

Registered number: 02320712
Charity number: 800517

Trustees Report and Financial Statements

For the year ended 31 December 2010

DIRECTORY OF SOCIAL CHANGE

The Directory of Social Change is a company limited by guarantee

The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2010

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Message from the Chief Executive

DSC is at its heart a campaigning charity. Our vision is an independent voluntary sector at the heart of social change and our products and services are designed to deliver that vision through supporting the sector to be effective in its work and retain its independence.

DSC's performance in this core work last year was good. You will see from the detail in the report that in addition to our normal core work, we developed additional services and means of supporting the sector, for example the introduction of 'fairs' to share knowledge and from a policy perspective our work on ineligible applications proved useful in generating debate and discussion amongst funders.

The Minister for Civil Society, the Rt. Hon Nick Hurd MP, was our guest at a roundtable to listen to the concerns and views of some of our typical customers, an event that was hugely successful.

We increased our self-earning capacity from 98% in 2009 to 99.7% in 2010. Overall income was down by 0.5% largely due to a decrease in grant income. However, income from our products and services increased by 1.4% compared to 2009. We hosted around 6,600 delegates on our public events and just under 2,000 through our in-house training programmes.

We sold 14,000 books; had just short of 3,000 subscribers to our subscription websites; and generated 240 news items. Our monthly e-news subscribers hit the 90,000 mark and our open rate is around 20% meaning that our messages are being read by approximately 18,000 people every month. In addition to this, our customer base is very engaged and responses to our monthly e-surveys ranged from 500 to 1,200 during the year, with usually between 250 to 500 individuals posting comments alongside their responses.

I delivered 44 keynote speeches to approximately 4,000 people during the year, largely around how government changes were affecting the voluntary sector, leadership and the importance of remaining independent.

Also during the year DSC acquired Guidestar Data Services (GDS) as a wholly owned independent CIC. We knew this was a high risk acquisition, but after much deliberation concluded that the strategic advantages were worth the risk. Sadly, within 6 months of acquisition the Board of GDS advised the DSC Board that the organisation was no longer sustainable and it was put into administration.

At the time of writing this report the liquidation process for GDS has not yet been completed.

Despite DSC's strong underlying financial performance in the year, its commitment to GDS was such that, as you will see from the statement of financial activities, losses were incurred by DSC. Fortunately, because DSC itself had performed well its additional contribution offset some of those losses. Nonetheless the Board is very aware that our reserves position is low and we will be working during 2011 to build our reserves back up again.

So it was an exciting year overall. We learned an enormous amount from our experience with GDS. We learned even more from the strong interaction with our customers and supporters and we have gained skills and knowledge which we intend to put to good use, continuing to serve the sector that we love and admire.

Our thanks as always to our supporters, friends, customers and of course, our incredible staff, who care deeply about our sector and work extremely hard to serve it.

Debra Allcock Tyler
Chief Executive

Trustees Report

Welcome to the Trustees Annual Report and Audited Financial Statements for the year ended 31 December 2010.

1. Achievements and activities during 2010

Our current vision, mission and strategic objectives were agreed during the summer of 2006, and will guide our activities up until 2011.

Vision: an independent voluntary sector at the heart of social change

Mission: to be an agent for connecting givers, influencers and deliverers

Strategic Objectives:

- 1 Helping voluntary organisations become effective agents for social change
- 2 Promoting independence for the sector
- 3 Maintaining independence for DSC

1.1 Strategic Objective 1: Helping voluntary organisations become effective agents for social change

We have a dual emphasis in working towards this objective. Firstly, we aim to provide high quality, relevant products and services which support voluntary sector organisations in delivering their own objectives. Secondly, we aim to enable charities to access sustainable and broad-based sources of revenue.

1.1.1. Providing high quality relevant products and services

Training, Conferences and Fairs:

We ran fewer courses in 2010 due to the market downturn in the charity sector. However the second half of the year showed an improvement and more courses ran with expected numbers. Management development courses did well as did financial training and governance training.

Our in-house training service did well this year. We delivered a wide range of bespoke courses for both large and smaller charities. These courses have covered a wide range of topic areas from fundraising training and governance to management and personal development topics. We have also continued to deliver coaching, mentoring and consultancy services.

The Fundraising Programme was run in partnership with the Institute of Fundraising for the last time in 2010. Numbers were slightly down on some events but Train to Gain funding helped to support applications for the longer accredited courses. We continue to deliver a wide range of short practical courses covering all areas of fundraising including trusts, corporates, legacies and individual fundraising.

Our programme of conferences and fairs was very successful in 2010. Our partnership conferences with Bates Wells & Braithwaite on charity law and employment law ran well. The Charity Accountants' conference in partnership with Sayer Vincent was held in Bristol with good numbers attending. Our Charity Writing conference in partnership with NGO Media also ran well for the second year running.

CharityFair ran in London in June offering 100 affordable sessions and also free coaching. We also offered a Management Fair and Fundraising Fair in London with good numbers attending. WinterFair ran successfully in Leeds in December.

Trustees Report (continued)

Publishing:

In 2010 we published 13 titles including new titles covering new subject areas and also some familiar favourites as well.

Our research team worked hard to produce our bi-annual editions of The Guide to Major Trusts 2010-11 Volume 1 and Volume 2 and The Directory of Grant Making Trusts 2010/11.

