite the current socio-economic issues facing UK, there was a further decrease in the defined benefit pension scheme deficit. The current value of the defined benefit pension scheme provision for 2022 was £3,118 (2021: £5,864).

In addition to the support we continue to receive from having taken the CBILS loan in 2020, we also continued to take advantage of the HMRC payment plans available for PAYE and VAT.

We invested in some new IT projects which were started in 2021. These projects covered changes and developments being made to improve our internal customer data managements and financial data. At the end of 2022 these projects had been completed and were brought into use at the start of 2023. No new IT projects were started in 2023. The projects were funded by DSC'S own reserves and were with the aim of increasing the reach of DSC to its beneficiaries, and improving the support we provide to our beneficiaries.

Commissioned research has continued to bring in material income of £32,714 in 2023 (2022: £80,288) derived from a range of projects, including the Armed Forces Covenant Research. Our continuing experience with these types of projects provide a good record for developing these research income generating activities in the future.

## **2. Public Benefit**

The Charitable Company has complied with the guidance on public benefit requirement in accordance to Section 17 of the Charities Act 2011.

The Charity Commission in its "Charities and Public Benefit" Guidance requires that key principles be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit, and secondly the benefit must be to the public or a section of the public.

The Guidance lists "promoting the efficiency of other charities" as one of the examples of benefits to the public, and the objects of The Directory of Social Change include the promotion and advancement of education and the promotion of efficiency and efficacy of other charities. It achieves this through its educational publishing, courses, conferences, exhibitions and electronic websites. In pursuing these objectives, the Trustees are mindful of and strive to achieve ways of minimising the impact of its activities and products on the environment.

## **Trustees' Report**

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Although DSC aims principally to serve the charity sector, we also provide services to the wider not-for-profit sector and grade our level of charges specifically so as to remain affordable to smaller charities with limited resources.

In addition, we continued to make a number of facilities available free to our beneficiaries during the year.

### **2.1 Free content**

Of the 35,000 people DSC reaches every year, by far the majority of them access our free services, information and advice.

This support includes:

- **Blog posts and articles:** including inspirational articles, practical articles giving tips and advice, and policy position papers explaining issues and sharing our views, including consultation responses and recommendations. In 2023 all our blogs and articles were read just over 26,000 times.
- **Video content:** 305 videos on our YouTube page (with some also appearing on the DSC website), covering all of our main topic areas, our Charity Questions Podcast and some recorded event content from our Charity Accountants' Conference and other training sessions. These videos have been viewed over 60,000 times.
- **Podcasts:** our Charity Questions podcast is available for free on all major podcast platforms and the DSC website. In 2023 we did 6 episodes with 855 listeners.
- **Free virtual sessions:** Monthly free demonstrations of the Funds Online platform and Governance App platform. During the year 23 funds online sessions were delivered with 681 attendees, and eight governance app sessions were delivered and attended by 55 attendees.
- **Event/meeting speakers:** Our senior staff regularly speak at external events, meetings, launches etc. benefitting both the hosts/organisers and the attendees.

A number of our products and services are also free to the end user because we've received grant funding to either develop or maintain them.

This includes:

- **The Governance App:** Free governance review tool available to all charities. Developed with funding from Clothworkers' Company, Tudor Trust, The National Lottery Community Fund and Lloyds Bank Foundation, The Governance App helped 3,760 trustees from 1,412 organisations to review their performance during 2023.
- **Armed Forces Charities database and research:** a huge database and archive of research into Armed Forces Charities, available through the main DSC website. Including an in-depth Sector Insight report on the sector forthcoming in early 2024 which was produced in 2023.

Some of our more in-depth and expert-level support, which most people pay a fee for, are also available for free via intermediaries:

- **Books:** most of our books are available, and all can be requested, from local libraries. Many infrastructure and membership organisations either bulk purchase for their members or have copies of titles like DGMT at their offices for members to access.
- **Funds Online:** Increasingly membership bodies, funders and other organisations are taking out subscriptions on behalf of their users, beneficiaries and grantees so that the service is free to them.
- **Funders, federations and infrastructure organisations:** During 2023 many intermediary organisations covered the cost of their members, grant holders or other beneficiaries to access vital support from DSC, ensuring that they could access the help they need at no cost to them

## **Trustees' Report**

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### **2.2 Publications**

For those with severe mobility difficulties without access to a computer, we provide a free copy of our publication *The Guide to Grants for Individuals in Need*. Our website [www.grantsforindividuals.org.uk](http://www.grantsforindividuals.org.uk) can also be accessed free of charge by visitors to those public libraries that subscribe to the service.

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or mobile and e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

### **3. Regulatory and Administrative Details**

#### **3.1 Regulatory Compliance Statements**

The Directory of Social Change is registered in England and Wales as a company limited by guarantee (without share capital) with number 02320712 and as a charity no. 800517.

The Trustees are also the Directors of the Charitable Company for the purposes of the Companies Act. The Trustees in presenting their annual report and financial statements for the year ended 31 December 2023 for the Charitable Company confirm that they comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (effective 1 January 2017) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

#### **3.2 Who we are**

Established in 1975, The Directory of Social Change (DSC) campaigns for an independent voluntary and community sector. DSC is the largest provider of information and training to the UK voluntary and community sectors.

The main activities of the organisation include:

- Championing the needs of small and medium voluntary sector organisations
- Providing practical training courses
- Running conferences, seminars and fairs
- Researching and publishing reference guides and handbooks
- Providing the subscription website [www.fundsonline.org.uk](http://www.fundsonline.org.uk)
- Campaigning on issues that affect the voluntary sector
- Publishing valuable free content pieces across social media and electronic channels
- Providing the free Governance App to improve charity governance
- Providing advice and support to CEOs and charity boards

Visit our website for more information at [www.dsc.org.uk](http://www.dsc.org.uk)

#### **3.3 Where we are**

DSC has vacated its office in 2023 at its Liverpool premises, all of our staff work remotely. Our registered address is.

c/o BWB,  
First floor  
10 Queen Street Place  
London , EC4R 1BE  
E-mail: [cs@dsc.org.uk](mailto:cs@dsc.org.uk)

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## **Trustees' Report**

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### **3.4 Trustees:**

The following individuals acted as Trustees throughout the year and to the date of this report, except where otherwise stated:

William Butler, Chair	Third Sector Consultant
Michaela Clark (appointed 20 November 2023)	Capacity Building Manager, MK Community Foundation
Joyce Fraser	Chair, Black Heroes Foundation
Matthew Hill	Associate Director of IT, ReThink Mental Illness
Emily Hughes	Head of Volunteer Experience, Girlguiding, Trustee
Garry Jones (appointed 20 November 2023)	CEO, Support Staffordshire
Anneka Kapadia (resigned 24 January 2024)	Policy and Programme Officer, Greater London Authority
Lizzie Kenyon	Director of Services, Keep Britain Tidy
Phyllida Perrett (resigned 24 January 2024)	Third Sector Consultant
Andrew Purkis OBE	Charity Chair and Trustee, school governor and blogger
Kashif Shabir (resigned 13 February 2023)	CEO, Muslim Aid
Dhillon Shenoy (appointed 20 November 2023)	Student and Volunteer
Nasrullah Tahir (appointed 20 November 2023)	Head of Global Development, The Citizens Foundation
Lesley Thornley	Ex Chief Executive, Hull & East Riding, CAB
Andrew Townend (appointed 20 November 2023)	Chief Operating Officer, AfriKids

### **3.5 Chief Executive, Company Secretary and Senior Management:**

Chief Executive	Debra Allcock Tyler
Company Secretary	Harry Wrafter (Appointed 25 January 2023)

The Senior Leadership Team during 2023 comprised:

Debra Allcock Tyler	Chief Executive
Ben Wittenberg	Director of Development and Delivery
Jay Kennedy	Director of Policy and Research
Annette Lewis	Director of Services
Yvonne Coleman	Director of Finance and IT

### **3.6 Auditors, Bankers and Solicitors**

#### **Auditors:**

Simpson Wreford & Partners  
3rd Floor Suffolk House  
George Street  
Croydon CR0 0YN

#### **Bankers:**

National Westminster Bank Plc	National Westminster Bank Plc
PO Box 224	6 Grange Road West
9 The Broadway	Charing Cross
Stanmore	Birkenhead
Middlesex HA7 4XW	Merseyside CH41 4DF

#### **Solicitors:**

Bates Wells & Braithwaite London LLP  
10 Queen Street Place  
London, EC4R 1BE

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**Trustees' Report**

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**3.7 The Regulatory Environment**

The regulatory environment within which DSC operates is considered to be the following:

**Finance and Accounting**

- The Companies Act 2006
- The Charities Act 2015
- Charities SORP,
- United Kingdom Accounting Standards
- Financial Reporting Standard FRS 102
- UK Generally Accepted Accounting Practice (UK GAAP)
- VAT partial exemption regulations

**Human Resources**

- Employment Law
- Health and Safety Regulations
- Pensions Regulator Requirements
- The Equalities Act

**Operational Matters**

- Data Protection Legislation
- Health and Safety Regulations
- The Equalities Act
- Legal Deposit Libraries Act 2003
- Copyright Designs and patents Act 1988

**Maintaining awareness of legislative and regulatory changes**

The charitable company's Solicitors provide regular e-newsletters, updates and provide webinars on topical subjects.

DSC also receives updates from firms of accountants and solicitors with whom it has professional relationships.

A number of members of staff have professional qualifications whose professional institutes provide updates and information to their members. These organisations include The Chartered Institute of Personnel and Development, The Chartered Association of Certified Accountants.

Being a training organisation many of the trainers bring their professional expertise to bear and enable courses, training session and webinars to be put on by DSC and from which the organisation itself benefits.

## Trustees' Report

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### 4. Structure, Governance and Management

#### 4.1 Governing Document and Constitution

The Directory of Social Change is registered as a company limited by guarantee (without share capital) and as a charity. Its governing instrument is its Memorandum and Articles of Association last revised on 15th December 2004. All the Members of the Charitable Company are Trustees and undertake to contribute to its assets in the event of it being wound up while s/he is a member, such amount as may be required not exceeding £1. All the Trustees are also Directors of the Charitable Company for the purposes of the Companies Act.

#### 4.2 Trustees Appointment, recruitment, training and induction

All Trustees are unremunerated and are voluntary. Trustees are appointed by resolution of the Trustees. At each Annual General Meeting one-third of the Trustees are subject to retirement by rotation but may offer themselves for re-election. No person other than a Trustee retiring by rotation may be appointed or re-appointed a Trustee at any general meeting of Trustees unless he or she is recommended by the Trustees.

Training of Trustees is given on new legislative issues affecting charity trustees and directors as needed. As a training organisation Trustees also have the right to attend any of DSC's courses as part of their duties to ensure that products being offered are within the objects of the organisation and of appropriate quality.

There is a specified Trustee Recruitment Policy and Procedure which outlines clearly our approach to recruiting trustees and has been amended to ensure it reflects diversity and inclusion.

There is a defined procedure for the induction of Trustees, which includes the provision of a detailed information pack upon each appointment which covers introduction to fellow Trustees, the leadership team and staff with organisation chart; Memorandum and Articles of Association; the history of the organisation, its objectives and policies, its work and products; recent Trustees minutes of meetings; the latest audited Trustees Report and Financial Statements; information on the role and responsibilities of a Trustee, access to training where required and a buddy system where existing trustees mentor new ones.

#### Annual Governance Review

In July 2023 we carried out our second full governance review using DSC's own Governance App, the tool available to any charity that wants to carry out a free and comprehensive review of their governance against key elements of the Charity Governance Code.

There were a number of key highlights from the 2023 governance review, especially when compared with the results from the 2021 review. With the average scores improving in six of the seven governance areas:

Section average scores	2023	2021
Organisational purpose	8.7	8.4
Integrity	9	8.8
Leadership	9	8.5
Board effectiveness	8	8.5
Equality, diversity and inclusion	7.7	7.5
Openness and accountability	7.7	7
Decision-making, risk and control	8.6	8.2
<b>Average</b>	<b>8.4</b>	<b>8.1</b>

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## **Trustees' Report**

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The overall average of all responses (trustees and executive) to all 70 Governance App questions increased from 8.1 in 2021, to 8.4 in 2023, and scores improved in 40 areas since the 2021 review. The top 20 scoring questions averaged 9.4 in 2023, up from 9.1 in 2021, and the lowest scores were higher with the lowest 20 scoring questions averaging 7.5 in 2023, up from 7.0 in 2021.

The range of responses and areas of improvement were discussed at the July Board meeting, with actions being fed into the Board's ongoing plans for development.

### **4.3 Organisation Structure and decision making**

A voluntary Board of Trustees is responsible for the overall management and direction of the Charitable Company. The Board meets four times a year and at any other time as circumstances dictate.

The Board also has a number of working groups that consist of trustees and staff which focus on particular areas of interest. These working groups act as advisors and sounding boards for the charity's work. Some of the working groups are set up to deal with specific issues as and when needed. Others are more long-standing. The current working groups are: Wellbeing, Equity, Equality, Diversity and Inclusion; Policy; and one that meets between the main board meetings for general update on progress. Financial matters are dealt with by the Board as a whole.

A Senior Leadership Team meets monthly and reports to the Trustees. The members of the group are shown under section 3.5 above. The day to day running of the charity is delegated to the senior leadership team.

### **4.4 Relationships with other charities, organisations and individuals**

We work with a very wide range of organisations. We are very grateful to all the members of the Civil Society Group who we worked alongside during the year.

We would also like to thank the following partners and sponsors for their support during 2023:

- Armed Forces Covenant Fund Trust
  - Benefact Group
  - Charity Commission for England and Wales
  - Civil Society Media
  - Cobseo, the Confederation of Service Charities
  - Fast Track Cities London
  - Forces in Mind Trust (FiMT)
  - Garfield Weston Foundation
  - Shyrose Jessa/Murtaza Jessa/The Jessa family
  - Lloyds Bank Foundation for England and Wales
  - Natwest Bank plc
  - Nottingham Trent University
  - Prospectus
  - Sayer Vincent
  - Service Children's Progression Alliance
  - The National Lottery Community Fund
  - The Tudor Trust
  - The Clothworkers' Foundation
  - Third Sector
  - University of Kent
  - Zurich Community Trust
-

## **Trustees' Report**

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### **4.5 Risk**

We monitor risk on an ongoing basis and we examine three areas:

1. Specific risks which are current – e.g. daily cash flow
2. General risks that we're managing all the time – e.g. decline in revenue streams, IT failures
3. Unpredictable, large risks – e.g. pandemics, collapse of the economy.

The Executive look at risk as part of normal monthly reporting. Trustees are updated quarterly.

#### **Current areas of specific risk:**

- Charity closures due to rising inflation and the energy crisis impacting revenue streams
- DSC's customer base being vulnerable to fluctuating funding patterns
- Cyber Security, IT Systems outage or collapse
- Suppliers' insolvency
- Cashflow – ensuring that cash in balances cash out

#### **Actions taken to mitigate these risks are:**

- Live financial and operational information is reviewed weekly by the Executive Team
- Audit Board Working Group in place to review the yearly accounts and risk profile during the audit which reports to the full Board
- Plans in place to quickly respond to the short-term nature of order and bookings patterns
- Further development of on-line offerings
- Offsite hosting of websites in multiple data centres, so if one server goes down another is brought online; all critical data is backed-up offsite.
- A Disaster Recovery Plan has been prepared
- Back-up plans are in place

#### **General risks:**

These might include matters such as failure or poor performance of a specific product; damage to reputation from a specific instance of poor delivery or customer service, or a failed partnership that damages reputation or ability to deliver other services.

#### **Actions taken to mitigate these risks are:**

Risk management has been integrated into our monthly management reporting, with a clear assessment and escalation process. Managers are accountable for identifying and communicating risks in their own areas of the business. Following the monthly management reports, discussions about mitigating action with regard to any risk needing attention takes place either at the Leadership Team meeting, or with the relevant Senior Leader.

Specific Board Working Groups are set up to monitor high risk investments or projects eg, IT, as and when required.

#### **Unpredictable, large risks:**

Risks that emerge or occur quickly are assessed and referred immediately (along with a planned response where appropriate) to the relevant member of the senior leadership team.

## **Trustees' Report**

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DSC adopts the Charity Finance Group approach to managing risk which is to identify current operational risks, emerging longer term risks and mitigating actions on a monthly basis as part of general management practices and trustees discuss this at quarterly board meetings.

Risks are reviewed by the Trustees from time to time to reflect the need to keep particular items under review, but also to respond to new or existing risks that are given public prominence concerning charities generally.

### **5. Finance Review**

In 2023 DSC generated 99.5% of its own funds (2022 – 99.9%), the balance of 0.5% being provided by donations. The self-generated income arises through the sales of our books, websites, training, research services and events.

Overall charitable income in 2023 was £1,448,243 compared to £1,627,759 in 2022, a change of 11% from 2022 (2022: a 4.5% change from 2021). Income from publications, subscriptions and research has reduced by 18.4% compared to a reduction of 8.9% in 2022. Although there was a decrease in income from publications and dissemination of information including research projects, we continue to hold our online and face to face training programmes which have continued to be a success and have reflected in the 2023 training and events income increasing by 4.7% from 2022. (2022: an increase of 6.2% on 2021)

Expenditure on unrestricted activities was 1,437,051 in 2023 compared to £1,532,261 in 2022, a decrease of 6.2% (2022: 4.3% decrease compared to 2021), while expenditure on restricted activities decreased by 31% to £148,493 from £215,675 in 2022.

During the year our lease for our premises in Liverpool came to an end and it was decided not to have this renewed, this reduced our office and premises costs in 2023, although there were some dilapidation costs of about £6,000. The non-renewal of this lease will continue to save us a cost of about £31,000 annually. There were also reductions of 12.1% in governance and modest reduction of 1.5% in staffing costs.

In 2023 we have continued to adopt the policy of holding regular Board Working Group meetings to monitor the financial situation on a regular basis. This strategy has continued to pay off as decisions could be made rapidly as needed. In 2023 we have continued to hold regular Audit Board Working Group meetings, this was set up in 2022 to provide oversight on controls, risk management and financial reporting in the year and this is reflected in the Governance costs of £68,291 in 2023, (2022: £77,729). The analysis is shown in Note 6 to the Accounts.

We were able to complete the Forces in Mind (FiMT) grant activity in addition to other grant projects, thus at the end of 2023 we had no restricted reserves. (2022: £148,493).

There has been a 35% decrease in current assets in 2023 compared 2.5% decrease in 2022, and a 1.4% decrease in total liabilities (2022: 12.6% decrease). Overall, we had a 46.4% decrease in net assets in 2023 (2022: 3.4% decrease).

#### **5.1 DSC Earned Income**

We continue to work closely with a wide range of individuals and organisations, while at the same time ensuring that we are not financially dependent on any single funder, purchaser or provider for our operational programme. We received donations of £7,072 in 2023 (2022 - Nil).

Our financial structure enables us to continue to be independent, flexible and free to comment without fear or favour. This is a core value for us.

## **Trustees' Report**

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### **5.2 Remuneration Policy**

The overall policy on remuneration within DSC is as follows:

- Trustees are voluntary and not remunerated. Out-of-pocket expenses paid to trustees are shown as part of Note 6 to the Financial Statements.
- The Chief Executive's salary is determined in line with the pay policy for all DSC staff. The remuneration of the Chief Executive Officer is specifically agreed by the Trustees following a performance assessment and recommendation by the Chair to the Trustees.
- Staff remuneration is reviewed as an important but separate element of the annual budget process.

Each year the salary budget for the ensuing year is considered at a Trustees Board Meeting based on proposals put forward by the Senior Leadership Team and takes account of the cost of living, individual performance assessments and the need to retain the most appropriate staff for each post in the expected economic climate for the ensuing year. DSC has a clear and concise salary policy.

### **5.3 Reserves**

The Trustees' approach is to adopt recommendations in Charity Finance Group's report 'Beyond Reserves'.

Currently when determining the reserves position for the forthcoming year the Board considers whether the resources available for use in the planned activities of the Charitable Company within the year are sufficient before determining what should be the appropriate level of reserves for that particular year. During the year under review Trustees agreed that the medium to long term goal is to increase the level of unrestricted free reserves, as funds allow.

The full Board considers the reserves position of the Charitable Company on a quarterly basis when reviewing the management accounts with an analysis of the results by activity and the forecast results for the coming quarters; together with a review of management of debtors, statistical management indicators and cash flow analysis and forecasts.

In any one year, we may earmark Unrestricted General Funds for a particular project or to use as Designated Funds. The reasons for the setting up of such funds, the policy for any transfers between funds, and allocation to or from designated funds, will be stated in the notes to the accounts.

Funds are designated to an amount equal to the sum represented by the net book value of Fixed Assets comprising leasehold improvements, furniture and fittings and computer equipment. Our Designated Funds are reviewed annually.

Trustees continue to believe that the current policy of managing resources generally rather than just reserves in isolation is the right course to adopt in the current economic climate, however, this decision is continually reviewed including the ongoing level considered acceptable.

Total unrestricted reserves at the end of 2023 were £149,970 (restricted reserves were £Nil) and the Trustees are working to increase this level in 2024.

### **5.4 Investment Policy and Performance**

At the Balance Sheet date, the Charitable Company only held cash investments. The Bank of England base rate was 3.5% from the beginning of 2023 rising to 5.25% by the end of December 2023. The continuing national policy of holding rates at such a low-level means that it is not viable to manage the movement of funds between current and investment accounts. All funds during 2023 were held on current account. Income generated in 2023 amounted to £538 (2022 - £61).

**Trustees' Report**

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**5.5 Fundraising**

The Charitable Company has not made any fundraising appeals to the general public during the year and is unlikely to do so in the future. Fundraising focusses on securing grants and donations from registered charities and business links. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the Charitable Company is not registered with the Fundraising Regulator and received no fundraising complaints in the year.

**5.6. Restricted Funds**

To the extent that Restricted Grants are liable to be returned to Grant Providers where they are unspent and it is not intended that they be spent, there was no grant due to be returned at 31 December 2023 (2022: £Nil).

**6. Strategic Report - Plans for the Future**

During 2023 the Trustees revisited the organisational strategy and decided that the overall aim of increasing reach remained unchanged but that the charity would target its resources at helping the sector to improve its governance, fundraising, leadership, voice and how funders do their work.

**7. Auditors**

The auditors, Simpson Wreford & Partners have been appointed in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 25 April 2024 and signed on their behalf, by:



**William Butler**  
Chair



**Lesley Thornley**  
Trustee and Chair of Audit Board Working Group

**The Directory of Social Change**  
**Statement of Trustees' Responsibilities**

**For the year ended 31 December 2023**

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The Trustees (who are also directors of The Directory of Social Change for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2023

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### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2023, and of the 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 Companies Act 2006 and the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 annual report of the trustees, 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.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Report of the Trustees has been prepared in accordance with applicable legal requirements.
-

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2023

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 charitable company 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 auditor under the section 151 of the Charities Act 2011 and report in accordance with 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, through discussions with management and those charged with governance, and also from our detailed understanding of the sector. We identified the financial reporting framework including but not limited to (United Kingdom Generally Accepted Accounting Practice, The Charities Act 2011 and the Companies Act 2006), Data Protection Act 2018, Bribery Act 2010 being of significance in the context of The Directory of Social Change and its ongoing activities.
- We made enquiries with management and those charged with governance and also reviewed board meeting minutes to confirm our understanding that the charitable company continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charitable company to ensure ongoing compliance.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2023

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- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charitable company's policies and procedures on fraud risks through discussion with the charitable company's management.
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls, and improper revenue recognition. To address these risks we tested the appropriateness of journal entries posted, reviewed those judgements made in making accounting estimates, and tested the application of revenue recognition and the cut-off of revenue.
- We communicated those laws and regulations considered relevant to the charitable company, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
John Millidge (Senior Statutory Auditor)  
for and on behalf of Simpson Wreford & Partners, Chartered Accountants & Statutory Auditors  
Suffolk House, George Street, Croydon, CR0 0YN

3 May 2024

The Directory of Social Change  
Statement of Financial Activities (incorporating the Income and Expenditure Account)

For the year ended 31 December 2023

	Note	Restricted Funds 2023 £	Unrestricted Funds 2023 £	Total Funds 2023 £	Total Funds 2022 (as restated) £
<b>INCOME FROM</b>					
Donations and legacies	2	-	7,072	7,072	2,002
Charitable activities	3				
- Training and events		-	547,346	547,346	522,571
- Publications		-	900,897	900,897	1,105,188
Investments		-	538	538	61
<b>Total income</b>		<b>-</b>	<b>1,455,853</b>	<b>1,455,853</b>	<b>1,629,822</b>
<b>EXPENDITURE ON</b>					
Charitable activities	5				
- Training and events		-	538,730	538,730	491,763
- Publications		140,592	906,221	1,046,813	1,156,628
		<b>140,592</b>	<b>1,444,951</b>	<b>1,585,543</b>	<b>1,648,391</b>
<b>Net income / (expenditure)</b>		<b>(140,592)</b>	<b>10,902</b>	<b>(129,690)</b>	<b>(18,569)</b>
<b>Transfers between funds</b>		<b>(7,901)</b>	<b>7,901</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(148,493)</b>	<b>18,803</b>	<b>(129,690)</b>	<b>(18,569)</b>
Total funds at 1 January 2023		148,493	131,167	279,660	298,229
<b>Total funds at 31 December 2023</b>		<b>-</b>	<b>149,970</b>	<b>149,970</b>	<b>279,660</b>

All amounts are from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year. There is no other comprehensive income in the year, or in the previous year.

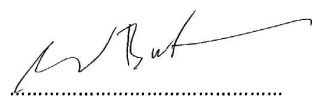
The notes on page 26 - 42 form part of these financial statements.

For the year ended 31 December 2023

	Note	2023		2022 (as restated)	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		6,326		10,874
Intangible assets	12		282,186		118,299
			<b>288,512</b>		<b>129,173</b>
<b>CURRENT ASSETS</b>					
Stock	13	430,200		577,310	
Debtors	14	81,705		256,849	
Cash at bank		30,574		6,830	
		<b>542,479</b>		<b>840,989</b>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	(632,856)		(607,591)	
<b>NET CURRENT ASSETS</b>			<b>(90,377)</b>		<b>233,398</b>
Creditors: amounts falling due after more than one year	15		(48,165)		(82,911)
<b>NET ASSETS</b>			<b>149,970</b>		<b>279,660</b>
<b>CHARITABLE COMPANY FUNDS</b>					
Restricted funds			-		148,493
Unrestricted - designated funds	17		6,326		10,874
Unrestricted - general funds	17		143,644		120,293
			<b>149,970</b>		<b>279,660</b>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Trustees on 25 April 2024 and were signed below on their behalf by:



**William Butler**  
Chair



**Lesley Thornley**  
Trustee and Chair of Audit Board Working Group

The notes on page 26 - 42 form part of these financial statements.

**The Directory of Social Change  
Statement of Cash Flows**

**For the year ended 31 December 2023**

	<b>2023</b>	<b>2022 (as restated)</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net deficit for the year	(129,690)	(18,569)
Amortisation of intangible assets	47,177	105,473
Depreciation of tangible assets	4,548	3,480
Interest receivable and similar income	(538)	(61)
Decrease / (increase) in stock	147,110	(152,257)
Decrease in debtors	175,144	91,261
Decrease / (increase) in creditors	22,519	(79,131)
<b>Net cash generated from / (used in) operating activities</b>	<b>266,270</b>	<b>(49,804)</b>
<b>Cash flows from investing activities</b>		
Interest income	538	61
Purchase of tangible assets	-	(668)
Purchase of intangible assets	(211,064)	-
<b>Net cash used in investing activities</b>	<b>(210,526)</b>	<b>(607)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(32,000)	(32,000)
<b>Net cash used in financing activities</b>	<b>(32,000)</b>	<b>(32,000)</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>23,744</b>	<b>(82,411)</b>
Cash and cash equivalents at the beginning of the year	6,830	89,241
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>30,574</b>	<b>6,830</b>

**Analysis of net debt 2023**

	<b>At 1 Jan 2023 £</b>	<b>Cash Flows £</b>	<b>At 31 Dec 2023 £</b>
Cash at bank and in hand	6,830	23,744	30,574
Bank loan	(112,000)	32,000	(80,000)
	<b>(105,170)</b>	<b>55,744</b>	<b>(49,426)</b>

**For the year ended 31 December 2023**

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## **1. ACCOUNTING POLICIES**

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

### **Statement of compliance**

The financial statements have been prepared in accordance with current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (second edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland the Companies Act 2006.

The Directory of Social Change meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### **Company Status**

The Directory of Social Change is registered in England and Wales as a company limited by guarantee (without share capital) no. 02320712 and a charity no. 800517. Its governing instrument is its memorandum and articles of association. The members of the charitable company are the trustees named on page 11. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The Charity's registered office is First Floor, 10 Queen Street Place, London, EC4A 1BE.

### **Preparation of accounts on a going concern basis**

DSC had a difficult financial year in 2023, but at all times, Trustees were kept fully aware of the financial situation, how the economy was impacting the charity and how our cash was being managed. The evidence with which the charity were presented, and the prompt actions taken by the Executive Team to address the negative financial trends enabled the charity to continue to have confidence that DSC could continue to operate and that 2024 showed signs of improvement.

In addition to updates from the Executive Team, the Trustees assess risk as part of normal practice, and in order to ensure that the charity continues to be a going concern and will continue its operations for the foreseeable future, the Trustees review monthly management account forecasts and cash flow forecasts every 6 weeks. The Trustees also review the cash flow forecast prepared by the Executive Team to assess the charity's liquidity and its ability to meet future liabilities as they arise. The cash forecast also identifies to the Trustees any potential low cash months and high cash months.

In addition, in the Autumn of 2023 the charity saw the introduction of a new initiative, the Funders' Project, which started to bear fruit and the charity has signed new contracts for delivery of more of these projects during 2024. The end of the charity's financial year is usually the lowest period of the its performance. Nonetheless the charity ended 2023 ahead of budgeted cash flow which translated into a better cash flow position for the start of 2024.

The financial information provided by the Executive Team indicates that the first quarter of 2024 has performed in line with expectations and that the future performance is currently predicted to do better than expectation. The cash position has improved in the first quarter and is forecasted to continue on its current trajectory over the next twelve months in line with expectation and improved income generation.

As is the charity's practice, forecasts and month end reports against budget, prepared by the Executive Team, include operational detail and will be reviewed every quarter by the full Trustee Board and at 6-week intervals between board meetings by the Generic Board Working Group during the year to ensure that the financial performance and the charity's activities reflect the latest information. This regular oversight allows Trustees to assess risk areas and decide on actions to take to mitigate any identifiable risks in a timely way.

Income is expected to meet budget for the year overall based on our monthly forecasts which analyse booking trends and buying patterns. The expenditure is additionally carefully monitored to ensure that the cash balances are anticipated and properly dealt with in terms of timing and amounts.

Therefore, having carefully reviewed the financial forecast, cash flow forecast and performance to date for the current year for at least a period of twelve months from the date of approval of the financial statements, including expected income and anticipated expenditure, the trustees consider that there are no material uncertainties regarding going concern and therefore that the financial statements are appropriately prepared on the going concern basis.

#### **Significant judgements and sources of examination uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Depreciation and amortisation rates used;
- The overhead rate used when calculating a value for work in progress; and
- A discount rate of 5.31% (previously 4.96%) has been used to calculate the present value of pension provision.

#### **Income**

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

##### Donations and legacies

Donations and gifts are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably. Gift Aid received or receivable in respect of donations is included where applicable.

##### Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

##### Grants

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

##### Income from charitable activities

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

##### Subscription income

Subscription income is recognised on a straight line basis over the subscription term. This results in deferred income within creditors (refer Note 16).

##### Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

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**For the year ended 31 December 2023**

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### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities comprises of expenditure associated with training and events, publications and dissemination of information.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead support costs and are apportioned based on turnover as follows:

- Training and events: 38% (2022 - 32%)
- Publications and dissemination: 62% (2022 - 68%)

### **Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

### **Operating leases**

Rental charges are charged on a straight-line basis over the life of the lease.

