

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

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.

Section average scores	DSC	All Gov App Users
Organisational purpose	8.4	7.0
Integrity	8.8	8.2
Leadership	8.5	7.3
Board effectiveness	8.5	7.2
Equality, diversity and inclusion	7.5	5.9
Openness and accountability	7.0	6.8
Decision-making, risk and control	8.2	7.3
Average	8.1	7.1

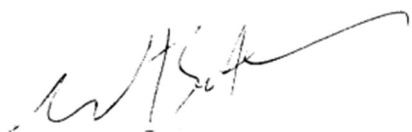
Message from the Chair

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

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.

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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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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.

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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.

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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.

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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](https://www.amazon.co.uk) or as viewable pdfs and epub formats through 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

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).

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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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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 can also be accessed free of charge by visitors to those public libraries that subscribe to the service.

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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
- 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.

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

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

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

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

Trustees' Report

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 | • Shyrose Jessa/Murtaza Jessa/The Jessa family |
| • Armed Forces Covenant Fund Trust | • Lloyds Bank Foundation for England and Wales |
| • Charity Commission for England and Wales | • NatWest |
| • Charity Learning Consortium (CLC) | • Sayer Vincent |
| • Cobseo, the Confederation of Service Charities | • The Tudor Trust |
| • Ecclesiastical Insurance Group | • The Clothworkers' Foundation |
| • Forces in Mind Trust (FiMT) | • University of Kent |
| • Garfield Weston Foundation | • YMCA England and Wales |
| • Institute of Leadership and Management (ILM) | |

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

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

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

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

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.

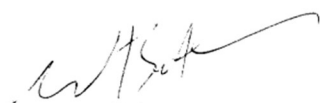
Trustees tasked the Executive with re-visiting our Reach strategy during 2022 and coming up with a plan.

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 3rd 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

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

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

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

- 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

		Restricted Funds	Unrestricted Funds	Total Funds	Total Funds 2020 (as restated)
	Note	2021 £	2021 £	2021 £	£
INCOME FROM					
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
Total income		296,191	1,551,063	1,847,254	1,644,541
EXPENDITURE ON					
Charitable activities	5				
- Training and events		-	456,040	456,040	411,263
- Publications		89,231	1,145,626	1,234,857	1,414,503
		89,231	1,601,666	1,690,897	1,825,766
Net income / (expenditure)		206,960	(50,603)	156,357	(181,225)
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		206,960	(50,603)	156,357	(181,225)
Total funds at 1 January 2021		-	153,522	153,522	334,747
Total funds at 31 December 2021		206,960	102,919	309,879	153,522

All amounts are from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

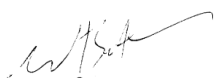
The notes on page 27 - 43 form part of these financial statements.

As at 31 December 2021

	Note	2021 £	2020 (as restated) £
FIXED ASSETS			
Tangible assets	11	13,686	3,185
Intangible assets	12	223,772	205,512
		237,458	208,697
CURRENT ASSETS			
Stock	13	425,053	476,354
Debtors	14	346,362	171,915
Cash at bank		89,241	157,432
		860,656	805,701
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	15	(670,242)	(692,813)
NET CURRENT ASSETS		190,414	112,888
Creditors: amounts falling due after more than one year	15	(117,993)	(168,063)
NET ASSETS		309,879	153,522
CHARITABLE COMPANY FUNDS			
Restricted funds		206,960	-
Unrestricted - designated funds	17	13,686	3,185
Unrestricted - general funds	17	89,233	150,337
		309,879	153,522

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

	2021	2020 (as restated)
	£	£
Cash flows from operating activities		
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)
Net cash generated from / (used in) operating activities	92,694	(35,395)
Cash flows from investing activities		
Interest income	8	29
Purchase of tangible assets	(12,892)	(3,858)
Purchase of intangible assets	(132,001)	-
Net cash used in investing activities	(144,885)	(3,829)
Cash flows from financing activities		
Cash inflow of new borrowing	-	160,000
Repayments of borrowing	(16,000)	-
Net cash (used in) / generated from financing activities	(16,000)	160,000
(Decrease) / increase in cash and cash equivalents in the year	(68,191)	120,776
Cash and cash equivalents at the beginning of the year	157,432	36,656
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	89,241	157,432

Analysis of net debt 2021

	Cash	Loans	Total
	£	£	£
At the start of the year	(2,568)	160,000	157,432
Cash flows	(52,191)	(16,000)	(68,191)
	(54,759)	144,000	89,241

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.

For the year ended 31 December 2021

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.