At CharityFair in June new editions were launched of two of our most popular titles *The Charity Trustee's Handbook* and *Writing Better Fundraising Applications*.

At the Charity Accountant's Conference in September Adrian Poffley flew in from the United States to talk about *Income to Impact* a new edition of his ground-breaking title. We also launched the 3rd edition of Gareth Morgan's *Charity Treasurer's Handbook*.

Full list of new titles in 2010:

The Complete Guide to Creating and Managing New Projects – 3rd edition
The Charity Treasurer's Handbook – 3rd edition
The Charity Trustee's Handbook – 2nd edition
The Directory of Grant Making Trusts 2010/11
The Guide to Major Trusts 2010-11 Volume 1
The Guide to Major Trusts 2010-11 Volume 2
Income to Impact: Financial Stewardship of Public Sector and Not-for-profit Organisation – 2nd edition
Writing Better Fundraising Applications – 4th edition
Legacy Fundraising - 3rd edition
Speed Read: Age Discrimination – 1st edition
Speed Read: Flexible Working – 1st edition
Speed Read: Motivating Staff – 1st edition
Speed Read: Training Skills – 1st edition

Charity Centre:

The Charity Centre has the dual purpose of being DSC's training and conference venue and providing meeting space for hire by other organisations. It also houses our bookshop and reference library, which have proved to be very popular.

Venue hire has gone from strength to strength capitalising on our excellent location and competitive pricing. During the last 12 months we welcomed 149 different organisations who booked a total of 668 rooms.

Social Change Awards:

We held our 4th Social Change Awards this year with the winners' presentation event in November. This year, we received double the number of nominations with over 700 nominations. 2,970 public votes were cast for the shortlisted finalists. Based on feedback from previous award nominees and judges, we revised our award categories and now have five major awards including a Great Giving category for funders. In addition to the winners, there were a huge range of stunning examples of outstanding work and commitment from the many small charities nominated for awards. The awards are now an established event in the Voluntary Sector calendar.

Trustees Report (continued)

1.1.2 Enabling Charities to access sustainable and broad based sources of revenue

In 2010 we updated information on 3,400 individual sources of funding, enabling our core fundraising resources to be as relevant, up-to-date and practical as possible for our customers.

Our subscription websites *trustfunding.org.uk*, *companygiving.org.uk* and *grantsforindividuals.org.uk* have continued to attract large numbers of subscribers and provide invaluable information and analysis of sources of funding to many thousands of charity fundraisers. *Governmentfunding.org.uk* became a full and independent subscription site in March ending the funding by the Office of the Third Sector. This was marked by the addition of information on every local authority, including an independent star-rating of the quality of their available information.

371,543 - visits to *trustfunding.org.uk*.

148,996 - visits to *governmentfunding.org.uk*

55,915 - visits to *grantsforindividuals.org.uk*

31,618 - visits to *companygiving.org.uk*

1.2 Strategic Objective 2: Promoting Independence for the sector

Our two main areas of activity focused on: campaigning for an independent voluntary sector; and championing the needs of small and medium voluntary and community organisations (SMVCOs).

1.2.1 Campaigning for an independent voluntary sector:

2010 saw us continue work on our Great Giving Campaign which was launched in late 2008 with the following objectives:

- A clear picture of the funding environment.
- Accessible funding for campaigning.
- No hidden small print.
- No ineligible applications.

Activity at the beginning of the year continued to focus on the outcomes of our *Critical Conditions* report, published in 2009, which drew attention to the hidden nature of funding terms and conditions (No hidden small print) and how this affects organisations' independence. This involved, for example, a detailed assessment of the terms and conditions of a Liverpool City Council grants programme, publicly responding to a breach of the Compact by the Office for the Third Sector, writing pieces based on *Critical Conditions* for dissemination through the CVS network, and putting our arguments to Conservative shadow ministers Francis Maude and Nick Hurd in meetings convened by the Local Grants Forum.

A new and major focus during the year was analysing, launching and promoting our research on the level of ineligible applications to trusts and foundations (No ineligible applications). Another research report, *Ineligible Applications*, concluded that around 1/3 of applications to trusts were ineligible, and contained recommendations for fundraisers and funders about how to target applications more effectively.

We used the report as the basis for further discussions with organisations such as London Funders, the Association of Charitable Foundations, and the Institute of Fundraising, and with a number of individual fundraisers and representatives of leading grantmakers. We convened a 'Funders Roundtable' in September with a group of funders to explore the issues and potential solutions in more depth. Our

Trustees Report (continued)

forthcoming survey of grantmaking trusts will repeat this research, and offers another opportunity to promote the ideas and recommendations which have grown out of it to grantmakers.

In 2010 we continued to contribute to a wide range of sector policy development through formal consultation responses which were relevant to questions of independence. We submitted a paper entitled *Towards a Fair Deal on Grants* to the Cabinet Office consultation on 'Doing More with Less', fed into the 'Charity Red Tape Task Force', gave a presentation and paper to the Liberal Democrat Policy Working Group on the topics of 'infrastructure support and impact', and wrote a briefing on the impact of the *Comprehensive Spending Review: What does it mean for the voluntary sector?*.

We received 5239 responses to our DSC e-news surveys in 2010 (with 1,742 additional qualifying comments posted) which included surveys on issues such as 'Which party is best for the voluntary sector' and 'Are there too many charities' (including a DSC piece in response arguing that there aren't).