### **Intangible Fixed Assets**

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. During the year, the directors reviewed their estimate of the useful economic lives, and consequently they were extended from 4 years to 8 years. The intangible fixed assets are amortised over the following useful economic lives:

Software development costs	8 years
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**For the year ended 31 December 2023**

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### **Tangible fixed assets**

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Leasehold improvements	41 months, straight line (the life of the lease)
Furniture, fittings and equipment	5 years straight line
Computer equipment	4 years straight line

### **Financial instruments**

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

#### Creditors and provisions

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

#### Debtors

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

#### Cash at bank and in hand

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

### **Stock**

Stocks are valued at the lower of cost and net realisable.

#### Publications

Book stocks and work in progress on forthcoming books are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes, in the case of books and publications produced by the charitable company, production costs and applicable overheads as reduced by the amount of any grant receivable; in the case of books bought in from other publishers, purchase cost only is included. A provision has been made for slow-moving items on the basis of expected future sales.

#### Subscription websites

The work in progress relates to the subscription websites for re-saleable items. Cost includes staff costs and associated overheads, which are amortised over the annual life of the subscriptions. This is continued on a rolling basis as the subscription websites are continually updated.

**The Directory of Social Change  
Notes to the Financial Statements**

**For the year ended 31 December 2023**

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Electronic work-in-progress

The Work-in-Progress relates to work on the Funding Online website, live streaming work, and work for on-line learning. Cost includes staff costs, associated overheads and third-party supplier costs as incurred for these developments. Once live these will be amortised over 8 years.

**Funds**

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

**Employee benefits**

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme

The Directory of Social Change operates a defined benefit pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of The Directory of Social Change in an independently administered fund.

The pensions costs charged in the financial statements represent the contributions payable during the year. There was also a defined benefit pension scheme which was closed to new contributions on 30 September 2013. Further information is provided in note 10.

For the year ended 31 December 2023

2. DONATIONS AND LEGACIES	Total Funds 2023 £	Total Funds 2022 £
Donations	7,072	2,002

3. INCOME FROM CHARITABLE ACTIVITIES	Total Funds 2023 £	Total Funds 2022 (as restated) £
Training and events	547,346	522,571
Publications and dissemination of information	900,897	1,105,188
	<u>1,448,243</u>	<u>1,627,759</u>

Income from publications and dissemination of information includes restricted grant income of £Nil (2022: £157,208) relating to research projects. Further details are provided in note 17.

#### 4. OTHER INCOME

There was no other income in the year or in the prior year.

5a ANALYSIS OF EXPENDITURE	Staff Costs £	Amortisation & Depreciation £	Other Costs £	Support Costs £	Total Costs £
Training and events	390,124	19,656	54,901	74,049	538,730
Publications and dissemination of information	636,518	32,069	257,409	120,817	1,046,813
	<u>1,026,642</u>	<u>51,725</u>	<u>312,310</u>	<u>194,866</u>	<u>1,585,543</u>

The staff costs for each expenditure type shown above comprise the staff costs from each charitable activity, together with the staff costs allocated to activities as part of governance costs and support costs as detailed in Notes 6 and 7 respectively.

For the year ended 31 December 2023

**5b COMPARATIVE ANALYSIS OF EXPENDITURE (2022)**

	<b>Staff Costs £</b>	<b>Amortisation &amp; Depreciation £</b>	<b>Other Costs £</b>	<b>Support Costs £</b>	<b>Total Costs £</b>
Training and events	329,140	34,865	58,831	68,927	491,763
Publications and dissemination of information	699,421	74,088	236,648	146,471	1,156,628
	<u>1,028,561</u>	<u>108,953</u>	<u>295,479</u>	<u>215,398</u>	<u>1,648,391</u>

**6. GOVERNANCE**

	<b>Total Funds 2023 £</b>	<b>Total Funds 2022 £</b>
Staff costs	47,741	48,181
Other costs	1,850	10,018
Audit and accountancy	18,700	19,530
	<u>68,291</u>	<u>77,729</u>

During the year, no Trustees received any remuneration (2022: £Nil) or any benefits in kind (2022: £Nil).

During the year 2 Trustees were reimbursed £151 for out-of-pocket expenses for travel and subsistence (2022: 2 Trustees were reimbursed £176).

**7a SUPPORT COSTS ALLOCATED TO ACTIVITIES**

	<b>Staff Costs £</b>	<b>Office Costs £</b>	<b>Premises Costs £</b>	<b>Governance Costs £</b>	<b>Total Costs £</b>
Training and events	20,533	18,747	8,818	25,951	74,049
Publications and dissemination of information	33,501	30,588	14,388	42,340	120,817
	<u>54,034</u>	<u>49,335</u>	<u>23,206</u>	<u>68,291</u>	<u>194,866</u>

Support costs are the costs of central management. These costs are apportioned to activities based on total and direct costs.

For the year ended 31 December 2023

**7b COMPARATIVE SUPPORT COSTS ALLOCATED TO ACTIVITIES (2022)**

	Staff Costs £	Office Costs £	Premises Costs £	Governance Costs £	Total Costs £
Training and events	17,323	16,296	10,435	24,873	68,927
Publications and dissemination of information	36,812	34,629	22,174	52,856	146,471
	<u>54,135</u>	<u>50,925</u>	<u>32,609</u>	<u>77,729</u>	<u>215,398</u>

**8. NET INCOME FOR THE YEAR**

	2023 £	2022 £
This is stated after charging:		
- Depreciation of tangible fixed assets	4,548	3,480
- Amortisation of intangible fixed assets	47,177	105,473
- Auditors' remuneration for audit services	16,200	17,030
- Auditors' remuneration for non-audit services	2,500	2,500
	<u>60,425</u>	<u>128,483</u>

**9. STAFF COSTS AND NUMBERS**

	2023 £	2022 £
Wages and salaries	1,004,335	1,015,440
Social security costs	100,391	90,393
Pension costs	23,691	25,044
	<u>1,128,417</u>	<u>1,130,877</u>

An amount of £182,819 (2022: £200,838) of the above was allocated to work in progress at the year end.

There were no redundancy payments made in the year (2022: none). There were no payments made in the year for agreed early termination notice period (2022: none).

The average number of employees during the year were as follows:

	No.	No.
Training	10	12
Publications	13	13
Accounting and administrative support	8	8
	<u>31</u>	<u>33</u>
Full time equivalent	<u>29</u>	<u>30</u>

1 employee received remuneration of between £90,000 - £100,000 (2022: 1 employee between £90,000 - £100,000). The employer pension contributions for this employee were £1,321 (2022: £1,321).

The total employee remuneration of the key management personnel of the Charitable Company was £352,483 (2022: £330,072).

For the year ended 31 December 2023

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## 10. PENSION COMMITMENTS

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

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From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

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From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

For the year ended 31 December 2023

**10. PENSION COMMITMENTS (continued)**

**Present values of provision**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Present value of provision	3,118	5,864	10,071

**Reconciliation of opening and closing provisions**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Provision at start of period	5,864	10,071
Unwinding of the discount factor (interest expense)	212	88
Deficit contribution paid	(2,953)	(4,078)
Remeasurements - impact of any change in assumptions	(5)	(217)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	3,118	5,864

**11. TANGIBLE FIXED ASSETS**

	<b>Furniture &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>			
At 1 January 2023	2,243	86,279	88,522
Additions	-	-	-
Disposals	-	(62,000)	(62,000)
At 31 December 2023	2,243	24,279	26,522
<b>DEPRECIATION</b>			
At 1 January 2023	2,243	75,405	77,648
Charge for the year	-	4,548	4,548
Disposals	-	(62,000)	(62,000)
At 31 December 2023	2,243	17,953	20,196
<b>NET BOOK VALUE</b>			
At 31 December 2023	-	6,326	6,326
At 31 December 2022	-	10,874	10,874

For the year ended 31 December 2023

**12. INTANGIBLE FIXED ASSETS**

	<b>Total £</b>
<b>COST</b>	
At 1 January 2023	678,412
Additions	211,064
	<hr/>
At 31 December 2023	889,476
	<hr/>
<b>DEPRECIATION</b>	
At 1 January 2023	560,113
Charge for the year	47,177
	<hr/>
At 31 December 2023	607,290
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2023	282,186
	<hr/> <hr/>
At 31 December 2022	118,299
	<hr/> <hr/>

Material intangible assets include the following:

	Carrying value as at 31 December 2023 (£)	Remaining amortisation period
	<hr/>	<hr/>
Funding website	46,089	5 years
Online Learning Platform	55,001	6 years
Governance App	43,600	8 years
Internally generated integrations	137,496	8 years
	<hr/>	
	282,186	
	<hr/> <hr/>	

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2023

<b>13. STOCKS AND WORK IN PROGRESS</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Publications</b>		
Work in progress	172,162	151,168
Finished books	99,061	100,738
<b>Subscription websites</b>		
Work in progress	22,979	29,251
<b>Electronic</b>		
Work in progress	135,998	296,153
	<u>430,200</u>	<u>577,310</u>

<b>14. DEBTORS</b>	<b>2023</b>	<b>2022 (as restated)</b>
	<b>£</b>	<b>£</b>
Trade debtors	37,741	47,870
Other debtors	2,608	2,852
Prepayments and accrued income	41,356	206,127
	<u>81,705</u>	<u>256,849</u>

Within other debtors is an amount of £nil (2022: £nil) which is due after more than one year.

<b>15. CREDITORS: amounts falling due within one year</b>	<b>2023</b>	<b>2022 (as restated)</b>
	<b>£</b>	<b>£</b>
Trade creditors	86,054	83,675
Other taxation and social security	147,205	128,986
Other creditors	19,139	18,889
Accruals	14,173	20,725
Deferred income (see note 16)	331,332	320,363
Pension provision	2,953	2,953
Bank loan	32,000	32,000
	<u>632,856</u>	<u>607,591</u>

**CREDITORS: amounts falling due after more than one year**

Bank loan	48,000	80,000
Pension provision	165	2,911
	<u>48,165</u>	<u>82,911</u>

Bank loans are repayable in instalments over the full term of 6 years, of which 3 years are remaining. Interest is payable at 1.90% over base rate.

For the year ended 31 December 2023

16. DEFERRED INCOME	2023 £	2022 (as restated) £
Balance at the start of the year	320,363	405,268
Less: Amounts released to income	(320,363)	(405,268)
Add: Amounts deferred in the year		
- Subscriptions	291,062	287,145
- Training income	40,270	33,218
	331,332	320,363
	331,332	320,363

17. STATEMENT OF FUNDS 2023	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	10,874	-	-	(4,548)	6,326
General funds	120,293	1,455,853	(1,444,951)	12,449	143,644
	131,167	1,455,853	(1,444,951)	7,901	149,970
Restricted funds	148,493	-	(140,592)	(7,901)	-
Total funds	279,660	1,455,853	(1,585,543)	-	149,970
	279,660	1,455,853	(1,585,543)	-	149,970

STATEMENT OF FUNDS 2022 (as restated)	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	13,686	-	-	(2,812)	10,874
General funds	77,583	1,472,614	(1,532,261)	102,357	120,293
	91,269	1,472,614	(1,532,261)	99,545	131,167
Restricted funds	206,960	157,208	(116,130)	(99,545)	148,493
Total funds	298,229	1,629,822	(1,648,391)	-	279,660
	298,229	1,629,822	(1,648,391)	-	279,660

#### Designated funds

The fixed asset fund reflects the net book value of tangible fixed assets tied up in unrestricted funds at the year end. During the year £4,548 (2022: £2,812) was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

For the year ended 31 December 2023

## 17. STATEMENT OF FUNDS 2022 (continued)

### Restricted funds

Restricted funds represent grants received to enable specific areas of charitable activities to be undertaken.

The restricted funds held at the year end of £nil (2022: £148,493) related to Forces in Mind Trust (FiMT) of £nil (2022: £140,592) and the National Lottery Community Fund of £nil (2022: £7,901). The FiMT funding was granted in 2021 to cover the continued operation of the Armed Forces Charities Website ([www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)) for 2021 - 2023, and expenditure in the year amounted to £140,592 (2022: £66,368).

During the prior year, a grant was received from the National Lottery Community Fund towards the development of the governance app, for an amount of £107,446. Of this, £7,901 (2022: £99,545) was spent, and is held on the balance sheet as work in progress, pending completion of the project. A transfer was undertaken to move this value to unrestricted funds as at the year end, as a reflection that the asset itself is held for general purpose rather than restricted purpose.

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2023

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	-	6,326	6,326
Intangible fixed assets	-	282,186	282,186
Stock	-	430,200	430,200
Debtors	-	81,705	81,705
Cash at bank	-	30,574	30,574
Creditors: amounts falling due within one year	-	(632,856)	(632,856)
Creditors: amounts falling due after more than one year	-	(48,165)	(48,165)
Amounts spent in advance of monies received on restricted funds	-	-	-
	-	149,970	149,970
	-	149,970	149,970

## ANALYSIS OF NET ASSETS BETWEEN FUNDS 2022 (as restated)

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	-	10,874	10,874
Intangible fixed assets	-	118,299	118,299
Stock	-	577,310	577,310
Debtors	166,149	90,700	256,849
Cash at bank	-	6,830	6,830
Creditors: amounts falling due within one year	-	(607,591)	(607,591)
Creditors: amounts falling due after more than one year	-	(82,911)	(82,911)
Amounts spent in advance of monies received on restricted funds	(17,656)	17,656	-
	148,493	131,167	279,660
	148,493	131,167	279,660

For the year ended 31 December 2023

**19. OPERATING LEASE COMMITMENTS**

	Land and buildings		Other	
	2023	2022	2023	2022
	£	£	£	£
Less than 1 year	-	14,984	-	-
Between 2 and 5 years	-	-	-	-
	-	14,984	-	-

Committed rent and service charges payable for 2023 under the lease of the offices at One Old Hall Road, Liverpool (which expired on 3 September 2023) amounted to £nil (2022 - £14,984).

**20. TAXATION**

As a registered charity, no tax arises on trading surpluses (since all the trading is carried out in pursuit of the charitable company's primary purposes), voluntary income or interest. The charity is exempt from corporation tax.

**21. RELATED PARTY TRANSACTIONS**

Emily Hughes, a Trustee of the Charitable Company, is also Head of Volunteer Experience Girlguiding, whose organisation sent a delegate to attend a training course at £209, and purchased books totalling £38; a close family member, who is a Director of Detention Action, whose organisation sent delegates to attend training courses at £1,112, purchased an in-house course at £875 and books at £20. In 2022, Emily Hughes purchased books at £51 during the year. A close family member, who is a Director of Detention Action, whose organisation sent two delegates to attend a training course at a cost of £518.

Other than as stated above there were no transactions between the Charitable Company in the year and any entity with which any of the Trustees was connected.

In 2022 the following activity took place with no equivalent in 2023.

Lizzie Kenyon, a Trustee of the Charitable Company, is also Director of Services, Centre for Social Innovation, Keep Britain Tidy, which organisation purchased a subscription for Funds Online for £395. In 2021 purchased two in-house Ethnicity, Diversity and Inclusiveness workshops paying £1,000 and £800 respectively, and purchased a book "What have charities done for us" at £17.74 during the year.

Lesley Thornley, a Trustee of the Charitable Company, Ex Chief Executive, Hull and East Riding Citizens Advice Bureau, whose organisation purchased a training course for one delegate to attend. There was no equivalent activity in 2021.

Lesley Thornley, a Trustee of the Charitable Company, Ex Chief Executive, Hull and East Riding Citizens Advice Bureau, whose organisation paid for research work for DSC to complete an evaluation of a 5-year Lottery project (specification was shared widely within the Sector for a competitive selection process). There was no equivalent activity in 2021.

For the year ended 31 December 2023

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2022)	Restricted Funds  2022 £	Unrestricted Funds 2022 (as restated) £	Total Funds 2022 (as restated) £
<b>INCOME FROM</b>			
Donations and legacies	-	2,002	2,002
Charitable activities			
- Training and events	-	522,571	522,571
- Publications	157,208	947,980	1,105,188
Other income	-	-	-
Investments	-	61	61
<b>Total income</b>	<b>157,208</b>	<b>1,472,614</b>	<b>1,629,822</b>
<b>EXPENDITURE ON</b>			
Charitable activities			
- Training and events	-	491,763	491,763
- Publications	116,130	1,040,498	1,156,628
	<b>116,130</b>	<b>1,532,261</b>	<b>1,648,391</b>
<b>Net expenditure</b>	<b>41,078</b>	<b>(59,647)</b>	<b>(18,569)</b>
<b>Transfers between funds</b>	<b>(99,545)</b>	<b>99,545</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>(58,467)</b>	<b>39,898</b>	<b>(18,569)</b>

For the year ended 31 December 2023

### 23. PRIOR PERIOD RESTATEMENT

The comparative amounts in the prior period as presented have been restated as detailed below:

	At 31 December 2022		
	Previously reported £	Adjustments £	As restated £
<b>Current assets</b>			
Trade debtors	43,888	3,982	47,870
Prepayments and accrued income	208,352	(2,225)	206,127
<b>Current liabilities</b>			
Deferred income	(298,881)	(21,482)	(320,363)
<b>Net assets</b>	<b>299,385</b>	<b>(19,725)</b>	<b>279,660</b>
<b>Charitable Company Funds</b>			
Unrestricted - general funds	140,018	(19,725)	120,293
<b>Total funds</b>	<b>299,385</b>	<b>(19,725)</b>	<b>279,660</b>

#### Reconciliation of changes in funds

<b>Equity as previously reported at 1 January 2022</b>	<b>89,233</b>
<b>Adjustments to prior periods</b>	
Correction to subscription income recognition	(11,650)
<b>Equity as restated at 1 January 2022</b>	<b>77,583</b>
Unrestricted movements in funds as previously reported	50,785
Correction to subscription income recognition	(8,075)
<b>Equity as restated at 31 December 2022</b>	<b>120,293</b>

A prior period adjustment has been made to rectify the recognition of subscriptions income which were previously being recognised on a different basis/method over the years ended 31 December 2020, 2021 and 2022.

The overall impact of these adjustments is to reduce subscription income and unrestricted reserves by £19,725.

**THE DIRECTORY OF SOCIAL CHANGE**

England & Wales - Charity number 800517

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# Accounts

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Company Number: 02320712 (England & Wales)  
Charity Number: 800517

## The Directory of Social Change

Trustees' Report and Financial Statements  
For the year ended 31 December 2022

**The Directory of Social Change**  
**Report and Financial Statements for the year ended 31 December 2022**

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**Message from the Chair**

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The 2022 perfect storm created by frequent changes in government leadership meant that we found ourselves subject to the proverbial ‘slings and arrows of outrageous fortune’, with a consequent effect both on our ability to function well and on the whole sector’s capacity to raise much needed finances and get our voices heard.

This turbulence impacted on our own and the sector’s work in several ways. Firstly, because the many organisations struggling to raise money to provide vital services found it hard to find the wherewithal to invest in the development of their staff, volunteers and trustees, which in turn affected DSC’s revenue in the year. Secondly, although we had increased demands for our popular free to user services, which we were proud to offer, they required a significant investment of staff time and energy in a year when there were many other competing demands.

Our 2022 trading income was £1.6m, compared to £1.7m in 2021, a reduction of 4.6% and we added £48k to free reserves. Our total reserves now sit at £299k, consisting of £151k unrestricted and £148k restricted. Consequently, we managed to navigate the complex and challenging environment quite well and ended the year in a reasonably stable financial position, although without being able to build the cash reserves we had planned, whilst providing vital services to the sector.

We were also able to grow our increasingly successful podcast series with seven episodes resulting in over 1000 listeners and produced 8 new titles in our range of print and digital publications on topics highly relevant to the sector, including ‘Grants Fundraising’ and ‘Staff Forums’. While our Governance App continued to provide a simple and free way for Boards of Trustees to assess their performance against the key elements of the Charities Governance Code. This has proved a highly successful innovation with 2,435 trustees from 1,047 organisations using it to improve their governance in the year.

Our policy work included a detailed response to the Commission’s consultation on proposed revisions to the charities Annual Return for 2023, and following the passage of the Dormant Assets Act, a response to the Government’s consultation whilst supporting the work of the Community Wealth Fund Alliance. In addition, we continued to be a key collaborator in the Civil Society Group, working with fellow infrastructure bodies to get the voice of the sector heard, and to and promote good practice and influence decision makers.

We celebrated the eighth year of our research partnership with Forces in Mind Trust (FiMT), which funds our research on Armed Forces Charities and provides valuable information influencing how the sector engages with itself and with government. We invested considerable time and effort into developing our Funds Online website to improve functionality for subscribers. Internal processes were also upgraded, enabling our research team to significantly increase the number of records updated in this period.

More detail about what we achieved can be found in the report below but given how challenging and difficult the year was to navigate, the trustees are extremely proud of the enormous amount the team achieved and how committed they remained to DSC’s focus on continuing to serve the sector to the best of our ability.

A particular shout out to the Jessa Family who continue to support us with their invaluable donations and to our key partners in the year, including but not restricted to, The Forces In Mind Trust, Armed Forces Covenant Trust, Benefact Group (previously Ecclesiastical), Lloyds Bank Foundation for England and Wales, Sayer Vincent and The National Lottery Community Fund.

*William Butler*

**William Butler**

Chair

The Directory of Social Change

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## Trustees' Report

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### Trustees' Report

Welcome to the Trustees' Annual Report and Audited Financial Statements for the year ended 31 December 2022.

#### 1. Achievements and Activities during 2022

DSC's vision is 'An independent voluntary sector at the heart of social change'. In 2022 we continued to work towards our Strategic Objectives which underpin this vision:

- Equip voluntary sector organisations with high quality services and products that support them.
- Promote the value of a vibrant and diverse independent voluntary sector.
- Connect givers, influencers and social change makers.
- An independent DSC, financially robust in self-generated revenue.

DSC's strategic priorities as agreed in 2016 remain with an over-arching aim to increase our overall reach by:

- **Regional:** by increasing our range of services accessible throughout the UK
- **Expertise:** through growing expertise and reaching more beneficiaries with specific and expert help.
- **Digital:** through online learning and provision of other information and support.

The activities delivered, which are outlined in the following sections, all contributed to DSC reaching over 35,000 beneficiaries in 2022.

#### 1.1 Regional

DSC undertook a range of activities in 2022 that were specifically aimed at supporting the widest number of charities across England and Wales, irrespective of their geographical location.

##### 1.1.1 In house training

During the year we supported organisations including Act on Energy; Age UK; Association of Voluntary Service Managers; Benefact Group (formerly Ecclesiastical Insurance Group); British Ecological Society; Carers UK; Caritas Anchor House; Community Southwark; English Speaking Union; Foothold; Libraries Connected; Lumos Foundation; Royal Borough of Kensington and Chelsea; Scotland Big Picture and The Wildlife Trusts.

Popular topics for in-house training delivery were 1-1 coaching and support sessions, governance and board development, finance, management development programmes, personal development and fundraising.

In 2022 we continued our work with Benefact Group, organising four webinars. The webinar were free to attend for Benefact grantees which covered the fundraising topics of Funding applications, Fundraising Events, Legacy Fundraising and Social Media Fundraising. These webinars were attended by over a thousand grantees though out the year, they are also available to watch for future grantees and those who could not attend.

##### 1.1.2 Free content

DSC continues to publish a large amount of free content from voluntary sector experts including DSC staff, trainers and authors. We published 139 free content articles in 2022.

## **Trustees' Report**

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This typically takes the form of 'how to' guides, best practice, top tips, interesting research findings, and topical debate features in written, audio or video format that is distributed across DSC's (and external media's) extensive social media and other electronic channels.

We continued to send daily email bulletins (covering policy, news, free top tips and our products and services) to our all of our beneficiaries in 2022, and we had nearly 56,000 individuals clicking links in those emails.

@DSC\_Charity Twitter followers stood at around 19,700 followers at the end of the year.

In 2022 we did 7 episodes of *Charity Questions Podcast* which received 1,051 listens (150 listens on average per episode).

### **1.2 Expertise**

In 2022 DSC undertook a range of activities designed to connect either our own expertise or that of others in the sector, with the charities that most need it.

#### **1.2.1 Public Training Courses**

Throughout 2022 we continued to deliver courses live online using a virtual platform. 198 courses were delivered and with over 1500 delegates attending. We are really pleased that we have been able to continue to support charities, and those that work within them, with our training.

We continued to deliver our free to attend DSC virtual online talks, Sector Insights, which are one hour panel sessions covering topical and current charity sector challenges. A panel of experts either from within DSC or invited guests shared their expertise or experience on a particular topic, with participants having the chance to ask questions and engage in conversations.

During 2022 we delivered talks that covered subjects such as the Cost of Living, Becoming a Trustee, the Legal challenges of being a trustee, Sustainability and Working with new grant-making charities. We also ran a talk based on the recently published book, *Change for Better – Freshening Up Your Fundraising Approach*.

All these talks were free to attend, The insights were attended by over 500 attendees, with the most popular talk being "Change for Better" with co-author Bernard Ross discussing the book with 221 attendees.

#### **1.2.2 Conferences**

In 2022 DSC organised ten conferences which were all run live online, eight of the conferences were one day events and two were two days. Conferences run were Positive Hybrid Working; Fundraising Now 2022; Charity HR in 2022; The Future of Charity Recruitment; The Ultimate Guide to Marketing your Charity; Charity Accountant's Conference Online 2022; From Here to Diversity; Engage: Influencing Policy and Politicians; Developing and Elevating your Employees and The Future of Charity Funding.

In total over 600 people attended the conferences throughout the year, the most well attended conference being The Charity Accountants Conference which is delivered in partnership with our long-time partners Sayer Vincent. Which was attended by a total of 148 people.

We worked with many people throughout the year to deliver the programme of conferences, which include DSC internal training associates and many guest speakers.

Some of the guest speakers included:

- Paul Amadi MBE, Chief Supporter Officer, British Red Cross;
- Anju Ahluwalia CEO & Co-Founder, Food4All;
- Claire Warner, Consultant & Mentor;

## **Trustees' Report**

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- Jenny Banks, Associate Director for Business Development, Centre for Mental Health;
- Prospectus, recruitment agency;
- Russell Cooke;
- DSC External Training Associates;
- Damian Kerlin, Creative Consultant;
- Helen Reynolds, Founder of Comms Creatives;
- Dhruvi Shah, freelance journalist;
- Toby Mildon, Diversity and Inclusion Architect;
- Clara Wilcox, The Balance Collective;
- The Charity Commission;
- Bates Wells;
- Oliver Deacon, Executive Coaching for Finance Leaders and Ex-Microsoft FD;
- Pro Bono Economics;
- Nichol  McGill-Higgins, Belonging Leadership Coach;
- Mark Webb, Shadow Board Member, Reflect;
- Neurodiversity in Business;
- Polly Neate, CEO, Shelter;
- Carol Mack OBE, Chief Executive, Association of Charitable Foundations;
- Andy Coish, Head of Partnerships, Hull & East Riding Citizens Advice Bureau
- Duncan Shrubsole, Director of Policy, Communications and Research, The Lloyds Banks Foundation

### **1.2.3 Publishing**

2022 was a solid year for Publishing in which we published two of our bestselling biennial print directories. In a climate dominated by hardship caused by escalating prices and inflation, *The Guide to Grants for Individuals In Need 2022/23*, published in March, received even more attention than usual. In September we also published another of our big hitters, *The Guide to Major Trusts 2023/24*. In May 2023 we released *The Guide to New Trusts 2022/23* in both print and digital formats, the print version selling out within six months.

We also added new guidance titles to our publications list. In both the spring and autumn we added to our extensive Speed Reads list. In February we released *Storytelling for Impact* and *Vision, Mission, Objectives* and in October we published *Confidence at Work* and *Staff Forums*. The latter title became the first book on the subject for our sector.

In May we published *Grants Fundraising* by Neela Jane Stansfield in our popular Fundraising Series in association now with the University of Kent and the Chartered Institute of Fundraising.

The full list of new print titles from DSC in 2022 in order of publication was:

- *Storytelling for Impact (Speed Read)*
  - *Vision, Mission, Objectives (Speed Read)*
  - *The Guide to Grants for Individuals in Need 2022/23 18<sup>th</sup> edition*
  - *The Guide to New Trusts 2022/23 11<sup>th</sup> edition*
  - *Grants Fundraising*
  - *The Guide to Major Trusts 2023/24 17<sup>th</sup> edition*
  - *Confidence at Work (Speed Reads)*
  - *Staff Forums (Speed Reads)*
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## **Trustees' Report**

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### **1.2.4 Civil Society Group**

Since March 2020, DSC has been a major contributor of time and resources to an unprecedented collaboration between charity infrastructure organisations called the Civil Society Group ("CSG"). The CSG is supported by over 80 representative and membership bodies across the sector and its strategy has three themes:

- To use collective power to influence the governments in all parts of the UK and other key stakeholders.
- To promote and support programmes of beneficial change within the sector.
- To maintain a mechanism for better cooperation and communication, and data collation and dissemination.

Over the year, DSC continued to help coordinate many of the Group's meetings between CEOs, policy and public affairs teams, and communications staff. DSC staff regularly chaired meetings, organised agendas and minutes, and authored or helped produce policy proposals and briefings. This has involved substantial and dedicated time by senior staff and trustees over an extended period, but clearly meets DSC's charitable objects and purposes in service of our beneficiaries.

At the end of the year the Group assessed their achievements over the year, many of which DSC was involved in, including:

- Organising a meeting between members of the Group and the Minister with responsibility for civil society, Nigel Huddleston MP.
- Engaging the DCMS Select Committee on their scrutiny of the new Charity Commission Chair, Orlando Fraser QC, by providing briefing and draft questions to MPs that was used in the scrutiny session.
- Coordinating and supporting several open letters to the Prime Minister and successive Chancellors of the Exchequer during the political upheaval between August and October, successfully making the case for the inclusion of charities in the Energy Bill Relief Scheme and for other measures to improve the environment for charities and their beneficiaries.
- Helping develop the State of the Sector Survey produced by ProBono Economics and Nottingham Trent University, by feeding into question design, testing the survey and promoting it. The first wave of received over 700 responses and has provided evidence influence the governments in all parts of the UK and other key stakeholders on energy support.

The CSG is planning further work for 2023, in anticipation of a General Election at some point in the next 18 months.

### **1.2.5 Policy and public affairs**

During the year DSC continued to respond to formal consultations and policy announcements affecting charities, particularly concerning the Charity Commission. Our Policy Principle of Responsible Regulation holds that the regulation of charities should be proportionate, appropriate and enabling, and we stressed these principles in relevant responses and communications.

With the long-awaited appointment of a new Chair for the Charity Commission, we wrote to MPs on the DCMS Select Committee with briefing and proposed questions for the preferred candidate, Orlando Fraser KC. We raised questions about Mr Fraser's record during his time as a member of the Charity Commission's board, in particular his involvement in controversial cases where the Commission later had to reverse decisions or subsequently amend guidance after legal challenges.

In August we submitted a detailed response to the Commission's consultation on proposed revisions to the charities Annual Return for 2023. Our response focused on making sure that any changes were proportionate for smaller charities and could be reasonably completed by preparers without disproportionate cost or complexity. We offered constructive changes as well as critique and encouraged widespread participation in the consultation which received 456 responses.

In the Autumn we submitted a response to the Government's consultation on including the Community Wealth Fund as a recipient of future Dormant Assets revenues, following the passage of the Dormant Assets Act earlier in the year, and supporting the work of the Community Wealth Fund Alliance. In our response we argued that funding should go to the Community Wealth Fund and that its priorities should be set by local areas not national politicians or Westminster officials.

As in previous years, DSC analysed and commented on the Government's Budget statements, including the 'mini-budget' in October and the Autumn Statement in November, examining their implications for charities. We analysed the volatile political

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## **Trustees' Report**

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environment between August and November and explained the implications for a charity audience in articles on our website and in our e-mail bulletin. We know that many colleagues value our concise, freely available articles which cut through dense policy material to explain implications for charities.

DSC's Chief Executive Debra Allcock Tyler also authored monthly articles in Third Sector magazine and online, on topics relevant to the charity sector. These articles are also published on DSC's website.

### **1.2.6 Research on Armed Forces Charities**

2022 marked the eighth year of DSC's research partnership with Forces in Mind Trust (FiMT), which funds DSC's research on Armed Forces Charities. The ongoing work provides information via reports and interactive data, all of which is housed on DSC's website. We have also completed several other related research projects for FiMT over the years.