For the year ended 31 December 2021

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
----------------------------	---------

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.

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
	1,713,825	1,515,249

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	-
	119,421	128,013

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
	908,653	116,132	294,640	371,472	1,690,897

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

5b COMPARATIVE ANALYSIS OF EXPENDITURE (2020)	Staff Costs £	Amortisation & Depreciation £	Other Costs £	Support Costs £	Total Costs £
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>

6. GOVERNANCE

	Total Funds 2021 £	Total Funds 2020 £
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).

7a SUPPORT COSTS ALLOCATED TO ACTIVITIES	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>

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>132,182</u>	<u>115,967</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
13	13
8	8
<u>33</u>	<u>33</u>
31	31

Full time equivalent

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

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

From 1 April 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
---------------------------------------	----------------------	-------------------

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

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.

For the year ended 31 December 2021

11. TANGIBLE FIXED ASSETS

	Furniture & Fittings £	Computer Equipment £	Total £
COST			
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
DEPRECIATION			
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
NET BOOK VALUE			
At 31 December 2021	-	13,686	13,686
At 31 December 2020	-	3,185	3,185

12. INTANGIBLE FIXED ASSETS

	Total £
COST	
At 1 January 2021	546,411
Additions	132,001
At 31 December 2021	678,412
DEPRECIATION	
At 1 January 2021	340,899
Charge for the year	113,741
At 31 December 2021	454,640
NET BOOK VALUE	
At 31 December 2021	223,772
At 31 December 2020	205,512

For the year ended 31 December 2021

13. STOCKS AND WORK IN PROGRESS	2021	2020
	£	£
Publications		
Work in progress	98,067	128,286
Finished books	145,801	113,966
Subscription websites		
Work in progress	44,303	75,400
Electronic		
Work in progress	136,882	158,702
	<u>425,053</u>	<u>476,354</u>

14. DEBTORS	2021	2020 (as restated)
	£	£
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.

15. CREDITORS: amounts falling due within one year	2021	2020 (as restated)
	£	£
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>
CREDITORS: amounts falling due after more than one year		
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.

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
	<u>391,344</u>	<u>322,099</u>

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
	<u>153,522</u>	<u>1,551,063</u>	<u>(1,601,666)</u>	<u>-</u>	<u>102,919</u>
Restricted funds	-	296,191	(89,231)	-	206,960
Total funds	<u>153,522</u>	<u>1,847,254</u>	<u>(1,690,897)</u>	<u>-</u>	<u>309,879</u>

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
	<u>208,922</u>	<u>1,495,225</u>	<u>(1,550,625)</u>	<u>-</u>	<u>153,522</u>
Restricted funds	125,825	149,316	(275,141)	-	-
Total funds	<u>334,747</u>	<u>1,644,541</u>	<u>(1,825,766)</u>	<u>-</u>	<u>153,522</u>

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) 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

	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	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)
	<u>206,960</u>	<u>102,919</u>	<u>309,879</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2020 (as restated)

	Restricted Funds £	Unrestricted Funds £	Total Funds £
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)
	<u>-</u>	<u>153,522</u>	<u>153,522</u>

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)

	Restricted Funds	Unrestricted Funds	Total Funds
	2020	2020 (as restated)	2020 (as restated)
	£	£	£
INCOME FROM			
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
Total income	149,316	1,495,225	1,644,541
EXPENDITURE ON			
Charitable activities			
- Training and events	-	411,263	411,263
- Publications	275,141	1,139,362	1,414,503
	275,141	1,550,625	1,825,766
Net expenditure	(125,825)	(55,400)	(181,225)
Transfers between funds	-	-	-
NET MOVEMENT IN FUNDS	(125,825)	(55,400)	(181,225)

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 £
Current assets				
Trade debtors	(ii)	81,355	(10,014)	71,341
Prepayments and accrued income	(ii)	74,619	21,806	96,425
Current liabilities				
Other taxation and social security	(i)	(131,071)	(27,599)	(158,670)
Deferred income	(ii)	(289,434)	(32,665)	(322,099)
Net assets		201,994	(48,472)	153,522
Charitable Company Funds				
Unrestricted - general funds		198,809	(48,472)	150,337
Total funds		201,994	(48,472)	153,522

Reconciliation of changes in funds

		31 December 2020 £
Adjustments to prior periods		
Increase in VAT liability	(i)	(27,599)
Reduction of Funds Online website sales	(ii)	(20,873)
		(48,472)
Represented by:		
Unrestricted funds		(48,472)
		(48,472)

For the year ended 31 December 2021

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.