Press coverage continued to be strong with 245 news articles. Many of the featured articles were directly related to the *Ineligible Applications* report underpinning the 'No ineligible applications' aspect of our Great Giving campaign, including an in-depth interview for the cover feature of *Fundraising* magazine in May, a piece in NCVO's *Engage* magazine, and a citation by Polly Toynbee in her column for the *Guardian*.

We incorporated information about the Great Giving campaign into a number of our publications, most notably the 2010/11 edition of *The Guide to the Major Trusts*.

1.2.2 Championing the needs of SMVCOs

Our policy principles and the key tenets of the Great Giving campaign are inherently of greater importance and impact for smaller organisations. This was reflected in the 'election pledges' we developed in the run up to the 2010 General Election, which called on the new government to:

- 'Play fair' (make terms and conditions available)
- 'Simplify' (stop doing pointless 'nonsultations' with the usual suspects)
- 'Inform yourself' (track government funding for the sector, and make the Lottery more independent so it can get on with developing its evidence and practice)
- 'Think local' (stop commissioning services in way that favours national / big / growth).
- 'Stop the collateral damage' (better vetting for policy that affects the sector).

We carried out a range of media activity prior to and following the election, including publishing written interviews on key issues affecting SMCVOs with Minister for the Third Sector Angela Smith and Shadow Ministers Nick Hurd and Jenny Willott in our e-news. The election issue also contained practical advice for charities about campaigning during election time, and refreshed our 'election pledges' (above).

In November DSC organised a meeting between the new Minister for Civil Society, Nick Hurd, and representatives from small local charities who had responded to a new 'Word from Hurd' column in DSC news. The free event offered the opportunity for delegates to put questions directly to the Minister as part of a wide ranging discussion covering budget cuts, commissioning practice, obstacles to volunteering, and ideas to drive up charitable giving.

Prior to the election DSC had been almost alone in speaking out about the potential damage that cuts to the Charity Commission's budget could have on SMCVOs and the effective regulation of all charities. As part of

Trustees Report (continued)

the Charity Commission's Strategic Review consultation towards the end of the year, we surveyed e-news readers about the possibility of the Commission charging fees, submitted a full written response, engaged in an online debate, and met personally with the Chair and Chief Executive of the Commission. In line with our principle of Responsible Regulation, our response stressed the importance for small charities of accessible help and advice that enables them to comply with relevant regulation.

1.3 Strategic Objective 3: Maintaining independence for DSC

There are two aspects to this objective: speaking out and remaining financially independent.

We have publicly demonstrated our independence consistently throughout the year, to our 90,000 e-newsletter subscribers. In the sector press we have maintained an extremely high profile, securing press coverage of 245 articles with AVE (Advertising Value Equivalence) of £350,000.

We have continued to 'speak out' by offering constructive but forthright criticism on a number of key government policy proposals, including plans to 'rationalise sector infrastructure', to 'modernise commissioning', to cut the Charity Commission's budget, and to introduce the Big Society Bank.

Trustees Report (continued)

2. Public Benefit

From 1 April 2008 the Charities Act 2006 has required all charities to meet the legal requirement that its aims are for the public benefit. The Charity Commission in its "Charities and Public Benefit" Guidance requires that there are two key principles to 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 that 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 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 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 made the following facilities available free of charge during the year:

- DSC e-news

This is a free of charge e-newsletter sent each month to approximately 90,000 recipients.

- Library Facilities

We have libraries at both The Charity Centre in Stephenson Way, London and in our Hope Street, Liverpool offices where reference can be made to any of our publications and access gained to our subscription websites free of charge while on the premises. 292 visitors took advantage of these facilities during 2010.

- CharityFair, WinterFair and the Fundraising Conferences

There is free access to CharityFair, which we put on in London and WinterFair, which we put on in Manchester, where visitors can also have free access to our subscription websites while on our stand, and there are free mentoring and coaching opportunities with the trainers and speakers offered during the fair to those registering with us beforehand. Access to our websites is also available free of charge at our fundraising conferences.

- Publications

For those with severe mobility difficulties without access to a computer, we will provide a free copy of our publication Grants for Individuals in Need, and our website individualsinneed.org.uk can also be accessed free of charge by visitors to those public libraries that subscribe to the service. A number of our directories and reference books are stocked by reference libraries and membership organisations to whom we provide licence arrangements to enable their visitors or members to gain access free of charge at the libraries or membership organisations premises. For the visually impaired we offer the service of providing our printed publications in scalable .pdf format to aid readability.

- Website dsc.org.uk

From an initial launch in February 2009 the "MY DSC" facility of our main website is an area where users can register and set up their own space to download and store information and keep a record. This includes the ability to download a range of items free of charge. The free of charge catalogue comprises a range of policy briefings, introductory factsheets and podcasts and the archived DSC e-news back issues. My DSC increased its registered users from 9,600 to 15,400 during 2010. Free downloads totalled over 2,800.

Trustees Report (continued)

3. Regulatory and Administrative Details

3.1 Regulatory Compliance Statements

The Directory of Social Change is registered as a company limited by guarantee (without share capital) no. 02320712 and as a charity no. 800517. The principal office address of the charitable company is at 24 Stephenson Way, London, NW1 2DP, which is also the Registered Office.

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 2010 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" issued in 2005.

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 including the Fundraising Programme run in partnership with the Institute of Fundraising

Running conferences, seminars, briefings and

Researching and publishing reference guides and handbooks

Providing the subscription websites www.trustfunding.org.uk, www.governmentfunding.org.uk, www.companygiving.org.uk and www.grantsforindividuals.org.uk.