DSC's *Sector Insight: Armed Forces Charities 2020*, remains the definitive guide to that particular sub-sector of charities, and feedback shows that it continues to be used by senior policy-makers and practitioners. In addition, DSC's *Focus On* series of eight reports provide topical analysis on areas of charitable provision by Armed Forces charities, which continue to be downloaded and cited. In 2023, DSC's researchers will commence work on the next edition of *Sector Insight*, to be published in early 2024.

During 2022, DSC continued to undertake twice-annual surveys of Cobseo member organisations to provide up to date insight into how the pandemic and the emerging cost-of-living crisis was affecting them. This work has helped inform policy discussions in support of Cobseo's membership organisations. DSC's survey reports are published on the DSC website, along with the accompanying *Cobseo Members' Impact Database*, which allow users to generate additional insights and graphics on survey response data.

DSC's sector-wide online Interactive Database of all Armed Forces Charities continued to be updated each month during 2022, providing regular analysis of key data on Armed Forces charities. Users can undertake custom searches and create tailored graphs to visualise the sector in different ways. We understand this has been used at Cabinet Office level and has become a definitive evidence tool to support strategic work on the Armed Forces charities sector.

The ongoing partnership with FiMT continues to be strategically important for DSC, and our expertise in this area has had a demonstrably positive impact on the sector.

### **1.2.7 Commissioned Research**

DSC provides high-quality impact evaluations, strategic reviews, data analyses, surveys, and other research consultancy for clients. Our team is skilled at working with prospective clients to design projects that meet their needs and available budget. Wherever possible, our research reports are published on DSC's website. During 2022 DSC had a successful year with its commissioned research business, bringing in several major projects that were scheduled for completion in early 2023.

In the second quarter of the year, we were contracted by Fast Track Cities London (FTCI) to undertake research on the HIV/AIDS charity sector in London, to ascertain the evolving needs of people living with HIV/AIDS and the charities who serve them. This work is scheduled for completion early in 2023.

In the summer we successfully won funding for two different major research projects, one from the Service Children's Progression Alliance (SCiP) and one from the Armed Forces Covenant Fund Trust (AFCFT) whom we have worked with in the past. The SCiP project, which is funded by Forces in Mind Trust, examines the funding landscape and grant-making support by charities for Armed Forces children and young people, and the AFCFT provides original research on the extent and nature of small grants in the UK charity sector, and makes recommendations about how small grants can be valued and improved. Both reports will be published in Spring 2023.

## Trustees' Report

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### 1.3 Digital

2022 saw DSC continue to extend its digital reach in a number of areas, increasing the help that we are able to offer online, and delivering information support in formats that are easier to access for a range of our beneficiaries.

#### 1.3.1 Digital Publishing

We further extended the number of titles available in dual print and digital platforms. Most of our titles are now available digitally either as Kindle titles through [amazon.co.uk](https://www.amazon.co.uk) or as viewable pdfs and epub formats through both [www.dsc.org.uk](https://www.dsc.org.uk) and [www.kortext.com](https://www.kortext.com). In 2022 we produced the following e-publications in digital formats from brand new books:

- *Storytelling for Impact (Speed Read)*
- *Vision, Mission, Objectives (Speed Read)*
- *The Guide to New Trusts 2022/23*
- *Grants Fundraising*
- *Confidence at Work (Speed Reads)*
- *Staff Forums (Speed Reads)*

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

#### 1.3.2 Funding websites

In 2022 Funds Online continued to be an excellent resource for our beneficiaries looking for funding information.

Throughout the year Funds Online provided information from four main datasets to our subscribers, made up of funding from trusts giving a combined total of £4.9 billion, companies giving £330 million in cash and in-kind contributions, £2.4 billion in funding from local, regional and central government and £383 million in funding to individuals for social welfare, education and training.

Further progress was made with developers to improve functionality for subscribers including improved search function and results displayed. Internal processes were also upgraded, enabling our research team to significantly increase the number of records updated in this period. So, while the speed at which we update information on the website improved this in turn further improved the frequency of email updates to subscribers and the quality of the data saved on dashboards. The dashboard allows subscribers to track activity, new funding opportunities, saved funders while also uploading documents including applications, enabling all information to be stored in one place.

Our monthly webinars, which were delivered by our fundraising trainer, remain a popular and hugely beneficial addition to the site, which focus on highlighting the key features and benefits of the platform.

#### 1.3.3 DSC website [www.dsc.org.uk](https://www.dsc.org.uk)

The user profile facility of our main website is an area where users register and set up their own space to download and store information including a range of free factsheets, downloadable publications, presentations, brochures and policy briefings.

At the end of 2022 we had approximately 20,500 registered users. Free downloads totalled 15,899 in the year (8,620 not including Look Insides).

## Trustees' Report

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### 1.3.4 Governance App

The Governance App continued to provide a simple and free way for Boards of trustees to assess their performance against the key elements of the Charities Governance Code. During 2022, 2,435 trustees from 1,047 organisations used the app to review their performance.

Work on improving the app continued into 2022, with support from National Lottery Community Fund enabling us to start work on making the reporting of results more user-friendly and enable users to generate automatic reports and benchmark themselves against their previous reviews. This new functionality will be available early in 2023.

### 1.3.5 An independent DSC, financially robust in self-generated revenue

DSC generated 99.9% of its own funds in 2022 (2021 – 92.8%), the balance of 0.1% being provided by donations. There was a decrease in generated income of 4.6% to £1,635,834 from £1,713,825 in 2021.

Despite the current socio-economic issues facing UK, there was a further decrease in the defined benefit pension scheme deficit. The current value of the defined benefit pension scheme provision for 2022 was £5,864 (2021: £10,071).

In addition to the support we continue to receive from having taken the CBILS loan in 2020, we also continued to take advantage of the HMRC payment plans available for PAYE and VAT.

We invested in some new IT projects which were started in 2021. These projects covered changes and developments being made to improve our internal customer data managements and financial data. At the end of 2022 these projects had been completed and were brought into use at the start of 2023. The projects were funded by DSC'S own reserves and were with the aim of increasing the reach of DSC to its beneficiaries, and improving the support we provide to our beneficiaries.

Commissioned research has continued to bring in material income of £80,288 in 2022 (2021: £105,602) derived from a range of projects, including the Armed Forces Covenant Research. Our continuing experience with these types of projects provide a good record for developing these research income generating activities in the future.

## 2. Public Benefit

The Charitable Company has complied with the guidance on public benefit requirement in accordance to Section 17 of the Charities Act 2011.

The Charity Commission in its "Charities and Public Benefit" Guidance requires that key principles be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit, and secondly the benefit must be to the public or a section of the public.

The Guidance lists "promoting the efficiency of other charities" as one of the examples of benefits to the public, and the objects of The Directory of Social Change include the promotion and advancement of education and the promotion of efficiency and efficacy of other charities. It achieves this through its educational publishing, courses, conferences, exhibitions and electronic websites. In pursuing these objectives, the Trustees are mindful of and strive to achieve ways of minimising the impact of its activities and products on the environment.

Although DSC aims principally to serve the charity sector, we also provide services to the wider not-for-profit sector and grade our level of charges specifically so as to remain affordable to smaller charities with limited resources.

In addition, we continued to make a number of facilities available free to our beneficiaries during the year.

## Trustees' Report

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### 2.1 Free content

Of the roughly 35,000 people DSC reaches every year, by far the majority of them access our free services, information and advice. This support includes:

- **Blog posts and articles:** including inspirational articles, practical articles giving tips and advice, and policy position papers explaining issues and sharing our views, including consultation responses and recommendations. In 2022 all our blogs and articles were read just under 32,000 times.
- **Video content:** 189 videos on our YouTube page (with some also appearing on the DSC website), covering all of our main topic areas, our Espresso Express series and some recorded event content from our Charity Accountants' Conference and other training sessions. These videos have been viewed nearly 30,000 times.
- **Podcasts:** our Charity Chat podcast is available for free on all major podcast platforms and the DSC website. In 2022 we did 7 episodes with 1,051 listeners.
- **Free virtual sessions:** Monthly free demonstrations of the Funds Online platform and Governance App platform. During the year 28 funds online sessions were delivered with 968 attendees, and six governance app sessions were delivered and attended by 72 attendees.
- **Event/meeting speakers:** Our senior staff regularly speak at external events, meetings, launches etc. benefitting both the hosts/organisers and the attendees.

A number of our products and services are also free to the end user because we've received grant funding to either develop or maintain them.

This includes:

- **The Governance App:** Free governance review tool available to all charities. Developed with funding from Clothworkers' Company, Tudor Trust and Lloyds Bank Foundation, The Governance App helped 2,435 trustees from 1,047 organisations to review their performance during 2022.
- **Armed Forces Charities database and research:** a huge database and archive of research into Armed Forces Charities, available through the main DSC website.
- Some of our more in-depth and expert-level support, which most people pay a fee for, are also available for free via intermediaries:
- **Books:** most of our books are available, and all can be requested, from local libraries. Many infrastructure and membership organisations either bulk purchase for their members or have copies of titles like DGMT at their offices for members to access.
- **Funds Online:** Increasingly membership bodies, funders and other organisations are taking out subscriptions on behalf of their users, beneficiaries and grantees so that the service is free to them.

### 2.2 Publications

For those with severe mobility difficulties without access to a computer, we provide a free copy of our publication *The Guide to Grants for Individuals in Need*. Our website [www.grantsforindividuals.org.uk](http://www.grantsforindividuals.org.uk) can also be accessed free of charge by visitors to those public libraries that subscribe to the service.

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or mobile and e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

## **Trustees' Report**

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### **3. Regulatory and Administrative Details**

#### **3.1 Regulatory Compliance Statements**

The Directory of Social Change is registered as a company limited by guarantee (without share capital) with number 02320712 and as a charity no. 800517. The registered office address is Suite 103, 1 Old Hall Street Liverpool L3 9HG.

The Trustees are also the Directors of the Charitable Company for the purposes of the Companies Act. The Trustees in presenting their annual report and financial statements for the year ended 31 December 2021 for the Charitable Company confirm that they comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (effective 1 January 2017) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

#### **3.2 Who we are**

Established in 1975, The Directory of Social Change (DSC) campaigns for an independent voluntary and community sector. DSC is the largest provider of information and training to the UK voluntary and community sectors.

The main activities of the organisation include:

- Championing the needs of small and medium voluntary sector organisations
- Providing practical training courses
- Running conferences, seminars and fairs
- Researching and publishing reference guides and handbooks
- Providing the subscription website [www.fundsonline.org.uk](http://www.fundsonline.org.uk)
- Campaigning on issues that affect the voluntary sector
- Publishing valuable free content pieces across social media and electronic channels

Visit our website for more information at [www.dsc.org.uk](http://www.dsc.org.uk)

#### **3.3 Where we are**

DSC has its Registered Office at its Liverpool premises, but all of our staff work remotely.

Suite 103  
1 Old Hall Street  
Liverpool L3 9HG  
Tel: 0151 708 0136  
E-mail: [cs@dsc.org.uk](mailto:cs@dsc.org.uk)

## Trustees' Report

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### 3.4 Trustees:

The following individuals acted as Trustees throughout the year and to the date of this report, except where otherwise stated:

William Butler, Chair	Third Sector Consultant
Joyce Fraser	Chair, Black Heroes Foundation
Matthew Hill	Associate Director of IT, ReThink Mental Illness
Emily Hughes	Head of Volunteer Experience, Girlguiding, Trustee
Anneka Kapadia	Policy and Programme Officer, Greater London Authority
Lizzie Kenyon	Director of Services, Keep Britain Tidy
Phyllida Perrett	Third Sector Consultant
Andrew Purkis OBE	Charity Chair and Trustee, school governor and blogger
Kashif Shabir (resigned 13 February 2023)	CEO, Muslim Aid
Lesley Thornley	Ex Chief Executive, Hull & East Riding, CAB
Caron Bradshaw OBE (resigned 28 July 2022)	Chief Executive, Charity Finance Group, Trustee, Together Charitable Foundation

### 3.5 Chief Executive, Company Secretary and Senior Management:

Chief Executive	Debra Allcock Tyler
Company Secretary	John M de C Hoare (Resigned 31 December 2022) Harry Wrafter (Appointed 25 January 2023)

The Senior Leadership Team during 2022 comprised:

Debra Allcock Tyler	Chief Executive
Ben Wittenberg	Director of Development and Delivery
Jay Kennedy	Director of Policy and Research
Annette Lewis	Director of Services
Yvonne Coleman	Director of Finance and IT

### 3.6 Auditors, Bankers and Solicitors

#### Auditors:

Simpson Wreford & Partners  
3rd Floor Suffolk House  
George Street  
Croydon CR0 0YN

#### Bankers:

National Westminster Bank Plc	National Westminster Bank Plc
PO Box 224	6 Grange Road West
9 The Broadway	Charing Cross
Stanmore	Birkenhead
Middlesex HA7 4XW	Merseyside CH41 4DF

#### Solicitors:

Bates Wells & Braithwaite London LLP  
10 Queen Street Place  
London, EC4R 1BE

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## **Trustees' Report**

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### **3.7 The Regulatory Environment**

The regulatory environment within which DSC operates is considered to be the following:

#### **Finance and Accounting**

- The Companies Act 2006
- The Charities Act 2015
- Charities SORP,
- United Kingdom Accounting Standards
- Financial Reporting Standard FRS 102
- UK Generally Accepted Accounting Practice (UK GAAP)
- VAT partial exemption regulations

#### **Human Resources**

- Employment Law
- Health and Safety Regulations
- Pensions Regulator Requirements
- The Equalities Act

#### **Operational Matters**

- Data Protection Legislation
- Health and Safety Regulations
- The Equalities Act
- Legal Deposit Libraries Act 2003
- Copyright Designs and patents Act 1988

#### **Maintaining awareness of legislative and regulatory changes**

DSC is a member of the Charity HR Network, which provides regular updates, organise meetings etc. The charitable company's Solicitors provide regular e-newsletters, updates and provide webinars on topical subjects.

DSC also receives updates from firms of accountants and solicitors with whom it has professional relationships.

A number of members of staff have professional qualifications whose professional institutes provide updates and information to their members. These organisations include The Chartered Institute of Personnel and Development, The Chartered Association of Certified Accountants.

Being a training organisation many of the trainers bring their professional expertise to bear and enable courses, training session and webinars to be put on by DSC and from which the organisation itself benefits.

## **Trustees' Report**

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### **4. Structure, Governance and Management**

#### **4.1 Governing Document and Constitution**

The Directory of Social Change is registered as a company limited by guarantee (without share capital) and as a charity. Its governing instrument is its Memorandum and Articles of Association last revised on 15th December 2004. All the Members of the Charitable Company are Trustees and undertake to contribute to its assets in the event of it being wound up while s/he is a member, such amount as may be required not exceeding £1. All the Trustees are also Directors of the Charitable Company for the purposes of the Companies Act.

#### **4.2 Trustees Appointment, recruitment, training and induction**

All Trustees are unremunerated and are voluntary. Trustees are appointed by resolution of the Trustees. At each Annual General Meeting one-third of the Trustees are subject to retirement by rotation but may offer themselves for re-election. No person other than a Trustee retiring by rotation may be appointed or re-appointed a Trustee at any general meeting of Trustees unless he or she is recommended by the Trustees.

Training of Trustees is given on new legislative issues affecting charity trustees and directors as needed. As a training organisation Trustees also have the right to attend any of DSC's courses as part of their duties to ensure that products being offered are within the objects of the organisation and of appropriate quality.

There is a specified Trustee Recruitment Policy and Procedure which outlines clearly our approach to recruiting trustees and has been amended to ensure it reflects diversity and inclusion.

There is a defined procedure for the induction of Trustees, which includes the provision of a detailed information pack upon each appointment which covers introduction to fellow Trustees, the leadership team and staff with organisation chart; Memorandum and Articles of Association; the history of the organisation, its objectives and policies, its work and products; recent Trustees minutes of meetings; the latest audited Trustees Report and Financial Statements; information on the role and responsibilities of a Trustee, access to training where required and a buddy system where existing trustees mentor new ones.

#### **4.3 Organisation Structure and decision making**

A voluntary Board of Trustees is responsible for the overall management and direction of the Charitable Company. The Board meets four times a year and at any other time as circumstances dictate.

The Board also has a number of working groups that consist of trustees and staff which focus on particular areas of interest. These working groups act as advisors and sounding boards for the charity's work. Some of the working groups are set up to deal with specific issues as and when needed. Others are more long-standing. The current working groups are: Wellbeing, Equity, Equality, Diversity and Inclusion; Policy; and one that meets between the main board meetings for general update on progress. Financial matters are dealt with by the Board as a whole although an Audit Working Group was set up to review the 2022 accounts during the year.

A Senior Leadership Team meets monthly and reports to the Trustees. The members of the group are shown under section 3.5 above. The day to day running of the charity is delegated to the senior leadership team.

## **Trustees' Report**

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### **4.4 Relationships with other charities, organisations and individuals**

We work with a very wide range of organisations. We are very grateful to all the members of the Civil Society Group who we worked alongside during the year.

We would also like to thank the following partners and sponsors for their support during 2022:

- Armed Forces Covenant Fund Trust
- Benefact Group
- Charity Commission for England and Wales
- Cobseo, the Confederation of Service Charities
- Fast Track Cities London
- Forces in Mind Trust (FiMT)
- Shyrose Jessa/Murtaza Jessa/The Jessa family
- Nottingham Trent University
- Prospectus
- Sayer Vincent
- School Library Association
- Service Children's Progression Alliance
- The National Lottery Community Fund
- Zurich Community Trust

### **4.5 Risk**

We monitor risk on an ongoing basis and we examine three areas:

1. Specific risks which are current – e.g. daily cash flow
2. General risks that we're managing all the time – e.g. decline in revenue streams, IT failures
3. Unpredictable, large risks – e.g. pandemics, collapse of the economy.

The Executive look at risk as part of normal monthly reporting. Trustees are updated quarterly.

#### **Current areas of specific risk:**

- Charity closures due to rising inflation and the energy crisis impacting revenue streams
- DSC's customer base being vulnerable to fluctuating funding patterns
- Cyber Security, IT Systems outage or collapse
- Suppliers' insolvency
- Cashflow – ensuring that cash in balances cash out

#### **Actions taken to mitigate these risks are:**

- Live financial and operational information is reviewed weekly by the Executive Team
  - Audit Board Working Group in place to review the yearly accounts and risk profile during the audit which reports to the full Board
  - Plans in place to quickly respond to the short-term nature of order and bookings patterns
  - Further development of on-line offerings
  - Offsite hosting of websites in multiple data centres, so if one server goes down another is brought online; all critical data is backed-up offsite.
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## Trustees' Report

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- A Disaster Recovery Plan has been prepared
- Back-up plans are in place

### General risks:

These might include matters such as failure or poor performance of a specific product; damage to reputation from a specific instance of poor delivery or customer service, or a failed partnership that damages reputation or ability to deliver other services.

### Actions taken to mitigate these risks are:

Risk management has been integrated into our monthly management reporting, with a clear assessment and escalation process. Managers are accountable for identifying and communicating risks in their own areas of the business. Following the monthly management reports, discussions about mitigating action with regard to any risk needing attention takes place either at the Leadership Team meeting, or with the relevant Senior Leader.

Specific Board Working Groups are set up to monitor high risk investments or projects eg, IT, as and when required.

### Unpredictable, large risks:

Risks that emerge or occur quickly are assessed and referred immediately (along with a planned response where appropriate) to the relevant member of the senior leadership team.

DSC adopts the Charity Finance Group approach to managing risk which is to identify current operational risks, emerging longer term risks and mitigating actions on a monthly basis as part of general management practices and trustees discuss this at quarterly board meetings.

Risks are reviewed by the Trustees from time to time to reflect the need to keep particular items under review, but also to respond to new or existing risks that are given public prominence concerning charities generally.

## 5. Finance Review

In 2022 DSC generated 99.9% of its own funds (2021 – 92.8%), the balance of 0.1% being provided by donations. The self-generated income arises through the sales of our books, websites, training, research services and events. Overall charitable income in 2022 was £1,635,834 compared to £1,713,825 in 2021, a change of 4.6% from 2021 (2021 a 12.3% change from 2020).

During 2022 we continue to hold our online training programmes which have continued to be a success and have reflected in the 2022 training income increasing by 6.2% from 2021. Income from publications, subscriptions and research has reduced by 8.9% compared to 3.6% in 2021. Expenditure on unrestricted activities decreased by 4.3% compared to 2021.

In 2022 we have continued to adopt the policy of holding regular Board Working Group meetings to monitor the financial situation on a regular basis. This strategy has continued to pay off as decisions could be made rapidly as needed. In 2022 the frequency of these meetings reduced, however towards the end of the year a separate Audit Board Working Group was set up providing oversight on controls, risk management and financial reporting in the year and this is reflected in the Governance costs which have increased to £77,729 in 2022, (2021: £73,621) The analysis is shown in Note 6 to the Accounts.

We continue to have the Forces in Mind (FiMT) grant activity in addition to two other restricted grants, thus at the end of 2022 we had a total of £148,493 towards our restricted funds. (2021 £206,960).

There has been a 2.5% decrease in current assets in 2022 compared 6.8% increase in 2021, and a 12.6% decrease in total liabilities (2021: 8.4% decrease). Overall, we had a 3.4% decrease in net assets in 2022 (2021: 101% increase).

## **Trustees' Report**

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### **5.1 DSC Earned Income**

We continue to work closely with a wide range of individuals and organisations, while at the same time ensuring that we are not financially dependent on any single funder, purchaser or provider for our operational programme. We received donations of £Nil in 2022 (2021 - £14,000).

Our financial structure enables us to continue to be independent, flexible and free to comment without fear or favour. This is a core value for us.

### **5.2 Remuneration Policy**

The overall policy on remuneration within DSC is as follows:

- Trustees are voluntary and not remunerated. Out-of-pocket expenses paid to trustees are shown as part of Note 6 to the Financial Statements.
- The Chief Executive's salary is determined in line with the pay policy for all DSC staff. The remuneration of the Chief Executive Officer is specifically agreed by the Trustees following a performance assessment and recommendation by the Chair to the Trustees.
- Staff remuneration is reviewed as an important but separate element of the annual budget process.

Each year the salary budget for the ensuing year is considered at a Trustees Board Meeting based on proposals put forward by the Senior Leadership Team and takes account of the cost of living, individual performance assessments and the need to retain the most appropriate staff for each post in the expected economic climate for the ensuing year. DSC has a clear and concise salary policy.

### **5.3 Reserves**

The Trustees' approach is to adopt recommendations in Charity Finance Group's report 'Beyond Reserves'.

Currently when determining the reserves position for the forthcoming year the Board considers whether the resources available for use in the planned activities of the Charitable Company within the year are sufficient before determining what should be the appropriate level of reserves for that particular year. During the year under review Trustees agreed that the medium to long term goal is to increase the level of unrestricted free reserves, as funds allow.

The full Board considers the reserves position of the Charitable Company on a quarterly basis when reviewing the management accounts with an analysis of the results by activity and the forecast results for the coming quarters; together with a review of management of debtors, statistical management indicators and cash flow analysis and forecasts.

In any one year, we may earmark Unrestricted General Funds for a particular project or to use as Designated Funds. The reasons for the setting up of such funds, the policy for any transfers between funds, and allocation to or from designated funds, will be stated in the notes to the accounts.

Funds are designated to an amount equal to the sum represented by the net book value of Fixed Assets comprising leasehold improvements, furniture and fittings and computer equipment. Our Designated Funds are reviewed annually.

Trustees continue to believe that the current policy of managing resources generally rather than just reserves in isolation is the right course to adopt in the current economic climate, however, this decision is continually reviewed including the ongoing level considered acceptable.

Total reserves at the end of 2022 were £299,385 made up of £148,493 of restricted reserves and £150,892 of unrestricted reserves; and the Trustees are working to continue to increase this level in 2023.

## Trustees' Report

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### 5.4 Investment Policy and Performance

At the Balance Sheet date, the Charitable Company only held cash investments. The Bank of England base rate was 0.25% from the beginning of 2022 rising to 3.5% by the end of December 2022. The continuing national policy of holding rates at such a low-level means that it is not viable to manage the movement of funds between current and investment accounts. All funds during 2022 were held on current account. Income generated in 2022 amounted to £61 (2021 - £8)

### 5.5 Fundraising

The Charitable Company has not made any fundraising appeals to the general public during the year and is unlikely to do so in the future. Fundraising focusses on securing grants and donations from registered charities and business links. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the Charitable Company is not registered with the Fundraising Regulator and received no fundraising complaints in the year.

### 5.6. Restricted Funds

To the extent that Restricted Grants are liable to be returned to Grant Providers where they are unspent and it is not intended that they be spent, there was no grant due to be returned at 31 December 2022 (2021: £Nil).

## 6. Strategic Report - Plans for the Future

DSC's vision, mission and strategic objectives remained unchanged during 2022. The strategic aim continued to be a focus during the year – that is extending our reach into the sector:

- Regionally, by increasing the support provided to organisations across the UK
- Through growing expertise, and reaching more beneficiaries with specific and expert help
- Digital through the development of digital services.

Trustees tasked the Executive with re-visiting our Reach strategy during 2022 and coming up with a plan for the coming 3-5 years, which will be agreed during 2023.

## 7. Auditors

The auditors, Simpson Wreford & Partners have been appointed in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 27 April 2023 and signed on their behalf, by:

*William Butler*

William Butler  
Chair

*Lesley Thornley*

Lesley Thornley  
Trustee and Chair of Audit Board Working Group

**The Directory of Social Change**  
**Statement of Trustees' Responsibilities**

**For the year ended 31 December 2022**

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The Trustees (who are also directors of The Directory of Social Change for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2022

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### Opinion

We have audited the financial statements of The Directory of Social Change (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2022, and of the 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 Companies Act 2006 and the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 annual report of the trustees, 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.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Report of the Trustees has been prepared in accordance with applicable legal requirements.
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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2022

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 charitable company 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 auditor under the section 151 of the Charities Act 2011 and report in accordance with 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, through discussions with management and those charged with governance, and also from our detailed understanding of the sector. We identified the financial reporting framework including but not limited to (United Kingdom Generally Accepted Accounting Practice, The Charities Act 2011 and the Companies Act 2006), Data Protection Act 2018, Bribery Act 2010 being of significance in the context of The Directory of Social Change and its ongoing activities.
  - We made enquiries with management and those charged with governance and also reviewed board meeting minutes to confirm our understanding that the charitable company continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charitable company to ensure ongoing compliance.
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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2022

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- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charitable company's policies and procedures on fraud risks through discussion with the charitable company's management.
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls, and improper revenue recognition. To address these risks we tested the appropriateness of journal entries posted, reviewed those judgements made in making accounting estimates, and tested the application of revenue recognition and the cut-off of revenue.
- We communicated those laws and regulations considered relevant to the charitable company, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
John Millidge (Senior Statutory Auditor)  
for and on behalf of Simpson Wreford & Partners, Chartered Accountants & Statutory Auditors  
Suffolk House, George Street, Croydon, CR0 0YN

.....3 May 2023

**The Directory of Social Change**  
**Statement of Financial Activities (incorporating the Income and Expenditure Account)**

For the year ended 31 December 2022

	Note	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>INCOME FROM</b>					
Donations and legacies	2	-	2,002	2,002	14,000
Charitable activities	3				
- Training and events		-	522,571	522,571	492,021
- Publications		157,208	956,055	1,113,263	1,221,804
Other income	4	-	-	-	119,421
Investments		-	61	61	8
<b>Total income</b>		<b>157,208</b>	<b>1,480,689</b>	<b>1,637,897</b>	<b>1,847,254</b>
<b>EXPENDITURE ON</b>					
Charitable activities	5				
- Training and events		-	491,763	491,763	456,040
- Publications		116,130	1,040,498	1,156,628	1,234,857
		<b>116,130</b>	<b>1,532,261</b>	<b>1,648,391</b>	<b>1,690,897</b>
<b>Net income / (expenditure)</b>		<b>41,078</b>	<b>(51,572)</b>	<b>(10,494)</b>	<b>156,357</b>
<b>Transfers between funds</b>		<b>(99,545)</b>	<b>99,545</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(58,467)</b>	<b>47,973</b>	<b>(10,494)</b>	<b>156,357</b>
Total funds at 1 January 2022		206,960	102,919	309,879	153,522
<b>Total funds at 31 December 2022</b>		<b>148,493</b>	<b>150,892</b>	<b>299,385</b>	<b>309,879</b>

All amounts are from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on page 25 - 40 form part of these financial statements.

As at 31 December 2022

	Note	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		10,874		13,686
Intangible assets	12		118,299		223,772
			<u>129,173</u>		<u>237,458</u>
<b>CURRENT ASSETS</b>					
Stock	13	577,310		425,053	
Debtors	14	255,092		346,362	
Cash at bank		6,830		89,241	
		<u>839,232</u>		<u>860,656</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	(586,109)		(670,242)	
<b>NET CURRENT ASSETS</b>					
			253,123		190,414
Creditors: amounts falling due after more than one year	15		(82,911)		(117,993)
<b>NET ASSETS</b>					
			<u>299,385</u>		<u>309,879</u>
<b>CHARITABLE COMPANY FUNDS</b>					
Restricted funds			148,493		206,960
Unrestricted - designated funds	17		10,874		13,686
Unrestricted - general funds	17		140,018		89,233
			<u>299,385</u>		<u>309,879</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Trustees on 27 April 2023 and were signed below on their behalf by:

*William Butler*

William Butler  
Chair

*Lesley Thornley*

Lesley Thornley  
Trustee and Chair of Audit Board Working Group

The notes on page 25 - 40 form part of these financial statements.

**The Directory of Social Change  
Statement of Cash Flows**

**As at 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net income / (expenditure) for the year	(10,494)	156,357
Amortisation of intangible assets	105,473	113,741
Depreciation of tangible assets	3,480	2,391
Interest receivable and similar income	(61)	(8)
(Profit) / loss on sale of fixed assets	-	-
Decrease / (increase) in stock	(152,257)	51,301
(Increase) / decrease in debtors	91,270	(174,447)
Decrease in creditors	(87,215)	(56,641)
<b>Net cash generated from / (used in) operating activities</b>	<b>(49,804)</b>	<b>92,694</b>
<b>Cash flows from investing activities</b>		
Interest income	61	8
Purchase of tangible assets	(668)	(12,892)
Purchase of intangible assets	-	(132,001)
<b>Net cash used in investing activities</b>	<b>(607)</b>	<b>(144,885)</b>
<b>Cash flows from financing activities</b>		
Cash inflow of new borrowing	-	-
Repayments of borrowing	(32,000)	(16,000)
<b>Net cash (used in) / generated from financing activities</b>	<b>(32,000)</b>	<b>(16,000)</b>
<b>(Decrease) / increase in cash and cash equivalents in the year</b>	<b>(82,411)</b>	<b>(68,191)</b>
Cash and cash equivalents at the beginning of the year	89,241	157,432
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6,830</b>	<b>89,241</b>

**Analysis of net debt 2022**

	<b>Cash</b>	<b>Loans</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At the start of the year	(54,759)	144,000	89,241
Cash flows	(50,411)	(32,000)	(82,411)
	<b>(105,170)</b>	<b>112,000</b>	<b>6,830</b>

## **1. ACCOUNTING POLICIES**

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

### **Statement of compliance**

The financial statements have been prepared in accordance with current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (second edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland the Companies Act 2006.

The Directory of Social Change meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### **Company Status**

The Directory of Social Change is registered as a company limited by guarantee (without share capital) no. 02320712 and a charity no. 800517. Its governing instrument is its memorandum and articles of association. The members of the charitable company are the trustees named on page 11. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The Charity's registered office is Suite 103, 1 Old Hall Street, Liverpool L3 9HE.

### **Preparation of accounts on a going concern basis**

The trustees note that Charity's financial year ends in December, which is typically the lowest point of the organisation's performance. The first quarter of 2023 has performed in line with expectations and the financial information provided by the Executive Board indicates that the future performance is currently predicted to do better than expectation. The cash position has improved in the first quarter and is forecasted to continue on its current trajectory over the next twelve months in line with expectation and improved income generation.

Therefore, having carefully reviewed the financial forecast, cash flow forecast and performance to date for the current year for at least a period of twelve months from the date of approval of the financial statements, including expected income and anticipated expenditure, the trustees consider that there are no material uncertainties regarding going concern and therefore that the financial statements are appropriately prepared on the going concern basis.

### **Significant judgements and sources of examination uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Depreciation and amortisation rates used;
- The overhead rate used when calculating a value for work in progress; and
- A discount rate of 4.96% (previously 1.18%) has been used to calculate the present value of pension provision.

**For the year ended 31 December 2022**

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## **Income**

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

### Donations and legacies

Donations and gifts and are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably. Gift Aid received or receivable in respect of donations is included where applicable.

### Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

### Grants

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

### Income from charitable activities

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

### Subscription income

Subscription income is recognised on a straight line basis over the subscription term.

### Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

### Job retention scheme grant income

The charitable company received £nil (2021: £95,466) of grants from the Government's Job Retention Scheme during the prior year. At the end of the prior year, the existing job retention scheme was continuing to be applied for 20% of their time in respect of the relevant staff. The Scheme closed in September 2021.

**For the year ended 31 December 2022**

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### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities comprises of expenditure associated with training and events, publications and dissemination of information.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead support costs and are apportioned based on staff time as follows:

- Training and events: 32% (2021 - 29%)
- Publications and dissemination: 68% (2021 - 71%)

### **Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

### **Operating leases**

Rental charges are charged on a straight-line basis over the life of the lease.

### **Intangible Fixed Assets**

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible fixed assets are amortised over the following useful economic lives:

Software development costs	4 years
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For the year ended 31 December 2022

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### Tangible fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Leasehold improvements	41 months, straight line (the life of the lease)
Furniture, fittings and equipment	5 years straight line
Computer equipment	4 years straight line

### Financial instruments

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

#### Creditors and provisions

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

#### Debtors

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

#### Cash at bank and in hand

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

### Stock

Stocks are valued at the lower of cost and net realisable.

#### Publications

Book stocks and work in progress on forthcoming books are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes, in the case of books and publications produced by the charitable company, production costs and applicable overheads as reduced by the amount of any grant receivable; in the case of books bought in from other publishers, purchase cost only is included. A provision has been made for slow-moving items on the basis of expected future sales.

#### Subscription websites

The work in progress relates to the subscription websites for re-saleable items. Cost includes staff costs and associated overheads, which are amortised over the annual life of the subscriptions. This is continued on a rolling basis as the subscription websites are continually updated.

**The Directory of Social Change  
Notes to the Financial Statements**

**For the year ended 31 December 2022**

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Electronic work-in-progress

The Work-in-Progress relates to work on the Funding Online website, live streaming work, and work for on-line learning. Cost includes staff costs, associated overheads and third-party supplier costs as incurred for these developments. Once live these will be amortised over 4 years.

**Funds**

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

**Employee benefits**

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme

The Directory of Social Change operates a defined benefit pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of The Directory of Social Change in an independently administered fund.

The pensions costs charged in the financial statements represent the contributions payable during the year. There was also a defined benefit pension scheme which was closed to new contributions on 30 September 2013. Further information is provided in note 10.

For the year ended 31 December 2022

<b>2. DONATIONS AND LEGACIES</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Donations	2,002	14,000

<b>3. INCOME FROM CHARITABLE ACTIVITIES</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Training and events	522,571	492,021
Publications and dissemination of information	1,113,263	1,221,804
	<u>1,635,834</u>	<u>1,713,825</u>

Income from publications and dissemination of information includes restricted grant income of £157,208 (2021: £296,191) relating to research projects. Further details are provided in note 17.

<b>4. OTHER INCOME</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Coronavirus Job Retention Scheme	-	95,466
Insurance claim	-	23,955
	<u>-</u>	<u>119,421</u>

<b>5a ANALYSIS OF EXPENDITURE</b>	<b>Staff Costs £</b>	<b>Amortisation &amp; Depreciation £</b>	<b>Other Costs £</b>	<b>Support Costs £</b>	<b>Total Costs £</b>
Training and events	329,140	34,865	58,831	68,927	491,763
Publications and dissemination of information	699,421	74,088	236,648	146,471	1,156,628
	<u>1,028,561</u>	<u>108,953</u>	<u>295,479</u>	<u>215,398</u>	<u>1,648,391</u>

The staff costs for each expenditure type shown above comprise the staff costs from each charitable activity, together with the staff costs allocated to activities as part of governance costs and support costs as detailed in Notes 6 and 7 respectively.

For the year ended 31 December 2022

**5b COMPARATIVE ANALYSIS OF EXPENDITURE (2021)**

	<b>Staff Costs £</b>	<b>Amortisation &amp; Depreciation £</b>	<b>Other Costs £</b>	<b>Support Costs £</b>	<b>Total Costs £</b>
Training and events	263,509	33,678	51,126	107,727	456,040
Publications and dissemination of information	645,144	82,454	243,514	263,745	1,234,857
	<u>908,653</u>	<u>116,132</u>	<u>294,640</u>	<u>371,472</u>	<u>1,690,897</u>

**6. GOVERNANCE**

	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Staff costs	48,181	46,907
Other costs	10,018	9,664
Audit and accountancy	19,530	17,050
	<u>77,729</u>	<u>73,621</u>

During the year, no Trustees received any remuneration (2021: £Nil) or any benefits in kind (2021: £Nil).

During the year 2 Trustees were reimbursed £176 for out-of-pocket expenses for travel and subsistence (2021: 2 Trustees were reimbursed £181).

**7a SUPPORT COSTS ALLOCATED TO ACTIVITIES**

	<b>Staff Costs £</b>	<b>Office Costs £</b>	<b>Premises Costs £</b>	<b>Governance Costs £</b>	<b>Total Costs £</b>
Training and events	17,323	16,296	10,435	24,873	68,927
Publications and dissemination of information	36,812	34,629	22,174	52,856	146,471
	<u>54,135</u>	<u>50,925</u>	<u>32,609</u>	<u>77,729</u>	<u>215,398</u>

Support costs are the costs of central management. These costs are apportioned to activities based on total and direct costs.

For the year ended 31 December 2022

**7b COMPARATIVE SUPPORT COSTS ALLOCATED TO ACTIVITIES (2021)**

	Staff Costs £	Office Costs £	Premises Costs £	Governance Costs £	Total Costs £
Training and events	13,869	64,504	8,004	21,350	107,727
Publications and dissemination of information	33,955	157,923	19,596	52,271	263,745
	<u>47,824</u>	<u>222,427</u>	<u>27,600</u>	<u>73,621</u>	<u>371,472</u>

**8. NET INCOME FOR THE YEAR**

	2022 £	2021 £
This is stated after charging:		
- Depreciation of tangible fixed assets	3,480	2,391
- Amortisation of intangible fixed assets	105,473	113,741
- Auditors' remuneration for audit services	17,030	14,550
- Auditors' remuneration for non-audit services	2,500	2,500
	<u>128,483</u>	<u>133,182</u>

**9. STAFF COSTS AND NUMBERS**

	2022 £	2021 £
Wages and salaries	1,015,440	975,577
Social security costs	90,393	77,981
Pension costs	25,044	24,648
	<u>1,130,877</u>	<u>1,078,206</u>

An amount of £200,838 (2021: £147,477) of the above was allocated to work in progress at the year end.

There were no redundancy payments made in the year (2021: none). There were no payments made in the year for agreed early termination notice period (2021: none).

The average number of employees during the year were as follows:

	No.	No.
Training	12	12
Publications	13	13
Accounting and administrative support	8	8
	<u>33</u>	<u>33</u>
Full time equivalent	<u>30</u>	<u>31</u>

1 employee received remuneration of between £90,000 - £100,000 (2021: 1 employee between £90,000 - £100,000). The employer pension contributions for this employee were £1,321 (2021: £1,319).

The total employee remuneration of the key management personnel of the Charitable Company was £330,072 (2021: £346,104).

For the year ended 31 December 2022

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## 10. PENSION COMMITMENTS

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

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From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

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From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

For the year ended 31 December 2022

10. PENSION COMMITMENTS (continued)

Present values of provision

	2022 £	2021 £	2020 £
Present value of provision	5,864	10,071	31,463

Reconciliation of opening and closing provisions

	2022 £	2021 £
Provision at start of period	10,071	31,463
Unwinding of the discount factor (interest expense)	88	75
Deficit contribution paid	(4,078)	(7,400)
Remeasurements - impact of any change in assumptions	(217)	(122)
Remeasurements - amendments to the contribution schedule	-	(13,945)
Provision at end of period	5,864	10,071

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2022

**11. TANGIBLE FIXED ASSETS**

	<b>Furniture &amp; Fittings £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2022	2,243	85,611	87,854
Additions	-	668	668
Disposals	-	-	-
At 31 December 2022	2,243	86,279	88,522
<b>DEPRECIATION</b>			
At 1 January 2022	2,243	71,925	74,168
Charge for the year	-	3,480	3,480
Disposals	-	-	-
At 31 December 2022	2,243	75,405	77,648
<b>NET BOOK VALUE</b>			
At 31 December 2022	-	10,874	10,874
At 31 December 2021	-	13,686	13,686

**12. INTANGIBLE FIXED ASSETS**

	<b>Total £</b>
<b>COST</b>	
At 1 January 2022	678,412
Additions	-
At 31 December 2022	678,412
<b>DEPRECIATION</b>	
At 1 January 2022	454,640
Charge for the year	105,473
At 31 December 2022	560,113
<b>NET BOOK VALUE</b>	
At 31 December 2022	118,299
At 31 December 2021	223,772

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2022

<b>13. STOCKS AND WORK IN PROGRESS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Publications</b>		
Work in progress	151,168	98,067
Finished books	100,738	145,801
<b>Subscription websites</b>		
Work in progress	29,251	44,303
<b>Electronic</b>		
Work in progress	296,153	136,882
	<u>577,310</u>	<u>425,053</u>

<b>14. DEBTORS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	43,888	67,500
Other debtors	2,852	2,703
Prepayments and accrued income	208,352	276,159
	<u>255,092</u>	<u>346,362</u>

Within other debtors is an amount of £nil (2021: £140,592) which is due after more than one year.

<b>15. CREDITORS: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	83,675	34,162
Other taxation and social security	128,986	147,933
Other creditors	18,889	18,835
Accruals	20,725	41,890
Deferred income (see note 16)	298,881	391,344
Pension provision	2,953	4,078
Bank loan	32,000	32,000
	<u>586,109</u>	<u>670,242</u>

**CREDITORS: amounts falling due after more than one year**

Bank loan	80,000	112,000
Pension provision	2,911	5,993
	<u>82,911</u>	<u>117,993</u>

Bank loans are repayable in instalments over the full term of 6 years, of which 4 years are remaining. Interest is payable at 1.90% over base rate.

For the year ended 31 December 2022

16. DEFERRED INCOME	2022 £	2021 £
Balance at the start of the year	391,344	322,099
Less: Amounts released to income	(391,344)	(322,099)
Add: Amounts deferred in the year		
- Subscriptions	265,663	356,369
- Training income	33,218	34,975
	298,881	391,344
	298,881	391,344

17. STATEMENT OF FUNDS 2022	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	13,686	-	-	(2,812)	10,874
General funds	89,233	1,480,689	(1,532,261)	102,357	140,018
	102,919	1,480,689	(1,532,261)	99,545	150,892
Restricted funds	206,960	157,208	(116,130)	(99,545)	148,493
Total funds	309,879	1,637,897	(1,648,391)	-	299,385

STATEMENT OF FUNDS 2021	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	3,185	-	-	10,501	13,686
General funds	150,337	1,551,063	(1,601,666)	(10,501)	89,233
	153,522	1,551,063	(1,601,666)	-	102,919
Restricted funds	-	296,191	(89,231)	-	206,960
Total funds	153,522	1,847,254	(1,690,897)	-	309,879

#### Designated funds

The fixed asset fund reflects the net book value of tangible fixed assets tied up in unrestricted funds at the year end. During the year £2,812 (2021: £10,501) was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

For the year ended 31 December 2022

## 17. STATEMENT OF FUNDS 2022 (continued)

### Restricted funds

Restricted funds represent grants received to enable specific areas of charitable activities to be undertaken.

The restricted funds held at the year end of £148,493 related to Forces in Mind Trust (FiMT) of £140,592 and the National Lottery Community Fund of £7,901. The FiMT funding was granted in 2021 to cover the continued operation of the Armed Forces Charities Website ([www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)) for 2021 - 2023, and expenditure in the year amounted to £66,368.

During the year, a grant was received from the National Lottery Community Fund towards the development of the governance app, for an amount of £107,446. Of this, £99,545 was spent, and is held on the balance sheet as work in progress, pending completion of the project. A transfer was undertaken to move this value to unrestricted funds as at the year end, as a reflection that the asset itself is held for general purpose rather than restricted purpose.

During the year, a grant was received from Forces in Mind Trust (FiMT) of £49,762 to fund a scoping exercise to help enhance supporting Service children's educational success and progression. This was fully expended in the year.

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2022

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	-	10,874	10,874
Intangible fixed assets	-	118,299	118,299
Stock	-	577,310	577,310
Debtors	166,149	88,943	255,092
Cash at bank	-	6,830	6,830
Creditors: amounts falling due within one year	-	(586,109)	(586,109)
Creditors: amounts falling due after more than one year	-	(82,911)	(82,911)
Amounts spent in advance of monies received on restricted funds	(17,656)	17,656	-
	148,493	150,892	299,385

## ANALYSIS OF NET ASSETS BETWEEN FUNDS 2021

	Restricted Funds £	Unrestricted Funds £	Total Funds £
Tangible fixed assets	-	13,686	13,686
Intangible fixed assets	-	223,772	223,772
Stock	-	425,053	425,053
Debtors	206,960	139,402	346,362
Cash at bank	-	89,241	89,241
Creditors: amounts falling due within one year	-	(670,242)	(670,242)
Creditors: amounts falling due after more than one year	-	(117,993)	(117,993)
	206,960	102,919	309,879

For the year ended 31 December 2022

**19. OPERATING LEASE COMMITMENTS**

	Land and buildings		Other	
	2022	2021	2022	2021
	£	£	£	£
Less than 1 year	14,984	22,470	-	2,647
Between 2 and 5 years	-	15,144	-	2,083
	<u>14,984</u>	<u>37,614</u>	<u>-</u>	<u>4,730</u>

Committed rent and service charges payable for 2022 under the lease of the offices at One Old Hall Road, Liverpool (which expires on 3 September 2023) amounted to £14,984 (2021 - £22,470).

**20. TAXATION**

As a registered charity, no tax arises on trading surpluses (since all the trading is carried out in pursuit of the charitable company's primary purposes), voluntary income or interest. The charity is exempt from corporation tax.

**21. RELATED PARTY TRANSACTIONS**

Lizzie Kenyon, a Trustee of the Charitable Company, is also Director of Services, Centre for Social Innovation, Keep Britain Tidy, which organisation purchased a subscription for Funds Online for £395. In 2021 purchased two in-house Ethnicity, Diversity and Inclusiveness workshops paying £1,000 and £800 respectively, and purchased a book "What have charities done for us" at £17.74 during the year.

Emily Hughes, a Trustee of the Charitable Company, is also Head of Volunteer Experience Girlguiding, purchased books at £51.49 during the year. A close family member, who is a Director of Detention Action, which organisation sent two delegates to attend a training course at a cost of £518.00. There was no equivalent activity in 2021.

Lesley Thornley, a Trustee of the Charitable Company, Ex Chief Executive, Hull and East Riding Citizens Advice Bureau, whose organisation purchased a training course for one delegate to attend. There was no equivalent activity in 2021.

Lesley Thornley, a Trustee of the Charitable Company, Ex Chief Executive, Hull and East Riding Citizens Advice Bureau, whose organisation paid for research work for DSC to complete an evaluation of a 5-year Lottery project (specification was shared widely within the Sector for a competitive selection process). There was no equivalent activity in 2021.

Other than as stated above there were no transactions between the Charitable Company in the year and any entity with which any of the Trustees was connected.

In 2021 the following activity took place with no equivalent in 2022.

Phyllida Perrett, a Trustee of the Charitable Company, attended a free Funds Online Event, and also purchased books "Fundraising Handbook, Storytelling" at £61.70 during the year.

For the year ended 31 December 2022

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2021)

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £
<b>INCOME FROM</b>			
Donations and legacies	-	14,000	14,000
Charitable activities			
- Training and events	-	492,021	492,021
- Publications	296,191	925,613	1,221,804
Other income	-	119,421	119,421
Investments	-	8	8
<b>Total income</b>	<b>296,191</b>	<b>1,551,063</b>	<b>1,847,254</b>
<b>EXPENDITURE ON</b>			
Charitable activities			
- Training and events	-	456,040	456,040
- Publications	89,231	1,145,626	1,234,857
	<b>89,231</b>	<b>1,601,666</b>	<b>1,690,897</b>
<b>Net expenditure</b>	<b>206,960</b>	<b>(50,603)</b>	<b>156,357</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>206,960</b>	<b>(50,603)</b>	<b>156,357</b>

**THE DIRECTORY OF SOCIAL CHANGE**

England & Wales - Charity number 800517

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# Accounts

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Company Number: 02320712 (England & Wales)  
Charity Number: 800517

## The Directory of Social Change

Trustees' Report and Financial Statements  
For the year ended 31 December 2021

**The Directory of Social Change**  
**Report and Financial Statements for the year ended 31 December 2021**

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## **Message from the Chair**

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In 2021 DSC focused on recovery, regrouping and ensuring that all of our offers to the sector are fit for purpose. At the beginning of the year trustees were pleased and proud to formally adopt a permanent amendment to our staff terms and conditions of employment by incorporating a three-day weekend for all full-timers. This has proved to be exceptionally successful and had a notable impact on both morale and productivity. For example, our staff survey reported 97% feeling happy and supported at DSC and one of our funding guides was completed weeks ahead of schedule.

Originated during lockdown our very successful free virtual events continued to be well attended. They focused on some major and topical issues facing the sector, from conversations about anti-racism, diversity and inclusion to issues facing grant-makers. While our highly popular Funds Online service provided information to our subscribers from four main datasets, consisting of funding from trusts, giving a combined total of £4.9 billion, with companies distributing £330 million in cash and in-kind contributions, plus £2.4 billion in funding from local, regional and central government and £383 million to individuals for social welfare, education and training. This information is credit to the enormous amount of work our Research Team undertook during the year, reading thousands of annual reports and accounts and translating them into something easily accessible and usable for our subscribers.

Our Chief Executive's book 'It's a Battle on the Board' continued to stay at the top of our best sellers list with charities buying copies for all of their trustees, giving us a real insight into their boards' commitment to modern governance practices. Further evidence of commitment to better boards is demonstrated by the widespread take up of our new free Governance App, which brings the Charity Governance Code guidelines to life and provides a structure to assist boards identify their strengths and weaknesses and recommends actions to improve their performance. It was funded with the generous support of Lloyds Bank Foundation for England and Wales, The Tudor Trust and The Clothworkers' Foundation.

By the end of the year over 1,100 trustees had completed some 20,000 questions about their performance and we used the Governance App to assess how our own board was doing. We were very pleased that feedback from our Executive and the outcome of our self-evaluation demonstrated how well we compared with the average score of all the boards that had also used the App, as can be seen from the table below.

<b>Section average scores</b>	<b>DSC</b>	<b>All Gov App Users</b>
Organisational purpose	<b>8.4</b>	7.0
Integrity	<b>8.8</b>	8.2
Leadership	<b>8.5</b>	7.3
Board effectiveness	<b>8.5</b>	7.2
Equality, diversity and inclusion	<b>7.5</b>	5.9
Openness and accountability	<b>7.0</b>	6.8
Decision-making, risk and control	<b>8.2</b>	7.3
<b>Average</b>	<b>8.1</b>	7.1

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**Message from the Chair**

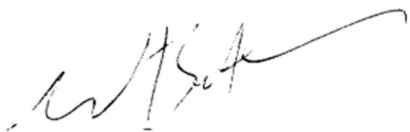
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We continued our membership of the Civil Society Group which began during the pandemic, with our CEO chairing the wider group meetings, our Executive Assistant providing the secretariat, and our Director of Policy and Research continuing to be an essential part of the Policy Group. We consider this work to be vital for the sector and core to DSC's vision of an independent voluntary sector at the heart of social change.

We also took the opportunity created by a combination of a lease break clause, a successful 4-day working week and predominantly remote working, to close our London office; and although all staff continue to work remotely, we have retained a small physical space in Liverpool as our registered office. The benefits have included reducing our costs, improved internal communications, opening up recruitment to a wider area and because we no longer need to commute to an office, our staff are based all over the UK, in Ireland and for a brief period were in Ghana and Madrid. Because part of our mission is to encourage and spread successful practice, we've shared our assessment of the gains of what we did and how we did it widely across the sector.

Our annual income improved slightly compared to 2020 growing from around £1.7m to approximately £1.8m in 2021. In addition, we saw a dramatic increase in uptake of our online training provision in comparison with the previous year. However at the end of the year we used up an additional £99k of our free reserves which consists of adjustments to our 2020 and 2021 figures of £48.4k and £50.6k respectively. However, our overall reserves increased by slightly over £150k because of grant income committed but not yet received so we remain overall in a reasonable position despite the challenges.

As always, we would like to thank our generous funders and supporters, in particular The Garfield Weston Foundation for supporting our post-pandemic planning and development. But nothing is possible without the commitment and dedication of our DSC staff, including an experienced and dedicated senior team whose expertise in monitoring both the internal and external environments continues to be vital. Alongside the support and challenge of an excellent board of trustees our wonderful staff take every challenge thrown at them as an adventure to navigate and continue to inspire us with their love for our work and their commitment to each other.



**William Butler**  
Chair  
The Directory of Social Change

## Trustees' Report

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Welcome to the Trustees' Annual Report and Audited Financial Statements for the year ended 31 December 2021.

### 1. Achievements and Activities

The Directory of Social Change's ('DSC') vision is 'An independent voluntary sector at the heart of social change'. In 2021 we continued to work towards our Strategic Objectives which underpin this vision:

- Equip voluntary sector organisations with high quality services and products that support them.
- Promote the value of a vibrant and diverse independent voluntary sector.
- Connect givers, influencers and social change makers.
- An independent DSC, financially robust in self-generated revenue.

DSC's strategic priorities as agreed in 2016 remain with an over-arching aim to increase our overall reach by:

- **Regional:** by increasing our range of services accessible throughout the UK
- **Expertise:** through growing expertise and reaching more beneficiaries with specific and expert help.
- **Digital:** through online learning and provision of other information and support.

The activities delivered, which are outlined in the following sections, all contributed to DSC reaching over 35,000 beneficiaries in 2021.

#### 1.1. Regional

DSC undertook a range of activities in 2021 that were specifically aimed at supporting the widest number of charities across England and Wales, irrespective of their geographical location.

##### 1.1.1. In house training

During the year we supported organisations including: Animal Advocacy Careers; Brighton & Hove Community Works; Create London; Drive; Ecclesiastical; ELBA, Ealing and Hounslow CVS; Frontline Network at St-Martin-in-the-Fields Charity; Groundwork UK; Health Education England; Institute For Optimum Nutrition; Kineara CIC; Keep Britain Tidy; Local Trust; London Youth; Lumos Foundation; MIDAYE Somali Development Network; People's Postcode Lottery; Privacy International; SignHealth; UFAW; Women And Girls Network and Zurich Community Trust.

Popular topics for in-house training delivery were fundraising, coaching, finance, governance, project management, management development, support and supervision and writing skills. We were particularly pleased to see an increase in demand for equality and diversity training.

In 2021 we completed and finalised our work with the Association of English Cathedrals.

##### 1.1.2. Free content

DSC continues to publish a large amount of free content from voluntary sector experts including DSC staff, trainers and authors. We published 175 free content articles in 2021.

This typically takes the form of 'how to' guides, best practice, top tips, interesting research findings, and topical debate features in written, audio or video format that is distributed across DSC's (and external media's) extensive social media and other electronic channels.

We continued to send daily email bulletins (covering funding updates, policy, news, free top tips and our products and services) to our all of our beneficiaries in 2021, and these were read 1,055,057 times in 2021.

## **Trustees' Report**

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@DSC\_Charity Twitter followers stood at just under 19,400 followers at the end of the year.

2021 also saw us launch a new podcast, Charity Questions which received 449 listens in the second half of the year.

### **1.1.3. Library Facilities**

In 2021 we closed down our London Office. This was where we hosted our library services which also became permanently closed. To compensate for the closure of the library we increased our free content and free services.

In 2021 DSC undertook a range of activities designed to connect either our own expertise or that of others in the sector, with the charities that most need it.

### **1.1.4. Public Training Courses**

Throughout 2021 we further developed delivery of courses live online using virtual platforms and we delivered 230 courses which were attended by 1676 delegates. We are really pleased that we have been able to continue to support charities, and those that work within them, with our training. Virtual online training has made them more accessible to all charities, including some of those outside the UK in countries such as the USA, Ireland, Germany, Spain Belgium, Hong Kong and the Republic of Moldova.

We continued to deliver our free to attend DSC virtual online talks, Sector Insights, which are one hour panel sessions covering topical and current charity sector challenges. A panel of experts either from within DSC or invited guests would share their expertise or experience on a particular topic, with participants having the chance to ask questions and engage in conversations.

During 2021 we delivered talks that covered subjects such as Charity Reserves and Feminist Leadership. We also ran talks based around our recently published books, such as Modern Grant Making, What Have Charities Done For Us and It's a Battle on the Board.

All these talks were free for participants to attend, with participants mainly coming from within the charity sector. These were very well attended with the most popular talk being Modern Grant Making with 296 attendees.

### **1.1.5. Conferences**

In 2021 DSC organised three conferences which were all run live online.

**Funds Online Live!** was a one-day conference that was free to attend for Funds Online customers, and a small fee for non-Funds Online customers. The conference was run for the first time in 2021 with Simon Scriver of Fundraising Everywhere giving the opening keynote, two training sessions on fundraising topics; demonstrations of different aspects of the Funds Online platform, a panel session with members of our Research Team: Jay Kennedy, Jessica Threlfall, Abi O'Loughlin and Rebecca Eddington on current research and trends and a guest funder Ray Lock, CEO, FiMT discussing their current and future plans. This event was attended by 174 participants.

The second event of the year was **The Charity Accountant's Online Conference 2021**. The conference took place online for the second year. It was run over two days and consisted of an opening keynote by Caron Bradshaw, CEO of Charity Finance Group on day one and Jill Scott, EDI Consultant and CEO of Inclusion Solutions. Breakout training sessions were delivered covering finance, governance, wellbeing and self-development. There was also an online Charity Accountants Conference hub, where delegates could access handout material from the conference, recordings of the plenaries and other additional material. A total of 117 people attended.

The last event of the year was **Engage: Influencing Policy & Politicians**. This was the first time this event was run with a focus on policy work within the charity sector and how it can help charities and their work in communicating with government and demonstrating a positive impact. The conference consisted of a keynote by Kathy Evans, Chief Executive of Children England and a plenary by Sarah Vibert Interim CEO of NCVO. Case study presentations were given from three charities that demonstrated the

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## **Trustees' Report**

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impact and influence of their work, those charities were Barbara Crowther Coordinator of Children's Food Campaign, Sustain, Ian Caws OBE, Director of Operations Cobseo and Paul Donnelly, Head of Campaigns, The Royal Mencap Society.

### **1.1.6. Publishing**

After a difficult year at the start of the COVID-19 pandemic in 2020, publishing bounced back well in 2021 with all regular directories back in their usual cycles and several exciting new titles also being published and sold.

We published two of our bestselling biennial print directories The Guide to UK Company Giving 2021/22 in April and The Directory of Grant Making Trusts 2022/23 in September. In May 2021 we released our annual The Guide to New Trusts 2021/22 in both print and digital formats.

We also added new guidance titles to the DSC list. In January we brought the new 4th edition of Data Protection – for voluntary organisations by sector expert Paul Ticher into our Key Guides collection. Then in April we published Practical Project Management by DSC trainer Elizabeth Gray-King in our series of business titles for charities. Finally in November, we published Fundraising Strategy by Claire Routley and Richard Sved in our popular Fundraising Series in association now with the University of Kent and the Chartered Institute of Fundraising. In the year, both The Charity Trustee's Handbook and It's a Battle on the Board were reprinted. The full list of new print titles from DSC in 2021 in order of publication was:

- *Directory of Grant Making Trusts 2022/23* – 27th edition
- *Fundraising Strategy* – 3rd edition
- *Key Guides: Data Protection – for voluntary organisations* – 4th edition
- *Practical Project Management* – 1st edition
- *The Guide to New Trusts 2021/2022* – 10th edition
- *The Guide to UK Company Giving 2021/22* – 13th edition

In addition, we worked with individuals and organisations to add additional new non-DSC titles to our website. The full list of new print titles from other organisations and publishers that we added to our offering in 2021 was:

- *Change for Better*
- *From Here to Diversity*
- *Making the Ask*
- *Modern Grantmaking*
- *The Essence of Campaigning Fundraising in 52 exhibits and 199 web links*
- *What Have Charities Ever Done For Us?*

The publishing team also worked on the editorial production of commissioned reports including *Focus on Finance and Focus on Families* for Forces in Mind Trust, as well as reports for the Armed Forces Covenant Fund Trust and YMCA England and Wales.

### **1.1.7. Civil Society Group**

Since March 2020, DSC has been a major contributor of time and resources to an unprecedented collaboration between charity infrastructure organisations, which have coordinated national-level responses to the pandemic over its different phases. The collaboration was renamed the Civil Society Group at the end of 2021, and a major part of its work during the second half of the year was creating a strategy for the next period.

## **Trustees' Report**

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In the second part of the year, much work focussed on developing a new strategy for the coming years, which has three themes:

- To use collective power to influence the governments in all parts of the UK and other key stakeholders
- To promote and support programmes of beneficial change within the sector
- To maintain a mechanism for better cooperation and communication, and data collation and dissemination.

Over the year, DSC helped coordinate many of the Group's meetings between CEOs, policy and public affairs teams, and communications staff. DSC staff regularly chaired meetings, organised agendas and minutes, and authored or helped produce policy proposals and briefings. This has involved substantial and dedicated time by senior staff and trustees over an extended period, but clearly meets DSC's charitable objects and purposes in service of our beneficiaries.

Some aspects DSC was directly involved in and helped achieve during 2021:

- A new campaign called #RightNow in early 2021, which highlighted the important services provided by charities during the pandemic and requesting an Emergency Support Fund from government to benefit charities that have seen large drops in income, or steep rises in demand.
- A joint submission to HM Treasury in the summer, in advance of the Spending Review and Autumn Budget 2021.
- Development of the strategy outlined above, and contributing to launching the Civil Society Group.

These activities are not exhaustive, and we anticipate the Civil Society Group will continue in future years, with DSC contributing as an integral partner. Some of the campaigns DSC has run in recent years, such as the Big Lottery Refund campaign and the Grants for Good campaign, have not been shelved but have not been actively pursued due to this work.

### **1.1.8. Policy and public affairs**

During the year DSC continued to respond to formal consultations and policy announcements affecting charities, particularly concerning the Charity Commission. In September, we reacted to the then Culture Minister Oliver Dowden's interference in the process for recruiting the next Chair of the Charity Commission, after he claimed in a newspaper column with little evidence that charities had been 'hijacked by a vocal minority seeking to burnish their woke credentials'. We supported letters by the Good Law Project challenging his statements.

During the year we continued to write articles on other matters related to the Charity Commission and charity regulation, in line with our Policy Principle of Responsible Regulation, which holds that the regulation of charities should be proportionate, appropriate and enabling. For example, we wrote included articles analysing the latest round of research on public trust and confidence by the Commission, and the much-delayed process of selecting the next Chair of the Charity Commission.

As in previous years, DSC analysed the Government's Spending Review, Budget statements, and other major announcements for their implications for charities, regularly publishing insightful summaries on our website and in our e-mail bulletin, such as articles on what the Queen's Speech meant and on the implications of the Policing Bill for charities. We know that many colleagues value our concise, freely available articles which cut through dense policy material to explain implications for charities.

DSC's Chief Executive Debra Allcock Tyler also authored monthly articles in Third Sector magazine and online, on topics relevant to the charity sector. These articles are also published on DSC's website.

As part of our joint working with others in the sector, DSC lent its support to various other policy initiatives and campaigns over the year, such as the Community Wealth Fund Alliance, which worked on the Dormant Assets Bill, letters to government about the Policing Bill, and briefings on the Charities Bill.