Producing a free monthly e-newsletter

Providing multipurpose rooms for hire at our Charity Centre, located beside Euston station

Visit our website for more information at www.dsc.org.uk

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3.3 Where we are

We have an office in London and one in Liverpool.

3.3.1 The London office

24 Stephenson Way
London, NW1 2DP

Tel: 08450 77 77 07

Fax: 020 7391 4808

E-mail: info@dsc.org.uk

Website: www.dsc.org.uk

The contact point for those in need of the services we provide

3.3.2 The Liverpool office

Federation House
Hope Street
Liverpool
L1 9BW

Tel: 0151 708 0117

Fax: 0151 708 0139

E-mail: north@dsc.org.uk

Undertakes research and manages our Trusts database and government funding website

3.4 Trustees:

The following individuals acted as Trustees throughout the year except where otherwise stated:

Nick Seddon, deputy director, Reform (a think tank) (Chair from 15 Jan 2010) (resigned 14th March 2011)

Caron Bradshaw, chief executive The Charity Finance Directors Group (appointed 14th March 2011)

Patrick Butler, Journalist (appointed 5th May 2010, resigned 14th March 2011)

Sue Crockford, independent film producer, director and writer (resigned 29th June 2010)

Pamela Dow, communications adviser, Dept for Children, Schools and Families (resigned 14th March 2011)

Paul Farmer, chief executive, MIND (resigned 29th June 2010)

Bridget Gardiner, director fundraising & marketing, National Society for Epilepsy (resigned 14th March 2011)

Andrew Garnett, chief executive The Garnett Foundation (appointed 14th March 2011)

Simon Hill, senior investment consultant, Buck Consultants (resigned 14th March 2011)

Catherine Johnstone, chief executive The Samaritans (appointed 14th March 2011)

Linda Laurance, consultant, facilitator & mediator, trustee, Community Network (resigned 14th March 2011)

Margaret Lloyd, director, Walking with Leaders (resigned 25th January 2011)

Roger Morris, secretary, P H Holt Foundation (resigned 14th March 2011)

Alistair Mortimer, IT Manager international bank (appointed 14th March 2011)

Colin Nee, acting chief executive Reprieve (appointed 5th May 2010, resigned 14th March 2011)

Sash Newman, chief executive, BackCare (resigned 16th August 2010)

Anne-Marie Piper, a solicitor specialising in charity law (resigned 14th March 2011)

Lesley Thornley, chief executive, Hull & East Riding Citizens Advice Bureau (appointed 14th March 2011)

Jamie Wilcox, Head of Volunteer Services Great Ormond Street Hospital Trust (appointed 14th March 2011)

David Zahn, Portfolio Manager, Franklin Templeton (appointed 5th May 2010, resigned 14th March 2011)

Trustees Report (continued)

3.5 Chief Executive, Company Secretary and Senior Management:

Chief Executive: Debra Allcock Tyler

Company Secretary: John M de C Hoare

The Senior Management Team at the end of 2010 consisted of:

Debra Allcock Tyler, Chief Executive
Richard Lee, Marketing Manager
John Martin, Publishing Strategy Manager and Commissioning Editor
Shireen Mustafa-Johal, Services and Administration Manager
Maria Pemberton, Director of Operations
Satinder Pujji, Finance Director
Cathy Shimmin, Senior Trainer
Jill Thornton, Personnel Manager
Dr Catherine Walker, Head of Sector Trends, Evidence, Analysis and Metrics
John Wallace, IT Manager
Ben Wittenberg, Director of Policy and Research, Director of Publishing
Christine Wright, Director of Training Services

3.6 Auditors, Bankers and Solicitors

Auditors: haysmacintyre
Fairfax House
15 Fulwood Place
London WC1V 6AY

Bankers:	National Westminster Bank Plc PO Box 224 9 The Broadway, Stanmore Middlesex HA7 4XW	National Westminster Bank Plc 6 Grange Road West Birkenhead Merseyside L41 4DF
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CAF Bank Ltd. Kings Hill West Malling Kent ME9 4TA	Charity Bank Limited 194 High Street Tonbridge Kent YN9 1BE
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Solicitors: Bates Wells & Braithwaite London LLP
2 - 6 Cannon Street
London EC4M 6YH

Trustees Report (continued)

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. 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.

Trustee vacancies are ordinarily advertised nationally and on our website following identification of gaps in the trustee board in terms of skills, knowledge, etc. Short listed applications are interviewed by the Chair, the Chief Executive and another trustee where possible. All existing trustees are consulted on the final selection before appointments.

There is a defined procedure for the induction of Trustees, which includes the provision of a detailed information pack upon each appointment. This covers introduction to fellow trustees, the leadership team and staff with organisation chart; Memorandum and Articles of Association; the history of the organisation its objectives and policies, its work and products; recent Trustees and Sub-Committee minutes of meetings; the latest audited Trustees Report and Financial Statements; information on the role and responsibilities of a Trustee

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.

4.3 Organisation Structure and decision making

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

A Senior Management Team meets monthly and reports to the Trustees. The members of the group are shown under section 3.5 above.