## Trustees' Report

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### 1.1.9. Research on Armed Forces Charities

2021 marked the seventh year of DSC's research partnership with the Forces in Mind Trust (FiMT), which funds DSC's research on Armed Forces Charities. The ongoing work provides information via reports and interactive data, all of which is housed on DSC's website. We have also completed several other related research projects for FiMT over the years.

Since its launch in 2020, DSC's report *Sector Insight: Armed Forces Charities* has become the definitive guide to that sector of charities, and feedback shows that it is used by senior policy makers and practitioners. During the year DSC added two reports to its growing body of information and evidence on the Armed Forces charities sector, *Focus On: Armed Forces Charities' Support for Families*, and *Focus On: Armed Forces Charities' Financial Support*.

As part of the evaluation process for DSC's Armed Forces charities research, DSC contracted external consultants Lucent to undertake an impact evaluation of DSC's armed forces charities research from 2019 to 2021. The report highlighted how useful DSC's research continues to be and the extent to which the reports and data are relied upon by those who use it.

Early in 2021 DSC was also presented with the 2021 FiMT Research Award for its work during the pandemic, which helped secure £6 million in support to Armed Forces charities. The award recognised the insightful survey analysis of Cobseo charities, and DSC's Sector Insight analysis of UK armed forces charities.

DSC continued to undertake twice-annual surveys of Cobseo member organisations to provide up to date insight into how the pandemic was affecting them. This work was established in 2020 and is planned to continue through 2023. The results of the survey showed the impact of COVID-19 on multiple levels and helped inform policy discussions and direct both practical and financial aid to Armed Forces charities. DSC researchers also developed and launched an online Cobseo COVID-19 Interactive Database, which allows Cobseo Members to use survey data to aid their understanding the impact of the COVID-19 pandemic on their sector.

Additionally in 2021, DSC developed a sector-wide online Interactive Database of all Armed Forces Charities, which presents a monthly analysis of key data on Armed Forces charities. Users can undertake custom analysis and create tailored graphs to visualise the sector in different ways. We understand this has been used at Cabinet Office level and has become a definitive evidence tool to support strategic work on the Armed Forces charities sector.

The ongoing partnership with FiMT continues to be strategically important for DSC, and our expertise in this area has had a demonstrably positive impact on the sector during the pandemic.

### 1.1.10. Commissioned Research

Although the environment for new commissioned research proved challenging in 2021, DSC continued to advance our research business by increasing the breadth and type of research projects. DSC provides high-quality impact evaluations, data analyses, surveys, organisational strength reviews, and other research consultancy for clients. Our team is skilled at working with prospective clients to design projects that will meet their needs and available budget. Wherever possible, our research reports are published on DSC's website.

Early in the year we completed an extensive analysis and evaluation of LIBOR funding on behalf of the Armed Forces Covenant Fund Trust, with the final report, *LIBOR Funding and Its Impact*, published in May. We also published our final evaluation report for the Armed Forces Covenant Fund Trust's *Families in Stress and Removing Barriers to Family Life programmes*, both of which have been run under the 'Removing barriers to family life' funding theme and provided support to armed forces families.

In November we completed our evaluation of YMCA England and Wales's Changing Futures grants programme, which supported local YMCAs to deliver projects for young people's mental health. The COVID-19 pandemic seriously disrupted the evaluation due to the crisis situation faced by many local YMCAs. DSC and YMCA adapted to the changing circumstances, with the final report including reflections on lessons learnt during the pandemic.

## **Trustees' Report**

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In December we completed an analysis and overview of corporate giving for Ecclesiastical Insurance Group, using data from 10 years of DSC's *Guide to UK Company Giving*. The research will contribute to Ecclesiastical's strategic plan to promote better and more sustainable corporate giving, and we look forward to further supporting this work in the future.

### **1.2. Digital**

2021 saw DSC significantly extend its digital reach in a number of areas, increasing the help that we are able to offer online, and delivering information support in formats that are easier to access for a range of our beneficiaries.

#### **1.2.1. Digital Publishing**

We further extended the number of titles available in dual print and digital platforms. The majority of our titles are now available digitally either as Kindle titles through [amazon.co.uk](http://amazon.co.uk) or as viewable pdfs and epub formats through [www.dsc.org.uk](http://www.dsc.org.uk). In 2021 we produced the following e-publications in digital formats from brand new books and also some from our backlist:

- *Business and Strategic Planning* – 4th edition
- *Fundraising Strategy* – 3rd edition
- *Key Guides: Data Protection – for voluntary organisations* – 4th edition
- *Managing without Profit* – 4th edition
- *Practical Project management* – 1st edition
- *The Guide to New Trusts 2021/22* – 10th edition

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

#### **1.2.2. Funding websites**

In 2021 Funds Online continued to be an excellent source of funding information for our beneficiaries and saw little disruption due to the pandemic.

Throughout the year Funds Online provided information from four main datasets to our subscribers, made up of funding from trusts giving a combined total of £4.9 billion, companies giving £330 million in cash and in-kind contributions, £2.4 billion in funding from local, regional and central government and £383 million in funding to individuals for social welfare, education and training.

The site was further improved with a move to new developers at the start of the year. This enabled us to implement new functionality for our subscribers and streamline internal processes for our team of researchers updating the site. So while the speed at which we update information on the website improved, we were also able to improve the search function, how results are displayed and the frequency of email updates. This in turn meant the data saved on the dashboard was improved. The dashboard allows subscribers to track activity, new funding opportunities, saved funders while also uploading documents including applications, enabling all information to be stored in one place.

We continued with our popular monthly webinars, introduced in 2020, which were delivered by our fundraising trainer and focuses on the features and benefits of the platform.

#### **1.2.3. DSC website [www.dsc.org.uk](http://www.dsc.org.uk)**

The user profile facility of our main website is an area where users register and set up their own space to download and store information including a range of free factsheets, downloadable publications, presentations, brochures and policy briefings. At the end of 2021 we had approximately 18,000 registered users. Free downloads totalled 15,055 in the year (7,270 not including Look Insides).

## Trustees' Report

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### 1.2.4. Governance App

With support from The Tudor Trust and Lloyds Bank Foundation, building on initial support from The Clothworkers' Foundation, in August we launched The Governance App. This is a brand-new tool that enables boards of trustees to assess their performance against key areas of the Charity Governance Code. It's free to the end user and aims to make it as easy as possible for smaller organisations to review and improve their governance.

It was well received, and by the end of the year over 1,100 trustees from around 600 organisations had used the app to review their governance – answering nearly 20,000 questions about their performance.

Work on improving the app will continue into 2022, with plans to make the reporting of results more user-friendly and enable users to benchmark themselves against other organisations and their own past performance.

### An independent DSC, financially robust in self-generated revenue

DSC generated 92.8% of its own funds in 2021 (2020 – 91.0%), the balance of 7.2% being provided by donations and Government grants towards staff costs. There was an increase in overall income of 12.3% to £1,847,254 from £1,644,541 in 2020.

Despite the current socio-economic issues facing UK, there was a further decrease in the defined benefit pension scheme deficit of £21,392 (2020: £6,250).

In addition to the support we continue to receive from having taken the CBILS loan in 2020, we also continued to take advantage of the HMRC payment plans available for PAYE and VAT.

We invested in some new IT projects which were started in 2021, these projects covered changes and developments being made to improve our internal customer data managements and financial data. At the end of 2021 these projects were still ongoing and are to be completed in 2022. The projects were funded by DSC'S own reserves and were with the aim of increasing the reach of DSC to its beneficiaries, and improving the support we provide to our beneficiaries.

Commissioned research has continued to bring in material income of £105,602 in 2021 (2020: £179,800) derived from a range of projects. These ranged from the Armed Forces Covenant Fund Trust research analysis and evaluation of LIBOR funding, to an evaluation of YMCA England and Wales's Changing Futures grants programme. Our continuing experience with these types of projects provide a good record for developing these research income generating activities in the future.

## 2. Public Benefit

The Charitable Company has complied with the guidance on public benefit requirement in accordance to Section 17 of the Charities Act 2011.

The Charity Commission in its "Charities and Public Benefit" Guidance requires that key principles be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit, and secondly the benefit must be to the public or a section of the public.

The Guidance lists "promoting the efficiency of other charities" as one of the examples of benefits to the public, and the objects of The Directory of Social Change include the promotion and advancement of education and the promotion of efficiency and efficacy of other charities. It achieves this through its educational publishing, courses, conferences, exhibitions and electronic websites. In pursuing these objectives, the Trustees are mindful of and strive to achieve ways of minimising the impact of its activities and products on the environment.

Although DSC aims principally to serve the charity sector, we also provide services to the wider not-for-profit sector and grade our level of charges specifically so as to remain affordable to smaller charities with limited resources.

In addition, we continued to make a number of facilities available free to our beneficiaries during the year.

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## Trustees' Report

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### 2.1. Free content

Of the 35,000 people DSC reaches every year, by far the majority of them access our free services, information and advice.

This support includes:

- **Blog posts and articles:** including inspirational articles, practical articles giving tips and advice, and policy position papers explaining issues and sharing our views, including consultation responses and recommendations. In 2021 our blogs and articles were read and downloaded over 15,000 times.
- **Video content:** 174 videos on our YouTube page (with some also appearing on the DSC website), covering all of our main topic areas, our Espresso Express series and some recorded event content from our Charity Accountants' Conference and other training sessions. These videos have been viewed over 24,000 times.
- **Podcasts:** our Charity Chat podcast is available for free on all major podcast platforms and the DSC website. Launching in late 2021, the first four episodes had over 400 listens.
- **Free virtual sessions:** monthly free virtual talks, currently under our "Charity Insights" brand, have covered topical issues like good governance and flexible working. In 2021 we had 731 delegates attend five free events.
- **Event/meeting speakers:** Our senior staff regularly speak at external events, meetings, launches etc. benefitting both the hosts/organisers and the attendees.

A number of our products and services are also free to the end user because we've received grant funding to either develop or maintain them.

This includes:

- **The Governance App:** Free governance review tool available to all charities. Developed with funding from Clothworkers' Company, Tudor Trust and Lloyds Bank Foundation, The Governance App helped over 1,100 trustees from over 500 organisations to review their performance in the first six months since it launched in mid-2021.
- **Armed Forces Charities database and research:** a huge database and archive of research into Armed Forces Charities, available through the main DSC website.

Some of our more in-depth and expert-level support, which most people pay a fee for, are also available for free via intermediaries:

- **Books:** most of our books are available, and all can be requested, from local libraries. Many infrastructure and membership organisations either bulk purchase for their members or have copies of titles like DGMT at their offices for members to access.
- **Funds Online:** Increasingly membership bodies, funders and other organisations are taking out subscriptions on behalf of their users, beneficiaries and grantees so that the service is free to them.

### 2.2. Publications

For those with severe mobility difficulties without access to a computer, we provide a free copy of our publication The Guide to Grants for Individuals in Need. Our website [www.grantsforindividuals.org.uk](http://www.grantsforindividuals.org.uk) can also be accessed free of charge by visitors to those public libraries that subscribe to the service.

## **Trustees' Report**

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For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or mobile and e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

### **3. Regulatory and Administrative Details**

#### **3.1. Regulatory Compliance Statements**

The Directory of Social Change is registered in England and Wales as a company limited by guarantee (without share capital) with number 02320712 and as a charity no. 800517. The registered office address is Suite 103, 1 Old Hall Street Liverpool L3 9HG.

The Trustees are also the Directors of the Charitable Company for the purposes of the Companies Act. The Trustees in presenting their annual report and financial statements for the year ended 31 December 2021 for the Charitable Company confirm that they comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (effective 1 January 2017) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

#### **3.2. Who we are**

Established in 1975, The Directory of Social Change (DSC) campaigns for an independent voluntary and community sector. DSC is the largest provider of information and training to the UK voluntary and community sectors.

The main activities of the organisation include:

- Championing the needs of small and medium voluntary sector organisations
- Providing practical training courses
- Running conferences, seminars and fairs
- Researching and publishing reference guides and handbooks
- Providing the subscription website [www.fundsonline.org.uk](http://www.fundsonline.org.uk)
- Campaigning on issues that affect the voluntary sector
- Publishing valuable free content pieces across social media and electronic channels

Visit our website for more information at [www.dsc.org.uk](http://www.dsc.org.uk).

#### **3.3. Where we are**

DSC has its Registered Office at its Liverpool premises, but the majority of our staff work remotely.

Suite 103  
1 Old Hall Street  
Liverpool  
L3 9HG

## **Trustees' Report**

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### **3.4. Trustees**

The following individuals acted as Trustees throughout the year except where otherwise stated:

William Butler Chair (from 01 October 2021)	Third Sector Consultant
Caron Bradshaw OBE Chair (to 01 October 2021) Resigned 28 July 2022	Chief Executive, Charity Finance Group, Trustee, Together Charitable Foundation
Lizzie Kenyon (Vice Chair from 20 October 2021)	Director of Services, Keep Britain Tidy
Joyce Fraser	Trustee, Chartered Institute of Fundraising; Trustee, Small Charities Coalition; Chair, Black Heroes Foundation; Director, Primetime Training Enterprise Ltd; Lecturer, Open University Business School.
Matthew Hill	Head of Business Support, P3
Emily Hughes	Head of Volunteer Experience, Girlguiding, Trustee, Avert
Anneka Kapadia	Senior Volunteer Manager, Volunteering Matters
Phyllida Perrett	Third Sector Consultant
Andrew Purkis OBE	Third Sector Consultant, Trustee Safe Passage International, Parish Church Councillor of St Mary's Church Balham, Governor Trinity St Mary's Primary School and Blogger
Kashif Shabir	CEO, Muslim Aid
Lesley Thornley	Chief Executive, Hull & East Riding Citizens Advice Bureau

### **3.5. Chief Executive, Company Secretary and Senior Management:**

Debra Allcock Tyler	Chief Executive
John M de C Hoare	Company Secretary

The Senior Leadership Team during 2021 comprised:

Debra Allcock Tyler	Chief Executive
Ben Wittenberg	Director of Development and Delivery
Jay Kennedy	Director of Policy and Research
Annette Lewis	Director of Services
Yvonne Coleman	Director of Finance and IT

## Trustees' Report

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### 3.6. Auditors, Bankers and Solicitors

#### Auditors

Simpson Wreford & Partners  
Suffolk House  
George Street  
Croydon, CR0 0YN

#### Bankers

National Westminster Bank Plc  
PO Box 224  
9 The Broadway  
Stanmore  
Middlesex, HA7 4XW

National Westminster Bank Plc  
6 Grange Road West  
Charing Cross  
Birkenhead  
Merseyside, CH41 4DF

#### Solicitors

Bates Wells & Brathwaite LLP  
2-6 Cannon Street  
London  
EC4M 6YH

### 3.7. Regulatory Environment

The regulatory environment within which DSC operates is considered to be the following:

#### Finance and Accounting

- The Companies Act 2006
- The Charities Act 2011
- Charities SORP
- United Kingdom Accounting Standards
- Financial Reporting Standard FRS 102
- UK Generally Accepted Accounting Practice (UK GAAP)
- VAT partial exemption regulations

#### Human Resources

- Employment Law
- Health and Safety Regulations
- Pensions Regulator Requirements
- The Equalities Act

## **Trustees' Report**

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### **Operational Matters**

- Data Protection Legislation
- Health and Safety Regulations
- The Equalities Act
- Legal Deposit Libraries Act 2003
- Copyright Designs and patents Act 1988

### **Maintaining awareness of legislative and regulatory changes**

DSC is a member of the Charity HR Network, which provides regular updates, organise meetings etc. The charitable company's Solicitors provide regular e-newsletters, updates and provide webinars on topical subjects.

DSC also receives updates from firms of accountants and solicitors with whom it has professional relationships.

A number of members of staff have professional qualifications whose professional institutes provide updates and information to their members. These organisations include The Chartered Institute of Personnel and Development, The Chartered Association of Certified Accountants.

Being a training organisation many of the trainers bring their professional expertise to bear and enable courses, training session and webinars to be put on by DSC and from which the organisation itself benefits.

## **4. Structure, Governance and Management**

### **4.1. Governing Document and Constitution**

The Directory of Social Change is registered as a company limited by guarantee (without share capital) and as a charity, its governing instrument is its Memorandum and Articles of Association last revised on 15th December 2004. All the Members of the Charitable Company are Trustees and undertake to contribute to its assets in the event of it being wound up while s/he is a member, such amount as may be required not exceeding £1. All the Trustees are also Directors of the Charitable Company for the purposes of the Companies Act.

### **4.2. Trustees appointment, recruitment, training and induction**

All Trustees are unremunerated and are voluntary. Trustees are appointed by resolution of the Trustees. At each Annual General Meeting one-third of the Trustees are subject to retirement by rotation but may offer themselves for re-election. No person other than a Trustee retiring by rotation may be appointed or re-appointed a Trustee at any general meeting of Trustees unless he or she is recommended by the Trustees.

Training of Trustees is given on new legislative issues affecting charity trustees and directors as needed. As a training organisation Trustees also have the right to attend any of DSC's courses as part of their duties to ensure that products being offered are within the objects of the organisation and of appropriate quality.

During 2021 the Trustees undertook a governance review, using the Governance App which we developed during the year to help our beneficiaries assess their own governance. All trustees answered 70 questions in seven categories, all drawn from the key parts of the Charity Governance Code. The questions were answered in advance of the October Board meeting, with a report summarising the results produced by the Executive, with time in the Board meeting being focused on where the trustees were performing well, less well, and where there were differences of opinion in performance.

Although the main purpose of the scores in the app are to drive conversations about improvement rather than be an end in themselves, the Board scored an average of 8.1/10 over the full assessment against the average user review score of 7.1/10. Our

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## **Trustees' Report**

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results showed clear strengths in Integrity, Leadership, Effectiveness and Purpose. The review helped the Board to identify specific actions and areas for improvement in a number of areas, highlighted some gaps in trustee knowledge, and gave a measurable benchmark for them to re-assess their performance again in 2023.

There is a defined procedure for the induction of Trustees, which includes the provision of a detailed information pack upon each appointment which covers introduction to fellow Trustees, the leadership team and staff with organisation chart; Memorandum and Articles of Association; the history of the organisation, its objectives and policies, its work and products; recent Trustees minutes of meetings; the latest audited Trustees Report and Financial Statements; information on the role and responsibilities of a Trustee, access to training where required and a buddy system where existing trustees mentor new ones.

### **4.3. Organisational structure and decision making**

A voluntary Board of Trustees is responsible for the overall management and direction of the Charitable Company. The Board meets four times a year and at any other time as circumstances dictate.

The Board also has a number of working groups that consist of trustees and staff which focus on particular areas of interest. These working groups act as advisors and sounding boards for the charity's work. Some of the working groups are set up to deal with specific issues as and when needed. Others are more long-standing. The current working groups are: Wellbeing, Equity, Equality, Diversity and Inclusion; Policy; and one that meets between the main board meetings for general update on progress. Financial matters are dealt with by the Board as a whole.

A Senior Leadership Team meets monthly and reports to the Trustees. The members of the group are shown under section 3.5 above. The day to day running of the charity is delegated to the senior leadership team.

### **4.4. Relationships with other charities, organisation and individuals**

We work with a very wide range of organisations. We are very grateful to all the members of the Civil Society Group who we worked alongside during the year. We would also like to thank the following partners and sponsors for their support during 2021:

- Association of English Cathedrals
- Armed Forces Covenant Fund Trust
- Charity Commission for England and Wales
- Charity Learning Consortium (CLC)
- Cobseo, the Confederation of Service Charities
- Ecclesiastical Insurance Group
- Forces in Mind Trust (FiMT)
- Garfield Weston Foundation
- Institute of Leadership and Management (ILM)
- Shyrose Jessa/Murtaza Jessa/The Jessa family
- Lloyds Bank Foundation for England and Wales
- NatWest
- Sayer Vincent
- The Tudor Trust
- The Clothworkers' Foundation
- University of Kent
- YMCA England and Wales

### **4.5. Risk**

We monitor risk on an ongoing basis and periodically undertake a formal risk review.

During the year the trustees reviewed DSC's approach to risk which is for the Board to review risk on a quarterly basis as part of normal management reporting.

## **Trustees' Report**

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### **Current areas of potential risk:**

- Charity closures due to rising inflation and the energy crisis impacting revenue streams
- DSC's customer base being vulnerable to fluctuating funding patterns
- IT Systems outage or collapse
- Suppliers' insolvency

### **Actions taken to mitigate these risks are:**

- Plans in place to quickly respond to the short-term nature of order and bookings patterns
- Further development of on-line offerings
- Offsite hosting of websites in multiple data centres, so if one server goes down another is brought online; all critical data is backed-up offsite.
- A Disaster Recovery Plan has been prepared
- Back-up plans are in place

DSC adopts the Charity Finance Group approach to managing risk which is to identify operational risks and mitigating actions on a monthly basis as part of general management practices and trustees discuss this at quarterly board meetings.

### **Emerging risks:**

These might include matters such as failure or poor performance of a specific product; damage to reputation from a specific instance of poor delivery or customer service, or a failed partnership that damages reputation or ability to deliver other services.

### **Actions taken to mitigate these risks are:**

Risk management has been integrated into our monthly management reporting, with a clear assessment and escalation process. Managers are accountable for identifying and communicating risks in their own areas of the business. Following the monthly management reports, discussions about mitigating action with regard to any risk needing attention takes place either at the Leadership Team meeting, or with the relevant Senior Leader.

### **Major and urgent risks:**

Risks that emerge or occur quickly are assessed against the same impact and likelihood scores and referred immediately (along with a planned response where appropriate) to the relevant member of the senior leadership team.

Risks are reviewed by the Trustees from time to time to reflect the need to keep particular items under review, but also to respond to new or existing risks that are given public prominence concerning charities generally.

## **5. Finance Review**

In 2021 DSC generated 92.8% of its own funds (2020 – 91.0%), the balance of 7.2% being provided by donations and Government grants towards staff costs. The self-generated income arises through the sales of our books, websites, training, research services and events. Overall charitable income in 2021 was £1,847,254 compared to £1,644,541 in 2020, an increase of 12.3% from 2020 (2020 a 18.5% decrease from 2019).

During 2021 we continue to hold our online training programmes which have continued to be a success and have reflected in the 2021 training income increasing by 46.5% from 2020. The increase in income from publications, subscriptions and research has remained minimal at just 3.6% compared to 2020.

## **Trustees' Report**

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Expenditure on unrestricted activities increased by 3.3% compared to 2020. Rent continued for our premises in Liverpool throughout the year, as we vacated our London premises at the end of 2020.

In 2021 we have continued to adopt the policy of holding regular Board Working Group meetings to monitor the financial situation on a regular basis. This strategy has continued to pay off as decisions could be made rapidly as needed. In 2021 the frequency of these meetings reduced, and thus Governance costs decreased to £73,621 in 2021, (2020: £100,626) The analysis is shown in Note 6 to the Accounts.

We started another Forces in Mind (FiMT) grant activity, which means we now have restricted funds at the end of 2021 of £206,900, there were no restricted reserves at the end of 2020.

In 2021 we continued to place staff on furlough, however some staff we placed on flexible furlough for the period January to September 2021.

We commenced paying interest and repayments in 2021 following the 12-month interest free period on the CBILS Government backed loan facilities we were granted in 2020. This loan from our bank is to be repaid over 6 years. The interest payable is at a very competitive rate. We also took advantage of the Government's deferred payment schemes for VAT and PAYE. There are sufficient uncertainties in the economy and in the pandemic environment to ensure that the cushion will be a good safeguard for some time to come.

There has been a 6.8% increase in current assets in 2021 compared 2.9% increase in 2020, and an 8.4% decrease in total liabilities (2020: 7.2% increase), within which the current creditors due within a year have declined by 3.3% to £670,242 from £692,813. Overall, we had a 101% increase in net assets in 2021 (2020: 54.15% decrease).

### **5.1. DSC Earned Income**

We continue to work closely with a wide range of individuals and organisations, while at the same time ensuring that we are not financially dependent on any single funder, purchaser or provider for our operational programme. We received donations of £14,000 in 2021 (2020 - £1,250).

Our financial structure enables us to continue to be independent, flexible and free to comment without fear or favour. This is a core value for us.

### **5.2. Remuneration policy**

DSC's remuneration policy is as follows:

- Trustees are voluntary and not remunerated. Out-of-pocket expenses paid to trustees are shown as part of Note 6 to the Financial Statements.
- The Chief Executive's salary is determined in line with the pay policy for all DSC staff. The remuneration of the Chief Executive Officer is specifically agreed by the Trustees following a performance assessment and recommendation by the Chair to the Trustees.
- Staff remuneration is reviewed as an important but separate element of the annual budget process.

Each year the salary budget for the ensuing year is considered at a Trustees Board Meeting based on proposals put forward by the Senior Leadership Team and takes account of the cost of living, individual performance assessments and the need to retain the most appropriate staff for each post in the expected economic climate for the ensuing year. DSC has a clear and concise salary policy.

## **Trustees' Report**

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### **5.3. Reserves**

The Trustees' approach is to adopt some of the recommendations in Charity Finance Group's report 'Beyond Reserves'.

Currently when determining the reserves position for the forthcoming year the Board considers whether the resources available for use in the planned activities of the Charitable Company within the year are sufficient before determining what should be the appropriate level of reserves for that particular year. During 2021 the Trustees considered that the reserves were adequate.

The Board also considers the reserves position of the Charitable Company on a quarterly basis when reviewing the management accounts with an analysis of the results by activity and the forecast results for the coming quarters; together with a review of management of debtors, statistical management indicators and cash flow analysis and forecasts.

The Board notes that the unrestricted general funds decreased by a total of £99,075, which consisted of £50.6k deficit generated in 2021 and £48.4k of additional deficit created by the 2020 restatement. The restated deficit for unrestricted funds in 2020 now stands at £55.4k. The unrestricted reserves at the end of 2021 stands at £102,919 and total reserves (including restricted reserves) stands at £309,879.

In any one year, we may earmark Unrestricted General Funds for a particular project or to use as Designated Funds. The reasons for the setting up of such funds, the policy for any transfers between funds, and allocation to or from designated funds, will be stated in the notes to the accounts

Funds are designated to an amount equal to the sum represented by the net book value of Fixed Assets comprising leasehold improvements, furniture and fittings and computer equipment. At 31 December 2021 these Designated Funds amounted to £13,686 (2020: £3,185). Our Designated Funds are reviewed annually.

At 31 December 2021, the restricted funds totalled £206,960 (2020: Nil). The restricted funds of £206,960 represents the residual value of the grant funds value and is expected to be expended over the remaining period of the grant funded project. It is not anticipated that DSC will have any problems in meeting its commitments under restricted funds when they arise.

Trustees continue to believe that the current policy of managing resources generally rather than just reserves in isolation is the right course to adopt in the current economic climate, however, this decision is continually reviewed including the ongoing level of reserves required.

### **5.4. Investment Policy and Performance**

At the Balance Sheet date, the Charitable Company only held cash investments. The Bank of England base rate was remained to 0.1% for most of 2021 and increased to 0.25% at the end of December 2021. The continuing national policy of holding rates at such a low-level means that it is not viable to manage the movement of funds between current and investment accounts. All funds during 2021 were held on current account. Income generated in 2021 amounted to £8 (2020 - £29).

### **5.5. Fundraising**

The Charitable Company has not made any fundraising appeals to the general public during the year, and is unlikely to do so in the future. Fundraising focusses on securing grants and donations from registered charities and business links. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the Charitable Company is not registered with the Fundraising Regulator and received no fundraising complaints in the year.

### **5.6. Restricted funds**

To the extent that Restricted Grants are liable to be returned to Grant Providers where they are unspent and it is not intended that they be spent, there was no grant due to be returned at 31 December 2021 (2020: Nil).

Trustees' Report

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**6. Strategic Report – Plans for the Future**

DSC's vision, mission and strategic objectives remained unchanged during 2021. The strategic aim continued to be a focus during the year – that is extending our reach into the sector:

- Regionally, by increasing the support provided to organisations across the UK
- Through growing expertise, and reaching more beneficiaries with specific and expert help
- Digital through the development of digital services.

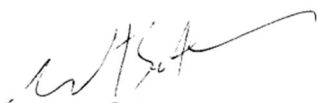
Trustees tasked the Executive with re-visiting our Reach strategy during 2022 and coming up with a plan.

**7. Auditors**

The auditors, Simpson Wreford & Partners will be reappointed in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 3<sup>rd</sup> November 2022 and signed on their behalf, by:



.....  
**William Butler**  
Trustee



.....  
**Lizzie Kenyon**  
Trustee

**The Directory of Social Change**  
**Statement of Trustees' Responsibilities**

**For the year ended 31 December 2021**

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The Trustees (who are also directors of The Directory of Social Change for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2021

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### Opinion

We have audited the financial statements of The Directory of Social Change (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2021, and of the 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 Companies Act 2006 and the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 annual report of the trustees, 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.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Report of the Trustees has been prepared in accordance with applicable legal requirements.
-

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2021

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 charitable company 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 auditor under the section 151 of the Charities Act 2011 and report in accordance with 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, through discussions with management and those charged with governance, and also from our detailed understanding of the sector. We identified the financial reporting framework including but not limited to (United Kingdom Generally Accepted Accounting Practice, The Charities Act 2011 and the Companies Act 2006), Data Protection Act 2018, Bribery Act 2010 being of significance in the context of The Directory of Social Change and its ongoing activities.
  - We made enquiries with management and those charged with governance and also reviewed board meeting minutes to confirm our understanding that the charitable company continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charitable company to ensure ongoing compliance.
-

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2021

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- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charitable company's policies and procedures on fraud risks through discussion with the charitable company's management.
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls, and improper revenue recognition. To address these risks we tested the appropriateness of journal entries posted, reviewed those judgements made in making accounting estimates, and tested the application of revenue recognition and the cut-off of revenue.
- We communicated those laws and regulations considered relevant to the charitable company, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
John Millidge (Senior Statutory Auditor)  
for and on behalf of Simpson Wreford & Partners, Chartered Accountants & Statutory Auditors  
Suffolk House, George Street, Croydon, CR0 0YN

23 November  
.....2022

The Directory of Social Change  
Statement of Financial Activities (incorporating the Income and Expenditure Account)

For the year ended 31 December 2021

	Note	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 (as restated) £
<b>INCOME FROM</b>					
Donations and legacies	2	-	14,000	14,000	1,250
Charitable activities	3				
- Training and events		-	492,021	492,021	335,773
- Publications		296,191	925,613	1,221,804	1,179,476
Other income	4	-	119,421	119,421	128,013
Investments		-	8	8	29
<b>Total income</b>		<b>296,191</b>	<b>1,551,063</b>	<b>1,847,254</b>	<b>1,644,541</b>
<b>EXPENDITURE ON</b>					
Charitable activities	5				
- Training and events		-	456,040	456,040	411,263
- Publications		89,231	1,145,626	1,234,857	1,414,503
		<b>89,231</b>	<b>1,601,666</b>	<b>1,690,897</b>	<b>1,825,766</b>
<b>Net income / (expenditure)</b>		<b>206,960</b>	<b>(50,603)</b>	<b>156,357</b>	<b>(181,225)</b>
<b>Transfers between funds</b>		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>206,960</b>	<b>(50,603)</b>	<b>156,357</b>	<b>(181,225)</b>
Total funds at 1 January 2021		-	153,522	153,522	334,747
<b>Total funds at 31 December 2021</b>		<b>206,960</b>	<b>102,919</b>	<b>309,879</b>	<b>153,522</b>

All amounts are from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

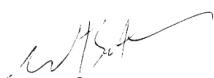
The notes on page 27 - 43 form part of these financial statements.

As at 31 December 2021

	Note	2021		2020 (as restated)	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		13,686		3,185
Intangible assets	12		223,772		205,512
			<u>237,458</u>		<u>208,697</u>
<b>CURRENT ASSETS</b>					
Stock	13	425,053		476,354	
Debtors	14	346,362		171,915	
Cash at bank		89,241		157,432	
		<u>860,656</u>		<u>805,701</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	(670,242)		(692,813)	
<b>NET CURRENT ASSETS</b>					
			190,414		112,888
Creditors: amounts falling due after more than one year	15		(117,993)		(168,063)
<b>NET ASSETS</b>					
			<u>309,879</u>		<u>153,522</u>
<b>CHARITABLE COMPANY FUNDS</b>					
Restricted funds			206,960		-
Unrestricted - designated funds	17		13,686		3,185
Unrestricted - general funds	17		89,233		150,337
			<u>309,879</u>		<u>153,522</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Trustees on 3rd November 2022 and were signed below on their behalf by:



.....  
**William Butler**  
Trustee



.....  
**Lizzie Kenyon**  
Trustee

The notes on page 27 - 43 form part of these financial statements.

**The Directory of Social Change  
Statement of Cash Flows**

**As at 31 December 2021**

	<b>2021</b>	<b>2020 (as restated)</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net income / (expenditure) for the year	156,357	(181,225)
Amortisation of intangible assets	113,741	89,568
Depreciation of tangible assets	2,391	2,969
Interest receivable and similar income	(8)	(29)
(Profit) / loss on sale of fixed assets	-	1,376
Decrease / (increase) in stock	51,301	(7,020)
(Increase) / decrease in debtors	(174,447)	104,896
Decrease in creditors	(56,641)	(45,930)
<b>Net cash generated from / (used in) operating activities</b>	<b>92,694</b>	<b>(35,395)</b>
<b>Cash flows from investing activities</b>		
Interest income	8	29
Purchase of tangible assets	(12,892)	(3,858)
Purchase of intangible assets	(132,001)	-
<b>Net cash used in investing activities</b>	<b>(144,885)</b>	<b>(3,829)</b>
<b>Cash flows from financing activities</b>		
Cash inflow of new borrowing	-	160,000
Repayments of borrowing	(16,000)	-
<b>Net cash (used in) / generated from financing activities</b>	<b>(16,000)</b>	<b>160,000</b>
<b>(Decrease) / increase in cash and cash equivalents in the year</b>	<b>(68,191)</b>	<b>120,776</b>
Cash and cash equivalents at the beginning of the year	157,432	36,656
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>89,241</b>	<b>157,432</b>

**Analysis of net debt 2021**

	<b>Cash</b>	<b>Loans</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At the start of the year	(2,568)	160,000	157,432
Cash flows	(52,191)	(16,000)	(68,191)
	<b>(54,759)</b>	<b>144,000</b>	<b>89,241</b>

**For the year ended 31 December 2021**

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## **1. ACCOUNTING POLICIES**

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

### **Statement of compliance**

The financial statements have been prepared in accordance with current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (second edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland the Companies Act 2006.

The Directory of Social Change meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### **Company Status**

The Directory of Social Change is registered as a company limited by guarantee (without share capital) no. 02320712 and a charity no. 800517. Its governing instrument is its memorandum and articles of association. The members of the charitable company are the trustees named on page 12. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The Charity's registered office is Suite 103, 1 Old Hall Street, Liverpool L3 9HE.

### **Preparation of accounts on a going concern basis**

After reviewing the plans for the charity for a period of at least twelve months from the date of approval of the financial statements, including expected income and anticipated expenditure, the trustees consider that there are no material uncertainties regarding going concern and therefore that the financial statements are appropriately prepared on the going concern basis.

### **Significant judgements and sources of examination uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Depreciation and amortisation rates used;
- The overhead rate used when calculating a value for work in progress; and
- A discount rate of 1.18% (previously 0.27%) has been used to calculate the present value of pension provision.

### **Income**

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

### **Donations and legacies**

Donations and gifts are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably. Gift Aid received or receivable in respect of donations is included where applicable.

**The Directory of Social Change**  
**Notes to the Financial Statements**

**For the year ended 31 December 2021**

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Gifts in kind

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

Grants

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

Income from charitable activities

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

Subscription income

Subscription income is recognised on a straight line basis over the subscription term.

Investment income

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

Job retention scheme grant income

The charitable company received £95,466 (2020: £103,013) of grants from the Government's Job Retention Scheme during the prior year. At the end of the prior year, the existing job retention scheme was continuing to be applied for 20% of their time in respect of the relevant staff. The Scheme closed in September 2021.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities comprises of expenditure associated with training and events, publications and dissemination of information.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead support costs and are apportioned based on staff time as follows:

- Training and events: 29% (2020 - 21%)
- Publications and dissemination: 71% (2020 - 79%)

**Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

**Operating leases**

Rental charges are charged on a straight-line basis over the life of the lease.

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For the year ended 31 December 2021

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### Intangible Fixed Assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible fixed assets are amortised over the following useful economic lives:

Software development costs	4 years
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### Tangible fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Leasehold improvements	41 months, straight line (the life of the lease)
Furniture, fittings and equipment	5 years straight line
Computer equipment	4 years straight line

### Financial instruments

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

#### Creditors and provisions

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

#### Debtors

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

#### Cash at bank and in hand

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

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**The Directory of Social Change**  
**Notes to the Financial Statements**

**For the year ended 31 December 2021**

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**Stock**

Stocks are valued at the lower of cost and net realisable.

Publications

Book stocks and work in progress on forthcoming books are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes, in the case of books and publications produced by the charitable company, production costs and applicable overheads as reduced by the amount of any grant receivable; in the case of books bought in from other publishers, purchase cost only is included. A provision has been made for slow-moving items on the basis of expected future sales.

Subscription websites

The work in progress relates to the subscription websites for re-saleable items. Cost includes staff costs and associated overheads, which are amortised over the annual life of the subscriptions. This is continued on a rolling basis as the subscription websites are continually updated.

Electronic work-in-progress

The Work-in-Progress relates to work on the Funding Online website, live streaming work, and work for on-line learning. Cost includes staff costs, associated overheads and third-party supplier costs as incurred for these developments. Once live these will be amortised over 4 years.

**Funds**

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

**Employee benefits**

Short term benefits

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

Pension scheme

The Directory of Social Change operates a defined benefit pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of The Directory of Social Change in an independently administered fund.

The pensions costs charged in the financial statements represent the contributions payable during the year. There was also a defined benefit pension scheme which was closed to new contributions on 30 September 2013. Further information is provided in note 10.

For the year ended 31 December 2021

2. DONATIONS AND LEGACIES	Total Funds 2021 £	Total Funds 2020 £
Donations	14,000	1,250

3. INCOME FROM CHARITABLE ACTIVITIES	Total Funds 2021 £	Total Funds 2020 (as restated) £
Training and events	492,021	335,773
Publications and dissemination of information	1,221,804	1,179,476
	<u>1,713,825</u>	<u>1,515,249</u>

Income from publications and dissemination of information includes restricted grant income of £296,191 (2020: £149,316) relating to research projects. Further details are provided in note 17.

4. OTHER INCOME	Total Funds 2021 £	Total Funds 2020 £
Coronavirus Job Retention Scheme	95,466	103,013
Islington Council Retail Hospitality and Leisure Grant in respect of Holloway Road bookshop	-	25,000
Insurance claim	23,955	-
	<u>119,421</u>	<u>128,013</u>

5a ANALYSIS OF EXPENDITURE	Staff Costs £	Amortisation & Depreciation £	Other Costs £	Support Costs £	Total Costs £
Training and events	263,509	33,678	51,126	107,727	456,040
Publications and dissemination of information	645,144	82,454	243,514	263,745	1,234,857
	<u>908,653</u>	<u>116,132</u>	<u>294,640</u>	<u>371,472</u>	<u>1,690,897</u>

The staff costs for each expenditure type shown above comprise the staff costs from each charitable activity, together with the staff costs allocated to activities as part of governance costs and support costs as detailed in Notes 6 and 7 respectively.

For the year ended 31 December 2021

<b>5b COMPARATIVE ANALYSIS OF EXPENDITURE (2020)</b>	<b>Staff Costs £</b>	<b>Amortisation &amp; Depreciation £</b>	<b>Other Costs £</b>	<b>Support Costs £</b>	<b>Total Costs £</b>
Training and events	194,559	19,433	76,207	121,064	411,263
Publications and dissemination of information	731,914	73,104	154,052	455,433	1,414,503
	<u>926,473</u>	<u>92,537</u>	<u>230,259</u>	<u>576,497</u>	<u>1,825,766</u>

<b>6. GOVERNANCE</b>	<b>Total Funds 2021 £</b>	<b>Total Funds 2020 £</b>
Staff costs	46,907	68,542
Other costs	9,664	8,254
Audit and accountancy	17,050	23,430
	<u>73,621</u>	<u>100,226</u>

During the year, no Trustees received any remuneration (2020: £Nil) or any benefits in kind (2020: £Nil).

During the year 2 Trustees were reimbursed £181 for out-of-pocket expenses for travel and subsistence (2020: 1 Trustee was reimbursed £126).

<b>7a SUPPORT COSTS ALLOCATED TO ACTIVITIES</b>	<b>Staff Costs £</b>	<b>Office Costs £</b>	<b>Premises Costs £</b>	<b>Governance Costs £</b>	<b>Total Costs £</b>
Training and events	13,869	64,504	8,004	21,350	107,727
Publications and dissemination of information	33,955	157,923	19,596	52,271	263,745
	<u>47,824</u>	<u>222,427</u>	<u>27,600</u>	<u>73,621</u>	<u>371,472</u>

Support costs are the costs of central management. These costs are apportioned to activities based on total and direct costs.

For the year ended 31 December 2021

7b COMPARATIVE SUPPORT COSTS ALLOCATED TO ACTIVITIES (2020)	Staff Costs £	Office Costs £	Premises Costs £	Governance Costs £	Total Costs £
	10,241	60,789	28,987	21,047	121,064
	38,526	228,682	109,046	79,179	455,433
	<u>48,767</u>	<u>289,471</u>	<u>138,033</u>	<u>100,226</u>	<u>576,497</u>

8. NET INCOME FOR THE YEAR	2021 £	2020 £
This is stated after charging:		
- Depreciation of tangible fixed assets	2,391	2,969
- Amortisation of intangible fixed assets	113,741	89,568
- Auditors' remuneration for audit services	14,550	23,430
- Auditors' remuneration for non-audit services	2,500	-
	<u>133,182</u>	<u>116,977</u>

9. STAFF COSTS AND NUMBERS	2021 £	2020 £
Wages and salaries	975,577	1,004,549
Social security costs	77,981	95,380
Pension costs	24,648	24,036
	<u>1,078,206</u>	<u>1,123,965</u>

An amount of £147,477 (2020: £87,184) of the above was allocated to work in progress at the year end.

There were no redundancy payments made in the year (2020: none). There were no payments made in the year for agreed early termination notice period (2020: none).

The average number of employees during the year were as follows:	No.	No.
	12	12
Training	13	13
Publications	8	8
Accounting and administrative support	<u>33</u>	<u>33</u>
Full time equivalent	<u>31</u>	<u>31</u>

1 employee received remuneration of between £80,000 - £90,000 (2020: 1 employee between £80,000 - £90,000). The employer pension contributions for this employee were £1,318 (2020: £1,313).

The total employee remuneration of the key management personnel of the Charitable Company was £346,104 (2020: £302,005).

For the year ended 31 December 2021

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## 10. PENSION COMMITMENTS

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

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From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

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From 1 April 2019 to 30 September 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

For the year ended 31 December 2021

10. PENSION COMMITMENTS (continued)

Present values of provision

	2021 £	2020 £	2019 £
Present value of provision	10,071	31,463	37,723

Reconciliation of opening and closing provisions

	2021 £	2020 £
Provision at start of period	31,463	37,723
Unwinding of the discount factor (interest expense)	75	383
Deficit contribution paid	(7,400)	(7,184)
Remeasurements - impact of any change in assumptions	(122)	541
Remeasurements - amendments to the contribution schedule	(13,945)	-
Provision at end of period	10,071	31,463

There was £5,081 in outstanding contributions in 2021 (2020 - £5,652) included in the Balance Sheet.

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2021

**11. TANGIBLE FIXED ASSETS**

	<b>Furniture &amp; Fittings £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2021	2,243	72,719	74,962
Additions	-	12,892	12,892
Disposals	-	-	-
At 31 December 2021	2,243	85,611	87,854
<b>DEPRECIATION</b>			
At 1 January 2021	2,243	69,534	71,777
Charge for the year	-	2,391	2,391
Disposals	-	-	-
At 31 December 2021	2,243	71,925	74,168
<b>NET BOOK VALUE</b>			
At 31 December 2021	-	13,686	13,686
At 31 December 2020	-	3,185	3,185

**12. INTANGIBLE FIXED ASSETS**

	<b>Total £</b>
<b>COST</b>	
At 1 January 2021	546,411
Additions	132,001
At 31 December 2021	678,412
<b>DEPRECIATION</b>	
At 1 January 2021	340,899
Charge for the year	113,741
At 31 December 2021	454,640
<b>NET BOOK VALUE</b>	
At 31 December 2021	223,772
At 31 December 2020	205,512

For the year ended 31 December 2021

<b>13. STOCKS AND WORK IN PROGRESS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Publications</b>		
Work in progress	98,067	128,286
Finished books	145,801	113,966
<b>Subscription websites</b>		
Work in progress	44,303	75,400
<b>Electronic</b>		
Work in progress	136,882	158,702
	<u>425,053</u>	<u>476,354</u>

<b>14. DEBTORS</b>	<b>2021</b>	<b>2020 (as restated)</b>
	<b>£</b>	<b>£</b>
Trade debtors	67,500	71,341
Other debtors	2,703	4,149
Prepayments and accrued income	276,159	96,425
	<u>346,362</u>	<u>171,915</u>

Within other debtors is an amount of £140,592 (2020: £nil) which is due after more than one year.

<b>15. CREDITORS: amounts falling due within one year</b>	<b>2021</b>	<b>2020 (as restated)</b>
	<b>£</b>	<b>£</b>
Trade creditors	34,162	59,331
Other taxation and social security	147,933	158,670
Other creditors	18,835	21,676
Accruals	41,890	107,637
Deferred income (see note 16)	391,344	322,099
Pension provision	4,078	7,400
Bank loan	32,000	16,000
	<u>670,242</u>	<u>692,813</u>
<b>CREDITORS: amounts falling due after more than one year</b>		
Bank loan	112,000	144,000
Pension provision	5,993	24,063
	<u>117,993</u>	<u>168,063</u>

Bank loans are repayable in instalments over 4 years. Interest is payable at 1.90% over base rate.

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2021

16. DEFERRD INCOME	2021 £	2020 (as restated) £
Balance at the start of the year	322,099	375,943
Less: Amounts released to income	(322,099)	(375,943)
Add: Amounts deferred in the year		
- Subscriptions	356,369	287,995
- Training income	34,975	34,104
	391,344	322,099
	391,344	322,099

17. STATEMENT OF FUNDS 2021	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	3,185	-	-	10,501	13,686
General funds	150,337	1,551,063	(1,601,666)	(10,501)	89,233
	153,522	1,551,063	(1,601,666)	-	102,919
Restricted funds	-	296,191	(89,231)	-	206,960
Total funds	153,522	1,847,254	(1,690,897)	-	309,879

STATEMENT OF FUNDS 2020 (as restated)	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	3,672	-	-	(487)	3,185
General funds	205,250	1,495,225	(1,550,625)	487	150,337
	208,922	1,495,225	(1,550,625)	-	153,522
Restricted funds	125,825	149,316	(275,141)	-	-
Total funds	334,747	1,644,541	(1,825,766)	-	153,522

**Designated funds**

The fixed asset fund reflects the net book value of tangible fixed assets tied up in unrestricted funds at the year end. During the year £10,501 (2020: £487) was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

For the year ended 31 December 2021

**17. STATEMENT OF FUNDS 2021 (continued)**

**Restricted funds**

Restricted funds represent grants received to enable specific areas of charitable activities to be undertaken.

The restricted funds held at the year end of £206,960 related to Forces in Mind Trust (FiMT). This was a grant for 2021 to cover the continued operation of the Armed Forces Charities Website ([www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)) for 2021 - 2023.

In the prior year, two grants were received from Tudor Trust (£30,000) and Lloyds Bank Foundation (£30,000) each to be spent towards the development of a Government App. These were fully expended in the year.

Also in the prior year, two grants were received from London Community Response, part of Bridge House Trust, amounting to £44,268 and £45,048. These were fully expended in the year.

**18. ANALYSIS OF NET ASSETS  
BETWEEN FUNDS 2021**

	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	-	13,686	13,686
Intangible fixed assets	-	223,772	223,772
Stock	-	425,053	425,053
Debtors	140,592	205,770	346,362
Cash at bank	66,368	22,873	89,241
Creditors: amounts falling due within one year	-	(670,242)	(670,242)
Creditors: amounts falling due after more than one year	-	(117,993)	(117,993)
	206,960	102,919	309,879
	206,960	102,919	309,879

**ANALYSIS OF NET ASSETS  
BETWEEN FUNDS 2020 (as restated)**

	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	-	3,185	3,185
Intangible fixed assets	-	205,512	205,512
Stock	-	476,354	476,354
Debtors	-	171,915	171,915
Cash at bank	-	157,432	157,432
Creditors: amounts falling due within one year	-	(692,813)	(692,813)
Creditors: amounts falling due after more than one year	-	(168,063)	(168,063)
	-	153,522	153,522
	-	153,522	153,522

For the year ended 31 December 2021

**19. OPERATING LEASE COMMITMENTS**

	Land and buildings		Other	
	2021	2020	2021	2020
	£	£	£	£
Less than 1 year	22,470	21,217	2,647	3,756
Between 2 and 5 years	15,144	35,517	2,083	1,638
	<u>37,614</u>	<u>56,734</u>	<u>4,730</u>	<u>5,394</u>

Committed rent and service charges payable for 2021 under the lease of the offices at One Old Hall Road, Liverpool (which expires on 3 September 2023) amounted to £22,470 (2020 - £22,703).

**20. TAXATION**

As a registered charity, no tax arises on trading surpluses (since all the trading is carried out in pursuit of the charitable company's primary purposes), voluntary income or interest. The charity is exempt from corporation tax.

**21. RELATED PARTY TRANSACTIONS**

Lizzie Kenyon, a Trustee of the Charitable Company, is also Director of Services, Centre for Social Innovation, Keep Britain Tidy, which organisation purchased two in-house Ethnicity, Diversity and Inclusiveness workshops paying £1,000 and £800 respectively. There was no equivalent activity in 2020.

Lizzie Kenyon, a Trustee of the Charitable Company, purchased of book "What have charities done for us" at £17.74 during the year. There was no equivalent sale in 2020.

Phyllida Perrett, a Trustee of the Charitable Company, attended a free Funds Online Event, and also purchased books "Fundraising Handbook, Storytelling" at £61.70 during the year. There was no equivalent activity in 2020.

Other than as stated above there were no transactions between the Charitable Company in the year and any entity with which any of the Trustees was connected.

In 2020 the following activity took place with no equivalent in 2021.

Emily Hughes, a Trustee of the Charitable Company, is also Head of Volunteer Experience Girlguiding, which organisation sent a delegate to attend a training at a cost of £199.00, and a second delegate for a separate training course at a cost of £399.00.

Emily Hughes, is also a Trustee of Avert which organisation purchased a DSC publication for £19.70

The aggregate amount of donations received from related parties without conditions amounted to £1,000.

Debra Allcock Tyler is Chief Executive of the Charitable Company and also a Trustee of Berkshire Community Foundation which organisation sent a delegate to attend the Charity Leader's Summit at a cost of £99.00

Debra Allcock Tyler is Chief Executive of the Charitable Company and also a Trustee of In Kind Direct. which organisation subscribed to Funds On Line at a cost of £1,009.16

For the year ended 31 December 2021

**22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2020)**

	<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>Total Funds</b>
	<b>2020</b>	<b>2020 (as restated)</b>	<b>2020 (as restated)</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>INCOME FROM</b>			
Donations and legacies	-	1,250	1,250
Charitable activities			
- Training and events	-	335,773	335,773
- Publications	149,316	1,030,160	1,179,476
Other income	-	128,013	128,013
Investments	-	29	29
<b>Total income</b>	<b>149,316</b>	<b>1,495,225</b>	<b>1,644,541</b>
<b>EXPENDITURE ON</b>			
Charitable activities			
- Training and events	-	411,263	411,263
- Publications	275,141	1,139,362	1,414,503
	<b>275,141</b>	<b>1,550,625</b>	<b>1,825,766</b>
<b>Net expenditure</b>	<b>(125,825)</b>	<b>(55,400)</b>	<b>(181,225)</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>(125,825)</b>	<b>(55,400)</b>	<b>(181,225)</b>

For the year ended 31 December 2021

### 23. PRIOR PERIOD RESTATEMENT

The comparative amounts in the prior period as presented have been restated as detailed below:

		At 31 December 2020		
		Previously reported £	Adjustments £	As restated £
<b>Current assets</b>				
Trade debtors	(ii)	81,355	(10,014)	71,341
Prepayments and accrued income	(ii)	74,619	21,806	96,425
<b>Current liabilities</b>				
Other taxation and social security	(i)	(131,071)	(27,599)	(158,670)
Deferred income	(ii)	(289,434)	(32,665)	(322,099)
<b>Net assets</b>		<b>201,994</b>	<b>(48,472)</b>	<b>153,522</b>
<b>Charitable Company Funds</b>				
Unrestricted - general funds		198,809	(48,472)	150,337
<b>Total funds</b>		<b>201,994</b>	<b>(48,472)</b>	<b>153,522</b>

#### Reconciliation of changes in funds

		31 December 2020 £
<b>Adjustments to prior periods</b>		
Increase in VAT liability	(i)	(27,599)
Reduction of Funds Online website sales	(ii)	(20,873)
		<b>(48,472)</b>
<b>Represented by:</b>		
Unrestricted funds		(48,472)
		<b>(48,472)</b>

For the year ended 31 December 2021

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**23. PRIOR PERIOD RESTATEMENT (continued)**

**(i) Increase in VAT liability**

A prior period adjustment has been made to increase the Charitable Company's VAT liability by £27,599 that had not been correctly stated as at 31 December 2020. This adjustment reduced publication income and unrestricted funds carried forward.

**(ii) Reduction in Funds Online website sales**

A prior period adjustment has been made to reduce publication income by £20,873 that had been incorrectly recognised in the year, also reducing unrestricted funds carried forward.

Associated adjustments were recognised to increase deferred income by £32,665, and increase accrued income by £11,792.

Finally, a reclassification was made to decrease trade debtors by £10,014 and increase accrued income by the same amount to ensure the correct classification of year end debtor balances.

**THE DIRECTORY OF SOCIAL CHANGE**

England & Wales - Charity number 800517

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# Accounts

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**Company Number: 02320712**

**Charity Number: 800517**

# **Trustees' Report and Financial Statements**

## **For the year ended 31 December 2020**



**directory of social change**

**The Directory of Social Change is a registered charity and a company limited by guarantee**

**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2020**

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### **Message from the Chair**

DSC was no different to most of our fellow charities in the sector in having to unexpectedly respond to the global pandemic of 2020. We had to rapidly adjust to a completely different way of working with significant hits to our income towards the end of the first quarter, through the second and into the third.

It required us to move swiftly and very quickly we took advantage of the CBILs (Coronavirus Business Interruption Loan Scheme) through Nat West Bank and became part of the CJRS (Coronavirus Job Retention Scheme) by furloughing around 70% of DSC's staff team, leaving us with a skeleton crew for 3 months.

Despite our income being hit quite hard compared to the previous year, (more detail available in the finance section on pages 21-24) we were in the very fortunate position of being asked to provide additional research for the Forces in Mind Trust around how the pandemic had affected armed forces charities. This not only provided us with much needed funding but the work provided strong evidence of the financial hit on armed forces charities. This work underpinned the successful case to HM Treasury for funding which led to £11m being made available for these charities during the pandemic.

We were very fortunate to receive around £80k of funding from the London Community Response Fund which made an enormous difference to our ability to continue to provide services to charities, such as providing free information on pandemic funding, important policy changes and developing a whole new range of online training and information services to the sector.

Staff returned from furlough from 1 July and spent the summer catching up and delivering agreed research projects; developing new training topics and streams; expanding our digital offering and hitting our publishing schedule. The extension and introduction of flexibility to the CJRS enabled us to use part time furlough scheme for staff towards the end of the year. Throughout we were proud to maintain a high-quality service.

Early on in the pandemic we introduced two major new services for the sector. Firstly, shortly after the pandemic broke, we started sending out a daily bulletin providing crucial updates and information on legal, political and other developments that affect charities. Open rates jumped up 10% on our pre-COVID e-newsletters, and click-throughs to content up by 60%, with over 88,000 people accessing our help and advice since 1 April. We shared the extensive work we had done to implement the various schemes, support furloughed and non-furloughed staff and manage the home working situation, with the wider sector which was well received.

Secondly, we introduced a series of 8 free Zoom talks on highly topical subjects that we ran throughout the year, these 60 min sessions covered topics such as: racism, dealing with the COVID-19 Crisis; wellbeing; using charity office space; governance, faith based giving and how to stand out in the crowded job market.

As we entered the third quarter of the year, we adjusted the way we usually deliver our face-to-face training to accommodate delivering online using digital platforms. By tailoring our programme of face-to-face courses to deliver online, we were able to continue to deliver some of the most in demand courses to our beneficiaries.

The sector came together very quickly to collaborate and support each other during the pandemic and we were an integral part of a coalition of membership and representative charity bodies which was set up to address the effects of the pandemic. Our CEO was a core member of both groups, chairing the wider one, which meets weekly. We also provided secretariat services to both groups, organising meetings, agendas, sharing communications, taking minutes and setting up working

groups where needed. Our Director of Finance and IT developed and built the #NeverMoreNeeded website and our Director of Policy and Research was a key member of the Infrastructure Policy Group.

Focussing internally regular readers of our annual reports and accounts will know that whilst we were confident that our staff team was diverse and representative, we wanted to ensure the same was true at board level and we began this work during 2018. This resulted in us appointing five outstanding new trustees at the start of 2020 who are reflective of the communities and charities that we either serve or aspire to.

We further developed our work by commissioning an external independent review of our performance in this area through PDC Diversity Consultants and were really pleased and proud of how well DSC is performing in this area. The report found no evidence of systemic racism or discrimination within DSC. Indeed, staff reported feeling proud and safe in the DSC environment.

Our inclusive recruitment policies and practices are working well with, for example, 39% of our staff identified as black, Asian or a member of a minoritised community (three times the average for the sector as a whole) and 20% of both staff and trustees identified as having one or more disabilities.

However, we know that there is no room for complacency and we are revising policies in line with the report's recommendations and have created a board working group, chaired by me as Chair of DSC, to drive further progress.

As part of our commitment to our staff's mental health and wellbeing we introduced truncated working for staff. This means that our staff carried out their full-time jobs, working 35 hours over 4 days instead of 5 with teams split to ensure we always had staff available to serve our charities Monday-Friday. The three-day weekend proved incredibly successful and we saw a noticeable increase in productivity and mental wellbeing.

As part of a cost cutting exercise, we took the decision to vacate our London offices at Resource for London and find a cheaper alternative. We identified a possible option but prior to committing financial resources to a long-term lease decided that the best interests of the charity, during these uncertain times, were served in continuing to work remotely until such time as things changed. However, we kept our Liverpool office where our research team is based, which is now DSC's official head office.

Financially we ended the year with our heads above water. We would have reported a surplus adding to free reserves had it not been for two pandemic related accounting adjustments. Typically, DSC does not allow staff to carry over holiday as we believe people need the breaks during the year. However, given the circumstances of 2020 we changed that policy to allow people to spread holidays over 18 months. This has meant we had to make a provision in liabilities for around £60k. This will reverse at the end of 2021 as staff take all their holiday entitlement and that £60k will come out of liabilities and back into reserves.

We were also impacted by work-in-progress calculations as we had to allow for our researchers and publishing team being furloughed which had a negative impact on that value. However, work-in-progress turns into sales and we are confident that that adjustment will be offset by sales in 2021 and beyond.

So, we ended the year viable, having adapted rapidly and successfully to extremely challenging circumstances and created new offerings to the sector which have proved to be very popular.

None of this would have been possible without the support of wonderful partners such as the Forces in Mind Trust, the ongoing support of Shyrose Jessa of Centre for Learning and her husband Murtaza Jessa, who donate so freely and generously to us, the London Community Response Fund,

## **The Directory of Social Change**

### **Report and Financial Statements for the year ended 31 December 2020**

NatWest Bank, Lloyds Foundation for England and Wales, The Tudor Trust and an anonymous donor who donated £1000.

We remain incredibly proud of our team at DSC who dealt with a very difficult year with grace, determination and a can-do attitude that not only kept DSC afloat but also resulted in enhanced and high-quality services to the sector.

And finally to all those charities who continue to use our services. It's all for you and because of you. We're proud to have served you.

*caron bradshaw*

**Caron Bradshaw OBE**

**Chair**

**The Directory of Social Change**

## **Trustees' Report**

Welcome to the Trustees' Annual Report and Audited Financial Statements for the year ended 31 December 2020.

### **1. Achievements and Activities during 2020**

DSC's vision is 'An independent voluntary sector at the heart of social change'. In 2020 we continued to work towards our Strategic Objectives which underpin this vision:

- Equip voluntary sector organisations with high quality services and products that support them.
- Promote the value of a vibrant and diverse independent voluntary sector.
- Connect givers, influencers and social change makers.
- An independent DSC, financially robust in self-generated revenue.

DSC's strategic priorities as agreed in 2016 remain with an over-arching aim to increase our overall reach by:

- **Regional:** by increasing our range of services accessible throughout the UK
- **Expertise:** through growing expertise and reaching more beneficiaries with specific and expert help.
- **Digital:** through online learning and provision of other information and support.

The activities delivered, which are outlined in the following sections, all contributed to DSC reaching over 35,000 beneficiaries in 2020.

#### **1.1 Regional**

DSC undertook a range of activities in 2020 that were either based in regions outside of London or were specifically aimed at supporting the widest number of charities across England and Wales, irrespective of their geographical location.

##### **1.1.1 In house training**

As with many other charities our training and event activity was drastically impacted (completely at a halt for some periods) during 2020, due to the COVID-19 pandemic, national lockdown restrictions, staff furlough and working from home.

Although it took some time and rethinking, we worked out a way to continue to support our beneficiaries as best we could, especially during the early period of the lockdown (April-August), while we all adapted to the new ways of working and learning.

DSC supported over 36 different organisations with in-house provision in 2020. Before the pandemic we ran 32 courses in person delivering tailored in-house training to organisations including, Local Trust, Age UK, Anthony Nolan, RABI, Galop, Clinks, Stop Domestic Abuse, Movember Europe and Brighton and Hove Community Works. We also revised our approach to delivering this training and delivered 35 courses live online to our in-house customers.

The most popular subjects for in-house continued to be Management and Leadership, Fundraising, Personal Development and Governance. Before the lockdown we delivered across the country in London, Coventry, Cheshire, Hounslow, Portsmouth, Nottingham, St Edmunds, West Sussex and Ipswich.

Our work with the Association of English Cathedrals (AEC) was due to continue in 2020, but was delayed due to the pandemic. This work will be restarted in 2021.

### **1.1.2 Free content**

DSC continues to publish a large amount of free content from voluntary sector experts including DSC staff, trainers and authors. We published approximately 190 free content articles in 2020.

This typically takes the form of 'how to' guides, best practice, top tips, interesting research findings, and topical debate features in written, audio or video format that is distributed across DSC's (and external media's) extensive social media and other electronic channels.

In response to the pandemic, we started publishing daily email bulletins (covering Covid-19 funding, policy, news, free top tips and our products and services) from the end of March, replacing the usual monthly policy and e-news monthly roundups. These daily bulletins were read by approximately 817,000 people in 2020.

We also launched the free 'Espresso Express' video series to support charities, their staff and volunteers during the pandemic covering topics such as advice on working from home, wellbeing and so on.

@DSC\_Charity Twitter followers stood at just under 19,000 followers at the end of the year.

### **1.1.3 Library Facilities**

Due to the pandemic our physical library services where charities can access our books and online subscription services for free were closed for most of the year. We compensated for that by offering additional free services and where viable cut-price discounts on some of our publications.

## **1.2 Expertise**

In 2020 DSC undertook a range of activities designed to connect either our own expertise or that of others in the sector, with the charities that most need it.

### **1.2.1 Public Training Courses**

With 2020 being the incredibly difficult year that it was for all charities, we worked hard to continue to support charities the best way we could with our training. We served over 1,114 delegates via our training services. We ran 41 courses in person attended by 254 participants before the national lock down. Since the lockdown we have run 98 courses online and they have been attended by 860 participants.