Authority on financial, personnel and regulatory matters has been delegated to a Resources Sub-Committee which reviews management accounts, and the progress of the annual audit, as well as personnel and recruitment policies and compliance with the regulatory environment within which the organisation operates. It makes recommendations both to the Senior Management Team and to the main board of Trustees. Membership comprises the Chair of Trustees and three other trustees, one of whom acts as Chair of the Sub-Committee, plus Chief Executive, Finance Director, Director of Development, Director of Operations, Director of Training Services, Personnel Manager and the Company Secretary.

Trustees Report (continued)

4.4 Relationships with other charities and organisations

We work with a very wide range of organisations and receive funding from a number of sources. We are very grateful to all the following funders, partners and sponsors for their support during 2010:

Bates, Wells & Braithwaite London LLP
CBG (Charities Buying Group)
Charity Bank
Charity Business
Charity Finance Directors' Group
Charity Times
Charity Trustee Networks
Civil Society Media (formerly Plaza Publishing)
Connect Personal Computing
CTX (Charities Technology Exchange)
Farrer & Co LLP
Forum3
Greater Manchester Centre for Voluntary Organisations (GMCVO)
HR Services Partnership
Institute of Fundraising
National Association for Voluntary and Community Action (navca)
National Council for Voluntary Organisations (NCVO)
New Economics Foundation
NGO Media
People Unlimited
Prospectus (Recruitment)
Resource Alliance
Russell-Cooke Solicitors
sayer vincent
The Baring Foundation
The Tudor Trust
The University of New South Wales
Third Sector
Triodos Bank

4.5 Risk:

We monitor risk on an ongoing basis and periodically undertake a formal risk review.

Current areas of potential risk continue to include the following:

DSC's customer base being vulnerable to fluctuating funding patterns
Potential decline in print buying
IT Systems collapse
Building unavailable
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 back-up of IT data
A Disaster Recovery Plan has been prepared
Back-up plans in place

Trustees Report (continued)

5. Finance Review:

DSC's principle is to be largely self-financing. We continue to earn the bulk of our income (99.7% in 2010 - 98% in 2009) through sales of our books, websites, training and events. Although Incoming resources decreased by 0.5% compared to those received in 2009 (2009 decreased by 4.0% compared to 2008), self-financing activities actually increased by 1.4% compared to 2009 (2009 self-financed activities increased by 2.1% compared to 2008).

DSC Earned Income:

We continue to work closely with a wide range of individuals and organisations. We co-operated closely with the Institute of Fundraising for provision of training in fundraising during 2010. We are not financially dependent on any single funder, purchaser or provider for our operational programme. We have no endowment, nor generally donated funds.

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

Reserves:

Because we are a charitable company whose principal aim is to be a provider to the charitable sector and to set an example, we believe that we need a particularly transparent funding policy. In order to fulfil our responsibility to secure DSC's viability beyond the immediate future, and in order to protect the charitable company against serious disruption to its charitable work, we need to build reliable funds against future uncertainty, to absorb setbacks, and to take advantage of change and opportunity over the long term.

To that purpose, and following the decision of the Trustees after a detailed review of funds policy during 2005 and a decision to maintain this policy after reviews in each of the subsequent years up to 2010, the Trustees have established a policy of aiming to maintain reserves equivalent to six months support costs and resources expended on managing and administering the Charitable Company, excluding those funds represented by fixed assets. We believe that this should provide sufficient resources to respond to unexpected adverse changes in the Charitable Company's activities.

Having used some of the previously built-up reserves in 2008 in order to write-off the costs of significant development work in the DSC website, the process of incremental increases in unrestricted reserves resumed in 2009. As a result the Trustees felt able to look for business growth opportunities in 2010 and it was for this reason that the decision was taken to invest in Guidestar Data Services CIC. Regrettably the ongoing cash requirements needed to re-engineer the database and the deteriorating economic climate for the sector coincided which made continued investment unviable. But for this investment unrestricted reserves would have risen in 2010 by £276,208, rather than a decline.

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.

Trustees Report (continued)

Our Funds Policy is to review available funds at least once every year in order for this to keep on reflecting current and future needs, and risks, opportunities and contingencies. Our Designated Funds are reviewed annually.

It is not anticipated that DSC will have any problems in meeting its commitments under restricted funds.

Post Balance Sheet event

There has been a significant event since the Balance Sheet date – the Administration of Guidestar Data Services CIC a Community Interest Company was concluded and a liquidator appointed on 24th January 2011. The full financial effect of the charitable company's investment in Guidestar Data Services CIC has already been provided for in the accounts of the charitable company as at 31 December 2010.

Investment Policy and Performance:

Other than £1 invested on 1 March 2010 in acquiring the share capital of Guidestar Data Services CIC, throughout 2010 and at the Balance Sheet date there were no other non-cash investments. Funds surplus to immediate requirements are placed on short or-term deposit, the longest for one year, at DSC's bankers.

Funds Held as Custodian Trustee on Behalf of Others:

There were no funds held as Custodian on behalf of others (2009 - Nil).

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 NIL due to be returned at 31 December 2010 (2009 - Nil).

Trustees Report (continued)

6. Statement of Trustees Responsibilities (auditor to advise any changes)

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.

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.

The report of the Trustees has 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.

7. Auditors

The auditors, haysmacintyre will be reappointed in accordance with section 485 of the Companies Act 2006.