Some of the most popular course topics include: Building a Successful Organisation; Moving into Management; Finance for Non-Financial Managers; Support and Supervision of Staff 1; Impact: Understanding and Quantifying Your Social Value; Duties of a Company Secretary; Writing for Impact; and Managing Yourself and Wellbeing.

We also ran some free to attend one-hour topical panel sessions, which focussed on current topical issues affecting the charity sector. In 2020 we ran 8 of these sessions covering topics such as: racism, dealing with the COVID-19 Crisis; wellbeing; using charity office space; governance, faith based giving and how to stand out in the crowded job market. In total 547 participants registered to attend the sessions.

#### 1.2.2 Conferences

DSC organised 2 events in 2020, both of which were run online due to the pandemic restrictions in effect.

The **Charity Accountants' Conference** is normally a two-day residential conference with an evening meal and entertainment. This had to be rethought and, in the end, we ran it online over five days in September 2020

Each day three one-hour seminars were held covering financial, management and leadership topics. In addition, there was a resources hub where participants could view the seminar recordings, presentations and handouts from each day. On a daily basis additional financial, leadership and management material was added as pre-recorded videos, handouts and booklets. The resources area remained open for participants to continue to access and view all the material for 3 months after the event was over.

205 delegates registered to attend the weeklong event and feedback overall was good. However, delegates did comment on the loss of informal networking opportunities which cannot be replaced in online events.

The second event of the year was the **Charity Leader's Summit**, this event was originally due to take place at the end of March but due to the pandemic was moved to 20 October 2020. Just under 100 participants registered to attend the conference.

#### 1.2.3 Publishing

2020 was a tough year for publishing with bookshops and libraries closed for significant periods of time and charities, more often than not, working from home.

Casualties included the closure of the UK's second largest trade wholesaler Bertrams. This had a big impact on the whole book publishing world which affected our own trade sales in the year too.

The furloughing of DSC staff in the year had an impact as well. Some DSC publications were delayed including *The Guide to New Trusts 2020/21* from June to September and one title, *The Guide to Major Trusts 2021/22* was cancelled as research priorities were reconfigured.

With many charities working from home our backlist digital offering came to the fore and the publication in the summer of our new *Policy and Procedures Template*, downloadable as a word document, was very popular. We also added other backlist titles in digital format for the first time (see section 1.3.3).

Overall print publishing still held up well. We released three of our bestselling directories in the year including *The Guide to Grants for Individuals in Need 2021/22*, *The Guide to Educational Grants 2020/21* once again in partnership with the National Union of Students, and *The Guide to New Trusts 2020/2021* with a foreword by actors Sarah Parish and James Murray talking about the work of the Murray Parish Trust.

In addition, we also partnered with other organisations to add additional titles to our website offering. We worked with *Getting on Board* to sell the exclusive print edition of their new title *How to become a charity trustee* which was launched during Charity Trustees' Week in November.

In October 2020, we published the first edition of Debra Allcock Tyler's *It's a Battle on the Board* which is the first book to exclusively focus on trustee behaviours and relationships and how they impact on the effectiveness of charity boards.

The full list of new print titles from DSC in 2020 in order of publication was:

- *The Guide to Grants for Individuals in Need 2020/21* – 17<sup>th</sup> edition
- *The Guide to Educational Grants 2020/21* – 16<sup>th</sup> edition
- *The Guide to New Trusts 2020/2021* – 9<sup>th</sup> edition
- *It's a Battle on the Board* – 1<sup>st</sup> edition

#### 1.2.4 #NeverMoreNeeded campaign

Since March 2020, DSC has been a major contributor of time and resources to an unprecedented collaboration between charity infrastructure organisations, which are coordinating responses to the pandemic. This work includes charities' role in the emergency and health response, charity funding and finance, regulation and guidance, and volunteering policy. It concerns the impact of the pandemic on charity services that are directly affected by COVID19 but also many more charity services which have been indirectly affected, particularly because of massive reductions in income due to disruption to normal fundraising and trading revenues.

The public face of this work has been known as the #NeverMoreNeeded campaign, which aims to get more government financial support to the charity sector to help ameliorate the negative effects of the pandemic. Over the year, DSC helped coordinate many of the campaign's numerous weekly meetings between CEOs, policy and public affairs teams, and communications staff. DSC staff regularly chaired meetings, organised agendas and minutes, and authored or helped produce policy proposals and briefings. This has involved substantial and dedicated time by senior staff and trustees over an extended period, but clearly meets DSC's charitable objects and purposes in service of our beneficiaries.

Some aspects DSC was directly involved in and helped achieve include:

- A joint submission to HM Treasury in advance of Budget 2020
- A subsequent £750m package of financial support for small charities and charities working on causes directly affected by the COVID19 pandemic, announced by Chancellor Rishi Sunak in April, and rolled out over the rest of the year
- Development of the campaign website [www.nmn.org.uk](http://www.nmn.org.uk), plus other internal infrastructure that helped coordinate policy work, communications and the drafting and agreement of joint documents
- Briefing for a House of Lords debate in the Spring on the impact of COVID19 on the charity sector
- Seeking greater transparency and speed of distribution of the Coronavirus Community Support Fund, which launched in late May – including submitting several Freedom of Information requests to government to get data on distribution of grants, and briefing the National Audit Office
- The development of a '5 point policy plan' that would support the charity sector's resilience in the future, which has been used to engage politicians and officials
- A joint submission to the Chancellor's 'economic update' in July

- A joint submission to Danny Kruger MP's 'Levelling Up' review in July, and reaction piece for the DSC website in September
- A joint submission to the Spending Review in September
- Development of a public affairs plan to influence MPs; sending letters to MPs and making contacts with MP offices to try and gain support
- A joint submission to HM Treasury for the 2021 Budget
- Development of a policy position requesting an Emergency Support Fund to benefit charities that have seen large drops in income, or steep rises in demand, as part of a fresh campaign effort launched in early 2021

These activities are not exhaustive, and we anticipate the campaign will continue through much of 2021 with DSC remaining an integral partner. Some of the campaigns DSC has run in recent years, such as the Big Lottery Refund campaign and the Grants for Good campaign, have not been shelved but have not been actively pursued due to the emergency.

#### 1.2.5 Policy and public affairs

The pandemic created an unpredictable and demanding policy environment for DSC, our peer organisations, and the rest of the charity sector. Although most of our effort in 2020 went into the #NeverMoreNeeded campaign, during the year DSC also continued to respond to formal consultations and policy announcements, particularly concerning the Charity Commission.

During the year we continued to push back against the Charity Commission's ongoing narrative about public trust in charity, which places an interpretation of public opinion rather than the law and regulation at the centre of its priorities, regulatory focus and public messaging, and which too often conflates all charities into one homogenous group.

Throughout the year, our Policy Trustee Andrew Purkis wrote regular pieces regarding the Charity Commission, charity law, and trusteeship, including for Civil Society Media in January and June, on the Commission's latest research, and also in Civil Society Media in October following Regulator's Annual Public Meeting.

During 2020 DSC also submitted several consultation submissions, including to the House of Commons DCMS Committee enquiries into the Performance of the Charity Commission, and its enquiry on COVID19 and Charities, and to the House of Lords Select Committee enquiry on COVID19 and public services.

As in previous years, DSC also analysed the Government's Budget statements and other major announcements for their implications for charities, regularly publishing insightful summaries on our website and in our enews bulletin. We know that many colleagues value our concise, freely available blogs which cut through dense policy material to explain implications for charities.

#### 1.2.6 Research on Armed Forces Charities

Since 2014, DSC has been funded by the Forces in Mind Trust (FiMT) to research Armed Forces Charities and provide information via reports and the website [www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk). We have also completed several other related research projects for FiMT.

In August 2020, DSC published a major analysis of the Armed Forces charities sector, titled *Sector Insight: Armed Forces Charities*. DSC hosted an online launch where 200 delegates were given a presentation of the report and its key findings, along with a live online Q&A session which included

FiMT's CEO Ray Lock, and General Sir John McColl, Chair of the Confederation of Service Charities (Cobseo). We continue to receive positive feedback from key stakeholders across the Armed Forces charities sector about the usefulness of this analysis.

In April 2020, during the initial phase of the pandemic and lockdown, Cobseo requested research from DSC that eventually underpinned a request to government for financial support to Armed Forces charities. Funded by FiMT, DSC responded quickly with two evidence-based pieces of analysis, which helped make the case for a £6 million support package from the government to Armed Forces charities rolled out during the summer.

In May and October 2020 DSC also undertook two surveys of Cobseo member organisations to provide up to date insight into how the pandemic was affecting them. The results of the survey showed the impact of COVID-19 on multiple levels and helped inform policy discussions and direct both practical and financial aid to Armed Forces charities.

During 2020 DSC began further work as part of a one-year grant to extend the original Armed Forces Charities project, to produce the latest in an ongoing series of *Focus On* reports, which look at various types of provision by Armed Forces charities. The pandemic delayed the schedule for two of these reports on families and finance, but the bulk of the work was still completed in the year. *Focus On: Families* launched on 19 January 2021 and *Focus On: Finance* will be published on 25 March 2021.

In February 2020, we also delivered a 'deep dive' report to FiMT on the literature and evidence around Health and Wellbeing for the Armed Forces Community. This work was mainly carried out in 2019, and the analysis includes findings, recommendations and a 'needs identification framework' to help inform FiMT's strategy and priorities.

Our partnership with FiMT continues to be strategically important for DSC, and our expertise in this area has had a positive impact the sector during the pandemic.

#### **1.2.7 Commissioned Research**

During 2020, DSC increased the breadth and type of research projects we carry out for valued partners from across the sector. This has become an important part of DSC's business and what we offer the charity sector. We are able to provide high-quality impact evaluations, data analyses, surveys, organisational strength reviews, and other research consultancy for clients. Our team is skilled at working with prospective clients to design projects that will meet their needs and available budget.

Throughout the year we carried out significant work on our analysis and evaluation of LIBOR funding on behalf of the Armed Forces Covenant Fund Trust, with an interim report delivered in July. This major project has been ongoing since 2019, and the full final report incorporating qualitative and quantitative analysis will be published in the first quarter of 2021.

In June, DSC won a further substantial contract to undertake an evaluation of the Armed Forces Covenant Fund Trust's Families in Stress and Removing Barriers to Family Life programmes, both of which have been run under the 'Removing barriers to family life' funding theme and provided support to armed forces families. The full final report for this research project will also be delivered in the first quarter of 2021.

In June we also completed further research for Seafarers UK in the form of a survey and subsequent report which gathered and analysed feedback and evidence from key stakeholders. This research further contributed to Seafarers UK's strategic planning.

During the year, we also continued to work with YMCA England and Wales on an evaluation of their Changing Futures grants programme, which supports local YMCAs to deliver projects for young people's mental health. The pandemic seriously disrupted the evaluation due to the crisis situation faced by many local YMCAs and the fact that they needed to modify how they deliver services to young people in pandemic conditions. The project schedule has been revised and we are on track to deliver a report to YMCA in the second quarter of 2021.

#### **1.2.8 Enquiries to DSC's Research Team**

The DSC Research Team, based in Liverpool, maintains the data which drives our funding website, [www.fundsonline.org.uk](http://www.fundsonline.org.uk), and produces a range of publications to guide and assist our beneficiaries with their fundraising. Team members have a wealth of knowledge and experience about funding for charitable causes and can respond to enquiries referred by other departments or directly from the public.

In September, the Team contributed to a Chartered Institute of Fundraising (CIOF) training and Q&A session for around 70 members of the CIOF's Researchers in Fundraising group, on the topic of how to find and understand information in charity accounts.

During October, the team worked with the Association of Charitable Organisations (ACO), to provide data from our Grants for Individuals dataset, which helped ACO gain a better understanding of the part of the charity sector it represents – benevolent charities and grant-makers that give to individuals.

#### **1.3 Digital**

2020 saw DSC significantly extend its digital reach in a number of areas, increasing the help that we are able to offer online, and delivering information support in formats that are easier to access for a range of our beneficiaries.

##### **1.3.1 Training Online**

This service differs from our on-line course offering in being a remote learning platform with pre-set courses that people can complete in their own time. From April 2020 all the courses available through this service was made free to access. Topics downloaded included: Presentation Skills, Writing Skills, Budgeting, Health and Safety, Change Management and Wellbeing. During 2020 over 400 people signed up to access a course. However, disappointingly, although the sign-up rate was high the completion rate was low.

##### **1.3.2 Digital Publishing**

We further extended the number of titles available in dual print and digital platforms. The majority of our titles are now available digitally either as Kindle titles through [amazon.co.uk](http://amazon.co.uk) or as viewable pdfs, mobi and epub formats through [www.dsc.org.uk](http://www.dsc.org.uk).

In 2020 we produced the following e-publications in digital formats from brand new books and also some from our backlist (including pdf, Kindle, mobi and e-pub):

- *Policy and Procedures Template (word download) – 1st edition*
- *The Guide to New Trusts 2020/21 – 9<sup>th</sup> edition*

- *It's a Battle on the Board – 1<sup>st</sup> edition*
- *Cultural Giving – 1<sup>st</sup> edition*
- *Managing without Profit – 4<sup>th</sup> edition*

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or mobi and e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

#### **1.3.3 Funding websites**

In 2020 Funds Online was one of the few services we provide to our beneficiaries that was wholly uninterrupted by the pandemic.

Throughout the year Funds Online provided information from four main datasets to our subscribers, made up of funding from trusts giving a combined total of £4.9 billion, companies giving £330 million in cash and in-kind contributions, £2.4 billion in funding from local, regional and central government and £383 million in funding to individuals for social welfare, education and training.

As well as maintaining the information on the website for subscribers to access, we also improved the dashboard function so that subscribers are now able to not only track activity, new funding opportunities and saved funders but also upload documents including applications, enabling all information to be stored in one place.

Throughout 2020 in response to the pandemic we kept Funds Online up to date with funders latest response to Covid 19. We also extended our online support by offering monthly webinars on the features and benefits of the platform with our fundraising trainer which proved very popular.

#### **1.3.4 DSC website [www.dsc.org.uk](http://www.dsc.org.uk)**

The user profile facility of our main website is an area where users register and set up their own space to download and store information including a range of free factsheets, downloadable publications, presentations, brochures and policy briefings. At the end of 2020 we had approximately 15,000 users. Free downloads totalled 26,372 in the year (18,574 not including Look Insides).

#### **1.3.5 Governance App**

Work continued during the year on the development of a digital governance application, aiming to build on the Charity Governance Code and create a practical tool to help charities identify their own challenges and support them to address them. The pandemic impacted indirectly on our plans to launch the Governance App in the year, as a result of some funder priorities switching to support COVID-related causes. However, support from The Tudor Trust and Lloyds Bank Foundation, building on initial support from The Clothworkers' Foundation, enabled us to keep moving forward, and we now plan to launch the project in Spring 2021.

#### **An independent DSC, financially robust in self-generated revenue**

Given the all-pervading effect of the COVID-19 pandemic DSC was still able to generate 92.4% of its own funds in 2020 (2019 - 99.3%), the balance of 7.6% being provided by Government grants towards staff costs and support available to retail outlets and for which our Holloway Road 2019 levels. There had been an increase in 2019 of 7% from the previous year.

The initial apparent suppression of the virus, enabled us to think that we could return to our offices in London and Liverpool in September. We were even planning a move to new London office to take effect from January 2021, and gave notice to leave our Holloway Road premises, so that we would be free to move in January 2021, but it was not to be. By October local tiered restrictions were in force, followed by a short lock-down in November, an element of opening up of the economy in December but a sudden clamp down just before Christmas as the pandemic tightened its deadly grip. With the lock-down continuing well into 2021, the decision was made not to continue with the negotiation for a new London office and to allow all London based staff to continue to work from home. The Registered Office was moved to Liverpool as a result.

We took advantage of a Government supported CBILS loan for £160,000 over six years, the interest rates being exceptionally low and with no arrangement fee or first year's interest to pay. Other facilities taken up were the Time To pay arrangements for VAT and PAYE and these are now being systematically reduced over the agreed repayment period.

From bleak beginnings in March, and the ups and down of the Brexit negotiations it was a pleasant surprise that the defined benefit pension scheme deficit was reduced by £6,250 (2019 - £3,085).

No new IT developments were brought to fruition in 2020, although we continued to invest in the On Line Training Facility, with a view to it going live in January 2021. However, an exciting new development was the Governance App, for which we received generous support of £30k each from Tudor Trust and Lloyds Bank Foundation. This plus some of our own resources was invested in the early stages of development and we will both seek further funding and continue development out of our own resources during 2021.

Commissioned research has continued to bring in material income, £179,800 in 2020 which was an increase over the £100,880 generated in 2019.

## **2. Public Benefit**

The Charitable Company has complied with the guidance on public benefit requirement in accordance to Section 17 of the Charities Act 2011.

The Charity Commission in its "Charities and Public Benefit" Guidance requires that key principles be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit, and secondly the benefit must be to the public or a section of the public.

The Guidance lists "promoting the efficiency of other charities" as one of the examples of benefits to the public, and the objects of The Directory of Social Change include the promotion and advancement of education and the promotion of efficiency and efficacy of other charities. It achieves this through its educational publishing, courses, conferences, exhibitions and electronic websites. In pursuing these objectives, the Trustees are mindful of and strive to achieve ways of minimising the impact of its activities and products on the environment.

Although DSC aims principally to serve the charity sector, we also provide services to the wider not-for-profit sector and grade our level of charges specifically so as to remain affordable to smaller charities with limited resources.

In addition, we continued to make a number of facilities available free to our beneficiaries during the year.

## **2.1 Free content**

DSC continues to publish a large amount of free content from voluntary sector experts including DSC staff, trainers and authors. We published approximately 190 free content articles in 2020.

This typically takes the form of 'how to' guides, best practice, top tips, interesting research findings, and topical debate features in written, audio or video format that is distributed across DSC's (and external media's) extensive social media and other electronic channels.

Of particular note, in response to the pandemic we started publishing daily Covid-19 funding updates and launched the Espresso Express video series.

DSC e-news daily bulletins were read by approximately 817,000 people in 2020. In response to the pandemic, we started publishing daily update bulletins (covering Covid-19 funding, policy, news, free top tips and our products and services) from the end of March, replacing the usual monthly policy and enews monthly roundups.

## **2.2 Publications**

For those with severe mobility difficulties without access to a computer, we provide a free copy of our publication *The Guide to Grants for Individuals in Need*. Our website [www.grantsforindividuals.org.uk](http://www.grantsforindividuals.org.uk) can also be accessed free of charge by visitors to those public libraries that subscribe to the service, as well as in our own libraries.

Many of our directories and reference books are stocked by reference libraries and membership organisations to whom we provide licence arrangements to enable their visitors or members to gain access free of charge at their premises.

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or mobi and e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

## **2.4 Website [www.dsc.org.uk](http://www.dsc.org.uk)**

The user profile facility of our main website is an area where users register and set up their own space to download and store information including a range of free factsheets, downloadable publications, presentations, brochures and policy briefings. At the end of 2020 we had approximately 15,000 users. Free downloads totalled 26,372 in the year (18,574 not including Look Insides).

## **3. Regulatory and Administrative Details**

### **3.1 Regulatory Compliance Statements**

The Directory of Social Change is registered as a company limited by guarantee (without share capital) with number 02320712 and as a charity no. 800517. The registered office address was moved to our Liverpool office in December 2020 at Suite 103, 1 Old Hall Street Liverpool L3 9HG.

The Trustees are also the Directors of the Charitable Company for the purposes of the Companies Act. The Trustees in presenting their annual report and financial statements for the year ended 31 December 2020 for the Charitable Company confirm that they comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by

Charities” (effective 1 January 2017) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

### **3.2 Who we are**

Established in 1975, The Directory of Social Change (DSC) campaigns for an independent voluntary and community sector. DSC is the largest provider of information and training to the UK voluntary and community sectors.

The main activities of the organisation include:

- Championing the needs of small and medium voluntary sector organisations
- Providing practical training courses
- Running conferences, seminars and fairs
- Researching and publishing reference guides and handbooks
- Providing the subscription website [www.fundsonline.org.uk](http://www.fundsonline.org.uk)
- Campaigning on issues that affect the voluntary sector
- Publishing valuable free content pieces across social media and electronic channels

Visit our website for more information at [www.dsc.org.uk](http://www.dsc.org.uk)

### **3.3 Where we are**

DSC has its Registered Office at its Liverpool premises, but the majority of our staff work remotely.

Suite 103  
1 Old Hall Street  
Liverpool L3 9HG  
Tel: 0151 708 0136  
E-mail: [research@dsc.org.uk](mailto:research@dsc.org.uk)

### **3.4 Trustees:**

The following individuals acted as Trustees throughout the year except where otherwise stated:

Caron Bradshaw OBE Chair	Chief Executive, Charity Finance Group, Trustee, Together Charitable Foundation
William Butler	Third Sector Consultant
Joyce Fraser (Appointed 28 April 2020)	Trustee, Chartered Institute of Fundraising; Trustee, Small Charities Coalition; Chair, Black Heroes Foundation; Director, Primetime Training Enterprise Ltd; Lecturer, Open University Business School.
Matthew Hill (Appointed 28 April 2020)	Head of Business Support, P3
Emily Hughes	Head of Volunteer Experience, Girlguiding, Trustee, Avert
Anneke Kapadia	Senior Volunteer Manager, Volunteering Matters

## The Directory of Social Change

### Report and Financial Statements for the year ended 31 December 2020

(Appointed 28 April 2020)

Lizzie Kenyon Director, Centre for Social Innovation, Keep Britain Tidy

(Appointed 28 April 2020)

Phyllida Perrett Third Sector Consultant

Andrew Purkis OBE Third Sector Consultant, Trustee Safe Passage International, Parish Church Councillor of St Mary's Church Balham, Governor Trinity St Mary's Primary School and Blogger

Kashif Shabir CEO, Muslim Aid

(Appointed 28 April 2020)

Lesley Thornley Chief Executive, Hull & East Riding Citizens Advice Bureau

#### 3.5 Chief Executive, Company Secretary and Senior Management:

Chief Executive Debra Allcock Tyler

Company Secretary: John M de C Hoare

The Senior Leadership Team during 2020 comprised:

Debra Allcock Tyler Chief Executive

Ben Wittenberg Director of Development and Delivery

Jay Kennedy Director of Policy and Research

Annette Lewis Director of Services

Yvonne Coleman Director of Finance and IT

#### 3.6 Auditors, Bankers and Solicitors

##### Auditors:

Hay Macintyre LLP  
10 Queen Street Place  
London EC4R 1AG

##### Bankers:

National Westminster Bank Plc  
PO Box 224  
9 The Broadway  
Stanmore  
Middlesex HA7 4XW

National Westminster Bank Plc  
6 Grange Road West  
Charing Cross  
Birkenhead  
Merseyside CH41 4DF

##### Solicitors:

Bates Wells & Braithwaite London LLP  
2 - 6 Cannon Street  
London EC4M 6YH

### **3.7 The Regulatory Environment**

The regulatory environment within which DSC operates is considered to be the following:

#### **Finance and Accounting**

- The Companies Act 2006
- The Charities Act 2011
- Charities SORP,
- United Kingdom Accounting Standards
- Financial Reporting Standard FRS 102
- UK Generally Accepted Accounting Practice (UK GAAP)
- VAT partial exemption regulations

#### **Human Resources**

- Employment Law
- Health and Safety Regulations
- Pensions Regulator Requirements
- The Equalities Act

#### **Operational Matters**

- Data Protection Legislation
- Health and Safety Regulations
- The Equalities Act
- Legal Deposit Libraries Act 2003
- Copyright Designs and patents Act 1988
- 

#### **COVID-19**

- In common with most organisation DSC has been impacted by the COVID-19 pandemic regulations promulgated by HM Government in response to the Coronavirus pandemic. This impact commenced in March 2020 and is still ongoing.

#### **Maintaining awareness of legislative and regulatory changes**

DSC is a member of the Charity HR Network, which provides regular updates, organise meetings etc. The charitable company's Solicitors provide regular e-newsletters, updates and provide webinars on topical subjects.

DSC also receives updates from firms of accountants and solicitors with whom it has professional relationships.

A number of members of staff have professional qualifications whose professional institutes provide updates and information to their members. These organisations include The Chartered Institute of Personnel and Development, The Chartered Association of Certified Accountants.

Being a training organisation many of the trainers bring their professional expertise to bear and enable courses, training sessions and webinars to be put on by DSC and from which the organisation itself benefits.

#### **4. Structure, Governance and Management**

##### **4.1 Governing Document and Constitution**

The Directory of Social Change is registered as a company limited by guarantee (without share capital) and as a charity, its governing instrument is its Memorandum and Articles of Association last revised on 15th December 2004. All the Members of the Charitable Company are Trustees and undertake to contribute to its assets in the event of it being wound up while s/he is a member, such amount as may be required not exceeding £1. All the Trustees are also Directors of the Charitable Company for the purposes of the Companies Act.

##### **4.2 Trustees Appointment, recruitment, training and induction**

All Trustees are unremunerated and are voluntary. Trustees are appointed by resolution of the Trustees. At each Annual General Meeting one-third of the Trustees are subject to retirement by rotation but may offer themselves for re-election. No person other than a Trustee retiring by rotation may be appointed or re-appointed a Trustee at any general meeting of Trustees unless he or she is recommended by the Trustees.

Training of Trustees is given on new legislative issues affecting charity trustees and directors as needed. As a training organisation Trustees also have the right to attend any of DSC's courses as part of their duties to ensure that products being offered are within the objects of the organisation and of appropriate quality.

There is a defined procedure for the induction of Trustees, which includes the provision of a detailed information pack upon each appointment. This covers introduction to fellow Trustees, the leadership team and staff with organisation chart; Memorandum and Articles of Association; the history of the organisation, its objectives and policies, its work and products; recent Trustees minutes of meetings; the latest audited Trustees Report and Financial Statements; information on the role and responsibilities of a Trustee, access to training where required and a buddy system where existing trustees' mentor new ones.

##### **4.3 Organisation Structure and decision making**

A voluntary Board of Trustees is responsible for the overall management and direction of the Charitable Company. The Board meets four times a year and at any other time as circumstances dictate.

A Senior Leadership Team meets monthly and reports to the Trustees. The members of the group are shown under section 3.5 above. The day to day running of the charity is delegated to the senior leadership team.

##### **4.4 Relationships with other charities, organisations and individuals**

We work with a very wide range of organisations. We are very grateful to all the following partners and sponsors for their support during 2020:

Association of English Cathedrals  
Armed Forces Covenant Fund Trust  
Charity Commission for England and Wales  
Charity Learning Consortium (CLC)  
Chartered Institute of Fundraising (Coifs)  
Cobego  
Institute of Leadership and Management (ILM)  
Resource for London  
Sayer Vincent  
Sheila McKechnie Foundation  
m-hance  
Forces in Mind Trust (Fit)  
YMCA England and Wales  
The London Community Response Fund  
The Seafarers' Charity  
The Tudor Trust  
Lloyds Bank Foundation for England and Wales  
The Clothworkers' Foundation  
NatWest  
National Union of Students  
University of Plymouth  
Shy rose Jessa/Murtaza Jessa/The Jessa family

#### **4.5 Risk**

We monitor risk on an ongoing basis and periodically undertake a formal risk review.

##### **Current areas of potential risk:**

Charity closures due to the COVID-19 global pandemic impacting revenue streams  
DSC's customer base being vulnerable to fluctuating funding patterns  
IT Systems outage or collapse  
Suppliers' insolvency

##### **Actions taken to mitigate these risks are:**

Plans in place to quickly respond to the short-term nature of order and bookings patterns  
Further development of on-line offerings  
Offsite hosting of websites in multiple data centres, so if one server goes down another is brought online; all critical data is backed-up offsite.  
A Disaster Recovery Plan has been prepared  
Back-up plans are in place

DSC adopts the CFG approach to managing risk which is to identify operational risks and mitigating actions on a monthly basis as part of general management practices and trustees discuss this at quarterly board meetings.

On matters of emerging risks: These might include matters such as failure or poor performance of a specific product; damage to reputation from a specific instance of poor delivery or customer service, or a failed partnership that damages reputation or ability to deliver other services.

Actions taken to mitigate these risks are:

Risk management has been integrated into our monthly management reporting, with a clear assessment and escalation process. Managers are accountable for identifying and communicating risks in their own areas of the business. Following the monthly management reports, discussions about mitigating action with regard to any risk needing attention takes place either at the Leadership Team meeting, or with the relevant Senior Leader.

Major and urgent risks: Risks that emerge or occur quickly are assessed against the same impact and likelihood scores and referred immediately (along with a planned response where appropriate) to the relevant member of the senior leadership team.

Risks are reviewed by the Trustees from time to time to reflect the need to keep particular items under review, but also to respond to new or existing risks that are given public prominence concerning charities generally.

## **5. Finance Review**

In 2020 DSC generated 92.4% of its own funds (2019 - 99.3%), the balance of 7.6% being provided by Government grants towards staff costs and support available to retail outlets for which our Holloway Road bookshop premises were eligible. The self-generated income arises through the sales of our books, websites, training, research services and events.

Overall charitable income in 2020 was £1,693,013 compared to £2,018,918 in 2019, a decrease of 16% from 2019 (2019 a 7% increase from 2018). Inevitably face to face training took a large hit to its activity. We very quickly developed a suite of virtual, live time training programmes which helped to slow down income loss. Even so, training income fell by 55% compared to 2019.

The decline in income from publications, websites and research was contained at just over 2% compared to 2019. Within this research project fees income increased to £179,800 from £100,880 in 2019 an increase of 78%.

Expenditure on unrestricted activities decreased by 2.3% compared to 2019. Rent continued for both our premises in London and Liverpool throughout the year, but in respect of London we were able to give 6-months' notice without penalty, although there was a dilapidation charge of £13,770. We were able to vacate the Holloway Road offices at the very end of 2020. A plan to move to an office near in Angel, Islington, was also put on ice and it is envisaged at this stage that there will be no new London office for the whole of 2021. This will save something in the region of £100,000.

We adopted a policy in April of holding regular Board Working Group meetings to monitor the financial situation on a regular basis. This strategy critically paid off as decisions could be made rapidly as needed. The consequence was that the staff costs allocated to Governance activities rose, so that Governance costs increased in the year to £100,226 from £63,843. The analysis is shown in Note 6 to the Accounts. The frequency of these meetings has diminished, so that the same level of Governance costs is not expected in 2021.

The full effect of the new funding website subscription portal will only be felt in a normal year, as it only came into its own finally in October 2019, and of course 2020 was so seriously affected by the COVID-19 pandemic. The signs have been good, and subscription income has held up very well, but it might not be until the latter part of 2021 that the upgrade will be seen to regularly have enhanced our income from this source.

We were able to complete the Forces in Mind (Fit) grant activity, and 4 other smaller grant projects too, so there are no restricted reserves at the end of 2020.

As a result of our swift response to the crisis DSC did not have to make any of our staff redundant, although 70% were put on furlough for the period end of March to June. We opted to place all staff on 20% furlough since November 2020, and this is continuing. Despite the contribution to the salary costs of furloughed staff through the CJRS, the perverse effect is that the employment costs still show in full in the accounts, as accounting rules state that one cannot offset the furlough grants directly against the salary costs. The consequence of this is that the staff concerned are not able attend in full to their normal duties of creating saleable products or generating work-in-progress towards projects, so it is estimated that for those furloughed employees, DSC lost £48,121 of work creation capability in the year.

We took advantage of the CBILS Government backed loan facilities, drawing £160,000 from our bank to be repaid over 6 years. The first year is free of interest or arrangement fees, and repayment does not have to commence until the start of the second year. The interest payable is at a very competitive rate. The funds will substantially be used as a cushion for the future, and also, we took advantage of the Government's deferred payment schemes for VAT and PAYE. There are sufficient uncertainties in the economy and in the pandemic environment to ensure that the cushion will be a good safeguard for some time to come.

There has been a 76% increase in current assets in the year compared to the end of 2019, within which current creditor due within a year have declined 11.5% from £716,986 to £632,549.

Despite the small excess of expenditure over income for the year, DSC has ended up in a far better place than could ever have been envisaged when the pandemic first struck in March 2020. It gives us the confidence that we can continue to help our beneficiaries through these difficult times.

### **5.1 DSC Earned Income**

We continue to work closely with a wide range of individuals and organisations, while at the same time ensuring that we are not financially dependent on any single funder, purchaser or provider for our operational programme. DSC received donations of £1,000 in 2020 (2019 - £14,391).

Our financial structure enables us to continue to be independent, flexible and free to comment without fear or favour. This is a core value for DSC.

### **5.2 Remuneration Policy**

The overall policy on remuneration within DSC is as follows:

- Trustees are voluntary and not remunerated. Out-of-pocket expenses paid to trustees are shown as part of Note 6 to the Financial Statements.
- The Chief Executive's salary is determined in line with the pay policy for all DSC staff. The remuneration of the Chief Executive Officer is specifically agreed by the Trustees following a performance assessment and recommendation by the Chair to the Trustees.
- Staff remuneration is reviewed as an important but separate element of the annual budget process.

Each year the salary budget for the ensuing year is considered at a Trustees Board Meeting based on proposals put forward by the Senior Leadership Team and takes account of the cost of living, individual performance assessments and the need to retain the most appropriate staff for each post in the expected economic climate for the ensuing year. DSC has a clear and concise salary policy.

### **5.3 Reserves**

The Trustees' approach is to adopt some of the recommendations in Charity Finance Group's report 'Beyond Reserves'.

Currently when determining the reserves position for the forthcoming year the Board considers whether the resources available for use in the planned activities of the Charitable Company within the year are sufficient before determining what should be the appropriate level of reserves for that particular year. During 2020 the Trustees considered that the reserves were adequate.

The Board also considers the reserves position of the Charitable Company on a quarterly basis when reviewing the management accounts with an analysis of the results by activity and the forecast results for the coming quarters; together with a review of management of debtors, statistical management indicators and cash flow analysis and forecasts.

Given the unique economic outlook for much of 2020 following the onset of the COVID-19 pandemic, a small loss of £6,928 that was allocated to unrestricted funds for the year is considered by the Board to be acceptable. They noted that this was after having to make a provision for £59,845 for accrued holiday pay at the year-end. The normal policy of DSC is that all staff should take their holiday in the calendar year or lose it, so that there has been no history of having to making such an accrual previously. It is not intended that any untaken holiday will be carried forward at the end of 2021, so that the provision required by accounting standards at the end of 2020 will be unwound in 2021. (2019 unrestricted reserves increased £19,329).

In any one year, we may earmark Unrestricted General Funds for a particular project or to use as Designated Funds. The reasons for the setting up of such funds, the policy for any transfers between funds, and allocation to or from designated funds, will be stated in the notes to the accounts.

Funds are designated to an amount equal to the sum represented by the net book value of Fixed Assets comprising leasehold improvements, furniture and fittings and computer equipment. At 31 December 2020 these Designated Funds amounted to £3,185 (2019 - £3,672). Our Designated Funds are reviewed annually.

At the end of 2020, the Board is pleased to report that despite the difficulties encountered due to the COVID pandemic, the unrestricted reserves decreased by only £6,928 and stood at £201,994 at year end (£208,922 at end 2019) and this represents 100% of the total reserves.

At 31 Dec 2020 all restricted reserves had been fully consumed on projects for which they were designated (2019 £125,825 in hand). It is not anticipated that DSC will have any problems in meeting its commitments under restricted funds when they arise.

Trustees continue to believe that the current policy of managing resources generally rather than just reserves in isolation is the right course to adopt in the current economic climate, however, this decision is continually reviewed including the ongoing level of reserves required.

### **5.4 Investment Policy and Performance**

At the Balance Sheet date, the Charitable Company only held cash investments. The Bank of England base rate was reduced twice in March 2020. Initially from 0.75% to 0.25% and then to 0.1%, an all-time low, where it remains. The continuing national policy of holding rates at such a low-level means that it is not viable to manage the movement of funds between current and investment accounts. All funds during 2020 were held on current account. Income generated in 2020 amounted to £29 (2019 - £83).

### **5.5 Fundraising**

The Charitable Company has not made any fundraising appeals to the general public during the year, and is unlikely to do so in the future. Fundraising focusses on securing grants and donations from registered charities and business links. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the Charitable Company is not registered with the Fundraising Regulator and received no fundraising complaints in the year.

### **5.6. Restricted Funds**

To the extent that Restricted Grants are liable to be returned to Grant Providers where they are unspent and it is not intended that they be spent, there was no grant due to be returned at 31 December 2020 (2019 - Nil).

## **6. Strategic Report - Plans for the Future**

DSC's vision, mission and strategic objectives remained unchanged during 2020. The strategic aim continued to be a focus during the year – that is extending our reach into the sector:

- Regionally, by increasing the support provided to organisations across the UK
- Through growing expertise, and reaching more beneficiaries with specific and expert help
- Digital through the development of digital services.

Much of the year was focussed on survival, however, as seen in the early part of the report we still managed to meet our strategic priorities. During 2021, once things settle more, the trustees will review where we are at and make decisions about any changes needed to our strategy.

## **7. Statement of Trustees Responsibilities**

The Trustees (who are also directors of The Directory of Social Change for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;

- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees is aware at the time the report is approved:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

## **8. Auditors**

The auditors, Hay Macintyre LLP will be reappointed in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small company's exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on **26th May 2021** and signed on their behalf, by:



**Lizzie Kenyon**  
Trustee



**Kashif Shabir**  
Trustee

**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2020**

**Independent auditor's report to the members of The Directory of Social Change**

**Opinion**

We have audited the financial statements of The Directory of Social Change for the year ended 31 December 2020 which comprise of the Statement of Financial Activities, Balance Sheet, Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the 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 Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

## **The Directory of Social Change**

### **Report and Financial Statements for the year ended 31 December 2020**

#### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

## **The Directory of Social Change**

### **Report and Financial Statements for the year ended 31 December 2020**

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on pages 24 and 25, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

Based on our understanding of the and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety, data protection legislation and employment (including taxation), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Audit procedures performed by the engagement team included:

**The Directory of Social Change**  
**Report and Financial Statements for the year ended 31 December 2020**

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of noncompliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Siobhan Holmes (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place  
London EC4R 1AG

Date: 4 June 2021

The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2020

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating income and expenditure account)**  
**For the year ended 31 December 2020**

	Note	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>INCOME FROM</b>					
Donations and legacies	2	-	1,250	1,250	14,391
Charitable activities	3				
<i>Training and events</i>		-	335,773	335,773	749,333
<i>Publications</i>		149,316	1,078,632	1,227,948	1,255,111
Other income		-	128,013	128,013	-
Investments		-	29	29	83
<b>Total income</b>		<b>149,316</b>	<b>1,543,697</b>	<b>1,693,013</b>	<b>2,018,918</b>
<b>EXPENDITURE ON</b>					
Charitable activities	5				
<i>Training and events</i>		-	411,263	411,263	1,003,484
<i>Publications</i>		275,141	1,139,362	1,414,503	1,019,708
<b>Total expenditure</b>		<b>275,141</b>	<b>1,550,625</b>	<b>1,825,766</b>	<b>2,023,192</b>
<b>Net (expenditure)</b>		<b>(125,825)</b>	<b>(6,928)</b>	<b>(132,753)</b>	<b>(4,274)</b>
<b>Transfers between funds</b>		-	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(125,825)</b>	<b>(6,928)</b>	<b>(132,753)</b>	<b>(4,274)</b>
Total funds at 1 January 2020		125,825	208,922	334,747	339,021
<b>Total funds at 31 December 2020</b>	17	<b>£ -</b>	<b>£201,994</b>	<b>£201,994</b>	<b>£334,747</b>

The notes on pages 33 -50 form part of these financial statements. All amounts are from continuing activities.

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

All amounts derive from continuing activities.

Full comparative figures for the year ended 31 December 2019 are shown in note 22.

**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2020**

**BALANCE SHEET**  
Company limited by guarantee  
As at 31 December 2020

Company Number: 02320712  
Charity Number: 800517

	Note	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		3,185		3,672
Intangible assets	12		205,512		295,080
			<u>208,697</u>		<u>298,752</u>
<b>CURRENT ASSETS</b>					
Stock	13	476,354		469,334	
Debtors	14	160,123		276,811	
Cash at bank		157,432		36,656	
		<u>793,909</u>		<u>782,801</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	(632,549)		(714,986)	
<b>NET CURRENT ASSETS</b>			161,360		67,815
<b>Creditors: amounts falling due after more than one year</b>	15		(168,063)		(31,820)
<b>NET ASSETS</b>	17		<u>£201,994</u>		<u>£334,747</u>
<b>CHARITABLE COMPANY FUNDS</b>					
Restricted funds	17		-		125,825
Unrestricted – designated funds	17		3,185		3,672
Unrestricted – general funds	17		198,809		205,250
	17		<u>£201,994</u>		<u>£334,747</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 33-50 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 26<sup>th</sup> May 2021 and were signed below on their behalf by:



**Lizzie Kenyon**  
Trustee



**Kashif Shabir**  
Trustee

The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2020

STATEMENT OF CASH FLOWS  
FOR YEAR END 31 DECEMBER 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>	a)	(35,405)	265,089
<b>Cash flows from investing activities</b>			
Interest income		29	83
Purchase of tangible assets		(3,858)	(3,333)
Purchase of intangible assets		-	(278,899)
<b>Cash provided by (used in) investing activities</b>		(3,829)	(282,149)
<b>Cash flows from financing activities</b>			
Cash inflow of new borrowing		160,000	-
Repayments of borrowings		-	-
<b>Net cash provided by (used in) financing activities</b>		160,000	-
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		120,766	(17,060)
Cash and cash equivalents at the beginning of the year		36,656	53,716
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		£157,422	£36,656
<b>a) Net (expenditure) for the year</b>		(132,753)	(4,274)
Depreciation charges and amortisation		92,537	64,867
Dividends and interest from investments		(29)	(83)
Loss/(profit) on the sale of fixed assets		1,376	-
(Increase)/decrease in stock		(7,020)	(209,377)
Decrease/(increase) in debtors		116,688	(30,027)
(Decrease)/increase in creditors		(106,204)	80,800
<b>Net cash generated/(used) in operating activities</b>		(35,405)	£265,089
<b>b) Analysis of net debt 2020</b>		<b>Cash</b>	<b>Loans</b>
		£	£
At start of the year		36,656	-
Cash flows		(39,224)	160,000
At end of year		£(2,568)	£160,000

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2020

**1. ACCOUNTING POLICIES**

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

**Statement of compliance**

The financial statements have been prepared in accordance with current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (second edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland the Companies Act 2006.

The Directory of Social Change meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Company Status**

The Directory of Social Change is registered as a company limited by guarantee (without share capital) no. 02320712 and a charity no. 800517. Its governing instrument is its memorandum and articles of association. The members of the charitable company are the trustees named on pages 16 and 17. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The Charity's registered office is Suite 103, 1 Old Hall Street, Liverpool L3 9HE.

**Preparation of accounts on a going concern basis**

The Trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have considered the impact of COVID-19 and the challenges presented to the Charity in preparing their financial forecasts and have subsequently prepared cashflow forecasts, considering the possible negative impact of the pandemic, to reflect the result of the COVID-19 pandemic and its impact on the Charity sector and the Charity's cash flow and reserves.

This demonstrates that the Charity is forecast to generate income in the year ending 31 December 2021 and beyond that, has sufficient reserves to enable the Charity to meet its obligations as they fall due for a period of at least 12 months from the date of the signing of these accounts.

The review of our forward forecasts, financial position, reserve levels and future plans gives Trustees confidence that the Charity remains a going concern for the foreseeable future.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

### **Significant judgements and sources of examination uncertainty**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Depreciation and amortisation rates used;
- The overhead rate used when calculations a value for work in progress; and
- A discount rate of 0.27% (previously 1.39%) has been used to calculate the present value of pension provision.

#### **Income**

All income is recognised once the charity has entitlement to income, it is probable that income will be received and the amount of income receivable can be measured reliably.

#### *Donations and legacies*

Donations and gifts and are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably. Gift Aid received or receivable in respect of donations is included where applicable.

#### *Gifts in kind*

Gifts in kind represent assets donated for distribution or use by the charity. Assets given for distribution are recognised as income only when distributed. Assets given for use by the charity are recognised when receivable. Gifts in kind are valued at the amount actually realised from the disposal of the assets or at the price the charity would otherwise have paid for the assets.

#### *Grants*

Grants are recognised in full in the statement of financial activities in the year in which the charity has entitlement to the income, the amount of income receivable can be measured reliably and there is probability of receipt.

#### *Income from charitable activities*

Income from charitable activities is recognised as earned as the related services are provided. Income from other trading activities is recognised as earned as the related goods are provided.

#### *Investment income*

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

#### *Job retention scheme grant income*

The charitable company received £103,013 of grants from the Government's Job Retention Scheme. At the end of the year, the existing job retention scheme is continuing to be applied for 20% of their time in respect of the relevant staff. As the COVID-19 pandemic only arose in March 2020, there was no equivalent grant income in 2019.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**1. ACCOUNTING POLICIES (continued)**

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities comprises of expenditure associated with training and events, publications and dissemination of information.
- Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead support costs and are apportioned based on staff time as follows:

- Training and events: 21% (2019 – 46%)
- Publications and dissemination: 79% (2019 – 54%)

**Allocation of costs**

Staff costs are allocated between direct charitable expenditure and support costs based on the time spent on these activities. Other costs are allocated directly to the relevant heading.

**Operating leases**

Rental charges are charged on a straight-line basis over the life of the lease.

**Intangible Fixed Assets**

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible fixed assets are amortised over the following useful economic lives:

- Software development costs 4 years

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**1. ACCOUNTING POLICIES (continued)**

**Tangible fixed assets**

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Leasehold improvements	41 months, straight line (the life of the lease)
Furniture, fittings and equipment	5 years straight line
Computer equipment	4 years straight line

**Financial instruments**

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

*Creditors and provisions*

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

*Debtors*

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

*Cash at bank and in hand*

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**1. ACCOUNTING POLICIES (continued)**

**Stock**

Stocks are valued at the lower of cost and net realisable.

*Publications*

Book stocks and work in progress on forthcoming books are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes, in the case of books and publications produced by the charitable company, production costs and applicable overheads as reduced by the amount of any grant receivable; in the case of books bought in from other publishers, purchase cost only is included. A provision has been made for slow-moving items on the basis of expected future sales.

*Subscription websites*

The work in progress relates to the subscription websites for re-saleable items. Cost includes staff costs and associated overheads, which are amortised over the annual life of the subscriptions. This is continued on a rolling basis as the subscription websites are continually updated.

*Electronic work-in-progress*

The Work-in-Progress relates to work on the Funding Online website, live streaming work, and work for on-line learning. Cost includes staff costs, associated overheads and third-party supplier costs as incurred for these developments. Once live these will be amortised over 4 years.

**Funds**

Unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**1. ACCOUNTING POLICIES (continued)**

**Employee benefits**

*Short term benefits*

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

*Employee termination benefits*

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

*Pension scheme*

The Directory of Social Change operates a defined benefit pension scheme for the benefit of its employees. The assets of the scheme are held independently from those of The Directory of Social Change in an independently administered fund.

The pensions costs charged in the financial statements represent the contributions payable during the year. There was also a defined benefit pension scheme which was closed to new contributions on 30 September 2013. Further information is provided in note 9.

**2. DONATIONS AND LEGACIES**

	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Donations	<b>£1,250</b>	£14,391

**3. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Training and events	<b>335,773</b>	743,333
Publications and dissemination of information	<b>1,227,948</b>	1,255,111
<b>Total</b>	<b>£1,563,721</b>	£2,004,444

Income from publications and dissemination of information includes restricted grant income of £149,316 (2019: £140,825) relating to research projects. Further details are provided in note 17.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**4. OTHER INCOME**

	<b>Total</b>	<b>Total</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Coronavirus Job Retention Scheme	<b>103,013</b>	-
Islington Council Retail Hospitality and Leisure Grant in respect of Holloway Road bookshop	<b>25,000</b>	-
Total	<b>£128,013</b>	£ -

**5. ANALYSIS OF EXPENDITURE (2020)**

	<b>Staff</b>	<b>Amortisation &amp; Depreciation</b>	<b>Other</b>	<b>Support</b>	<b>Total</b>
	<b>Costs</b>	<b>Costs</b>	<b>Costs</b>	<b>Costs</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Training and events	<b>194,559</b>	<b>19,433</b>	<b>76,207</b>	<b>121,064</b>	<b>411,263</b>
Publications and Dissemination of information	<b>731,914</b>	<b>73,104</b>	<b>154,052</b>	<b>455,433</b>	<b>1,414,503</b>
Total	<b>£926,473</b>	<b>£92,537</b>	<b>£230,259</b>	<b>£576,497</b>	<b>£1,825,766</b>

**ANALYSIS OF EXPENDITURE (2019)**

	<b>Staff</b>	<b>Depreciation</b>	<b>Other</b>	<b>Support</b>	<b>Total</b>
	<b>Costs</b>	<b>Costs</b>	<b>Costs</b>	<b>Costs</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Training and events	467,094	29,840	272,461	234,089	1,003,484
Publications and Dissemination of information	548,328	35,027	161,554	274,799	1,019,708
Total	£1,015,422	£64,867	£434,015	£508,888	£2,023,192

The staff costs for each expenditure type shown above comprise the staff costs from each charitable activity, together with the staff costs allocated to activities as part of governance costs and support costs as detailed in Notes 5 and 6 respectively.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**6. GOVERNANCE**

	<b>Total 2020 £</b>	<b>Total 2019 £</b>
Staff costs	<b>61,542</b>	31,452
Other costs	<b>8,254</b>	10,501
Audit and accountancy	<b>23,430</b>	21,890
Total	<b><u>£100,226</u></b>	<u>£63,843</u>

During the year, no Trustees received any remuneration (2019: £Nil).

During the year, no Trustees received any benefits in kind (2019: £Nil).

During the year 1 Trustee were reimbursed £126 for out-of-pocket expenses for travel and subsistence (2019: 2 Trustees reimbursed £549).

**7. SUPPORT COSTS ALLOCATED TO ACTIVITIES (2020)**

	<b>Staff Costs £</b>	<b>Office Costs £</b>	<b>Premises Costs £</b>	<b>Governance Costs £</b>	<b>Total 2020 £</b>
Training and events	<b>10,241</b>	<b>60,789</b>	<b>28,987</b>	<b>21,047</b>	<b>121,064</b>
Publications and dissemination of information	<b>38,526</b>	<b>228,682</b>	<b>109,046</b>	<b>79,179</b>	<b>455,433</b>
Total	<b><u>£47,767</u></b>	<b><u>£289,471</u></b>	<b><u>£138,033</u></b>	<b><u>£100,226</u></b>	<b><u>£576,497</u></b>

**SUPPORT COSTS ALLOCATED TO ACTIVITIES (2019)**

	<b>Staff Costs £</b>	<b>Office Costs £</b>	<b>Premises Costs £</b>	<b>Governance Costs £</b>	<b>Total 2019 £</b>
Training and events	24,912	126,227	53,582	29,368	234,089
Publications and dissemination of information	29,245	148,179	62,900	34,475	274,799
Total	<b><u>£53,157</u></b>	<b><u>£274,406</u></b>	<b><u>£116,482</u></b>	<b><u>£63,843</u></b>	<b><u>£508,888</u></b>

Support costs are the costs of central management. These costs are apportioned to activities based on total direct costs.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

<b>8. NET INCOME FOR THE YEAR</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charitable company	<b>2,969</b>	4,092
Amortisation of intangible fixed assets	<b>89,568</b>	60,775
Auditors' remuneration - audit services	<b>12,300</b>	19,900
	<u><u>          </u></u>	<u><u>          </u></u>
<b>9. STAFF COSTS AND NUMBERS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Staff costs were as follows:</b>		
Wages and salaries	<b>926,628</b>	996,198
Social security costs	<b>87,982</b>	83,137
Pension costs	<b>22,172</b>	21,696
	<u>          </u>	<u>          </u>
	<b>£1,036,782</b>	£1,101,031
	<u><u>          </u></u>	<u><u>          </u></u>

There were no redundancy payments made in the year (2019 – None). There were no payments made in the year for agreed early termination notice period (2019 – None).

The average number of employees during the year was as follows:	<b>No.</b>	<b>No.</b>
Training	<b>12</b>	16
Publications	<b>13</b>	14
Accounting and administrative support	<b>8</b>	7
	<u>          </u>	<u>          </u>
	<b>33</b>	37
	<u><u>          </u></u>	<u><u>          </u></u>
Full time equivalent	<b>31</b>	35
	<u><u>          </u></u>	<u><u>          </u></u>

1 employee received remuneration between £80,000 – £90,000 in 2020 (2019 - 1 employee between £80,000 - £90,000). The employer pension contributions for this employee were £1,313 (2019 – £1,188).

The total employee remuneration of the key management personnel of the charitable company was £302,005 (2019: £273,827).

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2020

**10. PENSION COMMITMENTS**

The charitable company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charitable company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the charitable company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

---

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum	(payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows

**Deficit contributions**

---

From 1 April 2016 to 31 January 2025:	£12,945,440 per annum	(payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)

---

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the charitable company has agreed to a deficit funding arrangement the charitable company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the

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deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

#### NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2020

#### 10. PENSION COMMITMENTS (continued)

##### PRESENT VALUES OF PROVISION

	31 December 2020 (£s)	31 December 2019 (£s)	31 December 2018 (£s)
Present value of provision	31,463	37,723	43,104

##### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 December 2020 (£s)	Period Ending 31 December 2019 (£s)
Provision at start of period	37,723	42,104
Unwinding of the discount factor (interest expense)	383	694
Deficit contribution paid	(7,184)	(6,654)
Remeasurements - impact of any change in assumptions	541	(579)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	31,463	37,729

There was £5,652 in outstanding contributions in 2019 (2019 - £4,575) included in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

for the year ended 31 December 2020

<b>11. TANGIBLE FIXED ASSETS</b>	<b>Leasehold Improvements</b>	<b>Furniture &amp; Fittings</b>	<b>Computer Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 January 2020	7,781	10,791	168,526	183,098
Additions	-	-	3,858	3,858
Disposals	(7,781)	(8,548)	(99,665)	(115,994)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	2,243	72,719	74,962
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 January 2020	7,781	10,088	165,557	183,426
Charge for the year	-	703	2,266	2,969
Disposals	(7,781)	(8,548)	(98,289)	(114,618)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	-	2,243	69,534	71,777
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
At 31 December 2020	£ -	£ -	£3,185	£3,185
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2019	£ -	£703	£2,969	£3,672
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All fixed assets are used for charitable purposes.

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
for the year ended 31 December 2020

<b>12. INTANGIBLE FIXED ASSETS</b>		<b>Total</b>
		<b>£</b>
<b>Cost</b>		
At 1 January 2020		546,411
Additions		-
		<hr/>
At 31 December 2020		546,411
		<hr/>
<b>Depreciation</b>		
At 1 January 2020		251,331
Charge for the year		89,568
		<hr/>
At 31 December 2020		340,899
		<hr/>
<b>Net Book Value</b>		
At 31 December 2020		<b>£205,512</b>
		<hr/> <hr/>
At 31 December 2019		£295,080
		<hr/> <hr/>
<b>13. STOCKS AND WORK IN PROGRESS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Publications</b>		
Work in progress	<b>128,286</b>	92,071
Finished books	<b>113,966</b>	191,709
<b>Subscription websites</b>		
Work in progress	<b>75,400</b>	49,443
<b>Electronic</b>		
Work in progress	<b>158,702</b>	136,111
	<hr/>	<hr/>
	<b>£476,354</b>	£469,334
	<hr/> <hr/>	<hr/> <hr/>
<b>14. DEBTORS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>81,355</b>	36,750
Other debtors	<b>4,149</b>	12,247
Prepayments and accrued income	<b>74,619</b>	227,814
	<hr/>	<hr/>
	<b>£160,123</b>	£276,811
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 31 December 2020

<b>15. CREDITORS: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade creditors	<b>59,331</b>	152,104
Other taxation and social security	<b>131,071</b>	88,630
Other creditors	<b>21,722</b>	15,900
Accruals	<b>107,637</b>	75,225
Deferred income (see note 16)	<b>289,434</b>	375,943
Pension provision	<b>7,400</b>	7,184
Loan	<b>16,000</b>	-
	<hr/>	<hr/>
	<b>£632,595</b>	£714,986
	<hr/> <hr/>	<hr/> <hr/>
<b>CREDITORS: amounts falling after more than one year</b>		
Other creditors	-	1,281
Loan	<b>144,000</b>	-
Pension provision	<b>24,063</b>	30,539
	<hr/>	<hr/>
	<b>£168,063</b>	£31,820
	<hr/> <hr/>	<hr/> <hr/>
<b>16. DEFERRED INCOME</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Balance at start of year	<b>375,943</b>	393,630
Less: Amount released to income	<b>(375,943)</b>	(393,630)
Add: Amount deferred in the year:		
Subscriptions	<b>269,823</b>	312,656
Training income	<b>19,611</b>	63,287
	<hr/>	<hr/>
	<b>£289,434</b>	£375,943
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

for the year ended 31 December 2020

<b>17. STATEMENT OF FUNDS 2020</b>	<b>Brought Forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers In/(out)</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Designated funds	3,672	-	-	(487)	3,185
General funds	205,250	<b>1,543,697</b>	<b>(1,550,625)</b>	<b>487</b>	<b>198,809</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£208,922	<b>1,543,697</b>	<b>(1,550,625)</b>	-	<b>201,994</b>
Restricted funds	£125,825	<b>149,316</b>	<b>(275,141)</b>	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	£334,747	<b>£1,693,013</b>	<b>£(1,825,766)</b>	-	<b>£201,994</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>STATEMENT OF FUNDS 2019</b>	<b>Brought Forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers In/(out)</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Designated funds	4,431	-	-	(759)	3,672
General funds	185,162	1,878,093	(1,858,764)	759	205,250
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£189,593	£1,878,093	£(1,585,764)	-	£208,922
Restricted funds	149,428	140,825	(164,428)	-	£125,825
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total of funds	£339,021	£2,018,918	£(2,023,192)	-	£334,747
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**DESIGNATED FUNDS**

The fixed asset fund reflects the net book value of tangible fixed assets tied up in unrestricted funds at the year end. During the year £487 (2019: £759) was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

**RESTRICTED FUNDS**

Restricted funds represent grants received to enable specific areas of charitable activities to be undertaken.

The restricted funds held at the prior year-end of £125,825 related to Forces in Mind Trust (FiMT). This was a grant for 2020 to cover the continued operation of the Armed Forces Charities Website ([www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)) and the production of two Focus reports on Finance and Families.

In 2020 two grants were received from Tudor Trust (£30,000) and Lloyds Bank Foundation (£30,000) each to be spent towards the development of a Governance App. These were fully spent in the year. Also in the year, two grants were received from London Community Response part of Bridge House Trust amounting to £44,268 and £45,048. These were fully spent in the year. Collectively these four grants totalled £149,316.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

for the year ended 31 December 2020

<b>18. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2020</b>	<b>Restricted Funds 2020 £</b>	<b>Unrestricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>
Tangible fixed assets	-	3,185	3,185
Intangible fixed assets	-	205,512	205,512
Current assets	-	793,909	793,909
Creditors due within one year	-	(632,549)	(632,549)
Creditors due after one year	-	(168,063)	(168,063)
<b>Total</b>	<b>£ -</b>	<b>£201,994</b>	<b>£201,994</b>

<b>ANALYSIS OF NET ASSETS BETWEEN FUNDS 2019</b>	<b>Restricted Funds 2019 £</b>	<b>Unrestricted Funds 2019 £</b>	<b>Total Funds 2019 £</b>
Tangible fixed assets	-	3,672	3,672
Intangible fixed assets	-	295,080	295,080
Current assets	125,825	656,976	782,801
Creditors due within one year	-	(714,986)	(714,989)
Creditors due after one year	-	(31,820)	(31,820)
<b>Total</b>	<b>£125,825</b>	<b>£208,922</b>	<b>£334,747</b>

**19. OPERATING LEASE COMMITMENTS**

At 31 December 2020 the charitable company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2020 £</b>	<b>2019 £</b>	<b>2020 £</b>	<b>2019 £</b>
Less than 1 year	<b>21,217</b>	107,109	<b>3,756</b>	4,390
Between 2 and 5 years	<b>35,517</b>	289,899	<b>1,638</b>	335
> 5 years	-	-	-	-
	<b>£56,734</b>	£397,089	<b>£5,394</b>	£4,725

Committed rent and service charges payable for 2020 under the lease of the offices at One Old Hall Road, Liverpool (which expires on 3 September 2023) amounted to £22,703 (2019 - £21,432). The offices at 352 Holloway Road, London N7 were vacated on 31st December 2020 with no ongoing commitment (2019 – ongoing commitment £83,132).

The charitable company also had offices at The Charity Centre, 24 Stephenson Way, London NW1 which lease expired on 4 March 2015, and has retained the services of a dilapidations surveyor to advise on the question as to whether there is any liability in respect of these former premises.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**20. TAXATION**

As a registered charity, no tax arises on trading surpluses (since all the trading is carried out in pursuit of the charitable company's primary purposes), voluntary income or interest. The charity is exempt from corporation tax.

**21. RELATED PARTY TRANSACTIONS**

Caron Bradshaw, a Trustee of the charitable company, is also the Chief Executive of Charity Finance Group.

DSC Subscribed to Charity Finance Group on behalf of the organisation, at a cost of £345 in 2019. There was no equivalent cost in 2020.

**Lesley Thornley**, a Trustee of the Charitable Company, is also the Chief Executive of Hull and East Riding Citizens Advice Bureau Ltd, which organisation retained the Charitable Company to undertake an Impact evaluation study "Help Through Crisis" project at a cost of £12,000 (inc VAT), of which the first instalment of £6,000 (inc VAT) was invoiced in November in 2018. No further charges were invoiced in 2019 or 2020, but this project is ongoing.

**Emily Hughes**, a Trustee of the Charitable Company, is also Head of Quality Girlguiding, which organisation sent a delegate to attend a training at a cost of £199.00, and a second delegate for a separate training course at a cost of £399.00. The equivalent cost in 2019 was £471 when one delegate attended a training course.

**Emily Hughes**, is also a Trustee of Avert which organisation purchased a DSC publication for £19.70. The equivalent cost in 2019 was £980, when 9 delegates attended an in-house training course, and a separate delegate attended a training course at a cost of £329.

Other than as stated above there were no transactions between the Charitable Company in the year and any entity with which any of the Trustees was connected.

Related Party Donations. In accordance with SORP 2015, the aggregate amount of donations received from related parties without conditions amounted to £1,000. There was no equivalent income in 2019.

Debra Allcock Tyler is Chief Executive of the Charitable Company and also a Trustee of Berkshire Community Foundation which organisation sent a delegate to attend the Charity Leader's Summit at a cost of £99.00. There was no equivalent cost in 2019.

Debra Allcock Tyler is Chief Executive of the Charitable Company and also a Trustee of In Kind Direct. which organisation subscribed to Funds On Line at a cost of £1,009.16. There was no equivalent cost in 2019.

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22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2019):

	Note	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £
<b>INCOME FROM</b>				
Donations and legacies	2	-	14,391	14,391
Charitable activities	3			
<i>Training and events</i>		-	749,333	749,333
<i>Publications</i>		140,825	1,114,286	1,255,111
Investments		-	83	83
<b>Total income</b>		<u>140,825</u>	<u>1,878,093</u>	<u>2,018,918</u>
<b>EXPENDITURE ON</b>				
Charitable activities	5			
<i>Training and events</i>		-	1,003,484	1,003,484
<i>Publications</i>		164,428	855,280	1,019,708
<b>Total expenditure</b>		<u>164,428</u>	<u>1,585,764</u>	<u>2,023,192</u>
<b>Net income</b>		(23,603)	19,329	(4,274)
<b>Transfers between funds</b>		-	-	-
<b>NET MOVEMENT IN FUNDS</b>		(23,603)	19,329	(4,274)
Total funds at 1 January 2019		<u>149,428</u>	<u>189,593</u>	<u>339,021</u>
<b>Total funds at 31 December 2019</b>	17	<u>£125,825</u>	<u>£208,922</u>	<u>£334,747</u>