This report was approved by the Trustees on 28 July 2011 and signed on their behalf, by:

Andrew Garnett
Trustee

Jamie Wilcox
Trustee

Independent Auditors' Report to the Members of The Directory of Social Change

We have audited the financial statements of The Directory of Social Change for the year ended 31 December 2010 which comprise of the primary statements such as the Statement of Financial Activities, Balance Sheet, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2010 and of its 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Members of The Directory of Social Change

Matters on which we are required to report by exception

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

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

Murtaza Jessa (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor

Fairfax House
15 Fulwood Place
London
WC1V 6AY

Date: 28 July 2011

The Financial Statements are published on The Directory of Social Change website, www.dsc.org.uk, the maintenance and integrity of which is the responsibility of The Directory of Social Change. The work we carry out as auditors does not involve consideration of the maintenance and integrity of the website and accordingly we accept no responsibility for any changes that may have occurred to the financial statements following their initial presentation on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
For the year ended 31 December 2010

	Note	Restricted Funds 2010 £	Unrestricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Incoming Resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	1,285	1,285	-
Investment income		-	344	344	4,280
<i>Incoming resources from charitable activities</i>					
	3	6,705	2,747,213	2,753,918	2,767,657
Total incoming resources	15	<u>6,705</u>	<u>2,748,842</u>	<u>2,755,547</u>	<u>2,771,937</u>
Resources Expended					
<i>Charitable expenditure:</i>					
Costs of activities in furtherance of the Charity's objects	4	12,691	2,720,202	2,732,893	2,774,271
<i>Governance</i>	5	-	112,566	112,566	43,760
Total resources expended	15	<u>12,691</u>	<u>2,832,768</u>	<u>2,845,459</u>	<u>2,818,031</u>
MOVEMENT IN TOTAL FUNDS FOR THE YEAR – NET (EXPENDITURE)/ INCOME FOR THE YEAR					
		(5,986)	(83,926)	(89,912)	(46,094)
Total funds at 1 January 2010		<u>12,740</u>	<u>248,690</u>	<u>261,430</u>	<u>307,524</u>
Total funds at 31 December 2010		<u><u>£6,754</u></u>	<u><u>£164,764</u></u>	<u><u>£171,518</u></u>	<u><u>£261,430</u></u>

The notes on pages 20 - 27 form part of these financial statements. All amounts are from continuing activities.

BALANCE SHEET
Company limited by guarantee
As at 31 December 2010

Company Number: 02320712
Charity Number: 800517

	Note	£	2010 £	£	2009 £	£
FIXED ASSETS						
Tangible fixed assets	10		94,909			115,279
CURRENT ASSETS						
Stocks	11	282,708			327,461	
Debtors	12	233,163			216,060	
Cash at bank		317,080			366,224	
			<u>832,951</u>		<u>909,745</u>	
Creditors: amounts falling due within one year	13	(694,195)			(670,360)	
NET CURRENT ASSETS			138,756			239,385
Creditors: amounts falling due after more than one year	13		(62,147)			(93,234)
NET ASSETS	17		<u>£171,518</u>			<u>£261,430</u>
CHARITABLE COMPANY FUNDS						
Restricted funds	16		6,754			12,740
Unrestricted – designated funds	16		94,909			115,279
Unrestricted – general funds	16		69,855			133,411
			<u>£171,518</u>			<u>£261,430</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The notes on pages 20 – 27 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 28 July 2011 and were signed below on their behalf by:

Andrew Garnett - Trustee

Jamie Wilcox - Trustee

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

Guidestar Data Services was acquired by DSC on the 1 March 2010 and went into administration on the 11 October 2010. The loss incurred by DSC has been reflected in the accounts and disclosed in the note above under the heading of Guidestar Data Services. The income and expenditure of GDS has not been consolidated on a line by line basis because it would not show a true and fair view if the share of the costs not incurred by DSC were to be reflected in the accounts.

1.2 Company status

The Directory of Social Change is registered as a company limited by guarantee (without share capital) no. 02320712 and as 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 9. 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.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds, which are to be used in accordance with specific restrictions imposed by donors, which have been raised by the charitable company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants are accounted for in the period when received. Income from training and the sale of publications received in advance of the relevant training event or publication date is carried forward as deferred income. Income from information providing websites for which users pay a subscription in advance is carried forward as deferred income in respect of the proportion of the subscription period still to be provided. Income and expenditure relating to the event to be held in the following year is carried forward in the Balance Sheet respectively under deferred income and prepayments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

Expenditure is stated inclusive of any associated irrecoverable VAT. A proportion of premises costs and staff costs has been allocated to governance costs on the basis of time and office space used for governance meetings and time spent by staff attending governance meetings together with a proportion of relevant individual staff costs in preparing papers for and dealing specifically with governance affairs. The cost of the charitable company's London premises, which are used by the charitable company as a training venue and for its offices, as well as being hired out to other organisations, has been apportioned to these different activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charitable company and include project management. Governance costs are those incurred in connection with enabling the charity to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	remaining lease term to 24 December 2014
Furniture and Fixtures	-	straight line over 5 years
Computer Equipment	-	straight line over 4 years

1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred.

1.9 Stocks and work in progress

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.

1.10 Pensions

Contributions payable under the charitable company's defined contribution scheme are charged in the SOFA as incurred. Details of the pension scheme are set out at Note 9 below.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2010

2. VOLUNTARY INCOME		Total Funds 2010 £	Total Funds 2009 £
	Donations	<u>£1,285</u>	<u>£ -</u>
3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		Total Funds 2010 £	Total Funds 2009 £
	Training and events	1,228,391	1,304,122
	Publications and dissemination of information	1,270,541	1,188,075
	Charity Centre	248,281	216,281
	Grant for Government Funding website	-	39,063
	Grants for training	6,705	20,116
	Total	<u>£2,753,918</u>	<u>£2,767,657</u>

See note 15 for details of movements in restricted funds.

4. CHARITABLE EXPENDITURE BY FUNCTIONS

SUMMARY BY EXPENDITURE TYPE

	Staff Costs £	Depreciation £	Other Costs £	Total 2010 £	Total 2009 £
Training and events	385,959	16,759	888,321	1,291,039	1,578,561
Publications and dissemination of information	460,192	7,539	478,043	945,774	976,356
Charity Centre	29,296	8,221	182,355	219,872	976,356
Guidestar Data Services	130,839	-	145,369	276,208	-
Subtotal charitable Functions	<u>1,006,286</u>	<u>32,519</u>	<u>1,694,088</u>	<u>2,732,893</u>	<u>2,774,271</u>
Governance	18,683	-	93,883	112,566	43,760
Total	<u>£1,024,969</u>	<u>£32,519</u>	<u>£1,787,971</u>	<u>£2,845,459</u>	<u>£2,818,031</u>

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

Guidestar Data Services was acquired by DSC on the 1 March 2010 and went into administration on the 11 October 2010. The loss incurred by DSC has been reflected in the accounts and disclosed in the note above under the heading of Guidestar Data Services (GDS). The income and expenditure of GDS has not been consolidated on a line by line basis because it would not show a true and fair view if the share of the costs not incurred by DSC were to be reflected in the accounts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

5. GOVERNANCE

	Total Funds 2010 £	Total Funds 2009 £
Staff costs	18,683	12,346
Other costs	13,605	8,744
Professional fees	54,177	-
Auditors' remuneration	22,976	17,160
Support costs (see Note 6)	3,125	5,510
Total	£112,566	£43,760

During the year, no Trustees received any remuneration (2009: £Nil).

During the year, no Trustees received any benefits in kind (2009: £Nil).

During the year, 6 Trustees were reimbursed £1,876 for out-of-pocket expenses (2009: 3 Trustees reimbursed £876)

6. SUPPORT COSTS ALLOCATED TO ACTIVITIES

	Staff Costs £	Office Costs £	Premises Costs £	Total 2010 £	Total 2009 £
Training and events	82,705	113,124	58,370	254,199	270,815
Publications and dissemination of information	60,387	82,871	42,760	186,219	178,331
Charity Centre	14,086	19,264	9,941	43,291	37,795
Governance (Note 5)	-	3,125	-	3,125	5,510
Total	£157,379	£218,384	£111,071	£486,834	£492,451

Support costs are the costs of central management. These costs are apportioned to activities based on total direct costs. 2010 premises costs includes £97,924 allocated from Charity Centre (2009 - £105,054).

7. NET INCOME/(EXPENDITURE)

	2010 £	2009 £
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charitable company	32,519	31,680
Auditors' remuneration - audit services	14,398	14,000
- other services	10,000	3,160
	56,917	48,840

8. STAFF COSTS AND NUMBERS

	2010 £	2009 £
Staff costs were as follows:		
Wages and salaries	926,316	1,023,046
Social security costs	91,736	100,371
Pension costs	6,917	4,836
	£1,024,969	£1,128,253

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

8. STAFF COSTS AND NUMBERS (Continued)

The average number of full-time equivalent employees during the year was as follows:

	2010 No.	2009 No.
Training	13	16
Publications	14	15
Grants	1	1
Charity Fair	1	1
Charity Centre	1	1
Accounting and administrative support	6	6
Management and administration	1	1
	<u>37</u>	<u>41</u>

1 employee received remuneration amounting to more than £60,000 in 2010 (2009 - 1).

9. PENSION COMMITMENTS

The charitable company operates a defined contribution pension scheme for its permanent staff. The assets of the scheme are held and administered independently by Pensions Trust, a leading provider of pensions for the voluntary sector. Contributions may be paid alternatively into individual's personal pension schemes. The pension costs shown in the accounts represent 5% of gross salaries of staff opting to join the scheme or have contributions paid into their own scheme. The charitable company has no commitments beyond those regular contributions. There were outstanding contributions of £634 (2009 - £497) included in the Balance Sheet under Accruals.

10. TANGIBLE FIXED ASSETS	Leasehold Improvements £	Furniture & Fittings £	Computer Equipment £	Total £
Cost				
At 1 January 2010	273,414	116,813	224,700	614,927
Additions	3,382	1,769	7,351	12,502
Disposals	-	-	(3,056)	(3,056)
	<u>276,796</u>	<u>118,582</u>	<u>228,995</u>	<u>624,373</u>
Depreciation				
At 1 January 2010	179,807	109,779	210,062	499,648
Charge for the year	19,403	2,986	10,130	32,519
Disposals	-	-	(2,703)	(2,703)
	<u>199,210</u>	<u>112,765</u>	<u>217,489</u>	<u>529,464</u>
Net Book Value				
At 31 December 2010	<u>£77,586</u>	<u>£5,817</u>	<u>£11,506</u>	<u>£94,909</u>
At 31 December 2009	<u>£93,607</u>	<u>£7,034</u>	<u>£14,638</u>	<u>£115,279</u>

All fixed assets are used for charitable purposes

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

11. STOCKS		2010	2009
		£	£
	Work in progress	65,190	74,311
	Finished books	217,518	253,150
		<u>£282,708</u>	<u>£327,461</u>
12. DEBTORS		2010	2009
		£	£
	Due within one year		
	Trade debtors	175,155	151,298
	Sundry debtors	8,017	8,513
	Prepayments	45,990	49,701
	Grants receivable and accrued income	4,000	6,548
		<u>£233,163</u>	<u>£216,060</u>
13. CREDITORS: amounts falling due within one year		2010	2009
		£	£
	Trade creditors	47,886	80,844
	Social security and other taxes	51,483	44,977
	Sundry creditors	94,564	48,767
	Accrued expenditure	50,289	33,949
	Deferred income (see note 14)	419,627	433,703
	Bank loan repayments due in within one year	30,346	28,120
		<u>£694,195</u>	<u>£670,360</u>
	CREDITORS: amounts falling after more than one year	2010	2009
		£	£
	Bank loan		
	Due in one to two years	62,147	30,004
	Due in two to five years	-	63,230
		<u>62,147</u>	<u>93,234</u>
	Due within one year as above	30,346	28,120
		<u>£92,494</u>	<u>£121,354</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

14. DEFERRED INCOME	2010 £	2009 £
Balance at start of year	433,703	442,992
Less: Amount released to income	(433,703)	(442,992)
Add: Amount deferred in the year:		
Publication subscriptions	328,772	318,766
Training income	80,181	102,583
Charity Centre	10,676	12,354
	<u>£419,627</u>	<u>£433,703</u>

15. STATEMENT OF FUNDS	Brought Forward £	Incoming Resources £	Resources expended £	Transfers In/(out) £	Carried forward £
Designated funds					
Fixed Asset Fund	115,279	-	-	(20,370)	94,909
General funds					
General Funds	133,411	2,748,842	(2,832,768)	20,370	69,855
Total Unrestricted Funds	<u>£248,690</u>	<u>£2,748,842</u>	<u>£(2,832,768)</u>	<u>£ -</u>	<u>£164,764</u>

DESIGNATED FUNDS

The fixed asset fund reflects the net book value of fixed assets tied up in unrestricted funds at the year end. During the year £22,622 was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

	Brought Forward £	Incoming Resources £	Resources expended £	Transfers In/(out) £	Carried forward £
Restricted funds					
Training and Events	10,899	6,705	(10,850)	-	6,754
Publications and dissemination of information	1,841	-	(1,841)	-	-
Total restricted fund	<u>£12,740</u>	<u>£6,705</u>	<u>£(12,691)</u>	<u>£ -</u>	<u>£6,754</u>

RESTRICTED FUNDS

Incoming resources must be accounted for in the year in which they are received rather than allocated to the years in which the expenditure arises. The Charitable Company has received funding from grant providers and funders to enable specific areas of its charitable activities to be undertaken. In 2010 the expenditure on these activities was financed both by incoming resources received in 2010 as well as by incoming resources received but unused in the previous year.

Training and Events
towards providing training aimed at various improved skills.

The funds relate to income from several sources programmes including minority interest matters and

Publications and Dissemination of Information
The funds relate to income from several sources towards the setting up of community libraries and the provision of a free to user on-line searchable database.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

16. SUMMARY OF FUNDS	Brought Forward £	Incoming Resources £	Resources expended £	Transfers In/(out) £	Carried forward £
Designated funds	115,279	-	-	(20,370)	94,909
General funds	133,411	2,748,842	(2,832,768)	20,370	69,855
	248,690	2,748,842	(2,832,768)	-	164,764
Restricted funds	12,740	6,705	(12,691)	-	6,754
Total of funds	<u>£261,430</u>	<u>£2,755,547</u>	<u>£(2,845,459)</u>	<u>£ -</u>	<u>£171,518</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted Funds 2010 £	Unrestricted Funds 2010 £	Total Funds 2010 £	Total Funds 2009 £
Tangible fixed assets	-	94,909	94,909	115,279
Current assets	6,754	826,197	832,951	909,745
Creditors due within one year	-	(694,195)	(694,195)	(670,360)
Creditors due more than one year	-	(62,147)	(62,147)	(93,234)
Total	<u>£6,754</u>	<u>£164,764</u>	<u>£171,518</u>	<u>£261,430</u>

18. OPERATING LEASE COMMITMENTS

At 31 December 2010 the charitable company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Expiry date:				
Between 1 and 2 years	20,464	26,511	5,159	5,159
Between 2 and 5 years	248,794	253,824	-	-
After more than 5 years	-	-	-	-
	<u>269,258</u>	<u>£280,335</u>	<u>£5,159</u>	<u>£5,159</u>

Committed rent and service charges payable for 2010 under the lease of the Charity Centre in Stephenson Way, London NW1 (which expires on December 24, 2014) and the lease of the charitable company's Liverpool office (which expires on August 8, 2011) amounted respectively to £249,005 (2009 - £248,161) and £12,647 (2009 - £21,058).

19. TAXATION

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

20. POST BALANCE SHEET EVENTS

The Administration of Guidestar Data Services CIC a Community Interest Company was concluded and a liquidator appointed on 24th January 2011. The full financial effect of the charitable company's investment in Guidestar Data Services CIC has already been provided for in the accounts of the charitable company as at 31 December 2010.