

Company Number: 02320712

Charity Number: 800517

Trustees' Report and Financial Statements

For the year ended 31 December 2015



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 2015**

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Message from the Chair

2015 was a year of enormous change for DSC. Having been based in our premises at Stephenson Way for 20 years a lease review and a landlord who doubled our rent forced us to relocate to Resource for London in Holloway Road. However, this has turned out to be a happy move. Our new premises are more reflective of DSC's refreshed identity as well as our roots and, as we share the premises with other charities, helps to keep us even closer to those whom we serve.

At about the same time as the move we launched our new brand followed shortly after by our new and modernised website. Both have proven successful with great feedback on the brand and improved traffic to our website with considerably improved navigation and accessibility for our beneficiary group. Our campaigning and policy work flourished during the year. DSC aims primarily to act as a beacon for others in the sector. We do our best to keep abreast of key issues that may affect them, in particular the smaller to medium sized charities, and try to lead by example by being open and honest in our responses and public positioning, focussing on policies not people, doing research and writing pieces that both inspire the sector and that can also be borrowed and adapted by those we serve.

We had an exceptionally busy year in terms of our key campaigning and policy work which is summarised in the body of this report. We were particularly pleased that the input of our Policy Officer, Ciaran Price, into the Charity Commission's redrafted guidance for Trustees CC3, was incorporated into the final version. In terms of revenues we were 92.7% self-financing, continuing DSC's tradition of using grants only to fund that work that we cannot fund ourselves. However, our training income was down by 2.4% during the year, reflecting we believe, the challenging environment for the charities that we serve. In contrast, publications income was up by 6.9%. This seems to indicate that during the year charities that could not afford to attend training or events supplemented their information needs through our online resources or our print publications.

Our Chief Executive, Debra Allcock Tyler, continued her programme of engagements up and down the country, speaking to and with hundreds of charities and their staff, trustees and volunteers. Her listening and learning continued to be reflected in her columns for Third Sector magazine which are hugely popular with the charities that we serve. And this year we saw more of our senior team also engaged around the sector in consultations and speaking engagements. As a result of all this our policy work continued to thrive and we were relevant, quick and entertaining on many of the issues affecting our sector. Our new policy e-newsletter proved a hit with one respondent saying 'This is the best thing in my week'.

DSC's performance during any one year is very often reflective of the sector that we serve and this year was no exception. We saw policy and legal changes affecting the sector reflected in the products and services that were most attractive to our beneficiaries. New programmes such as 'Upholding Your Reputation' were very popular showing the serious response charities took to the negative media that had afflicted our sector during 2015.

Feedback from those we help continues to be overwhelmingly positive with many of our charities full of praise and gratitude for our work and how they are helped.

Some examples below:

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A colleague approached a new trust and received £5,000 only a matter of weeks afterwards. In my opinion The Guide to New Trusts is definitely a worthwhile investment and a must-read for any trust fundraiser.” – Alison Whittaker-Stewart, Senior Community Fundraiser, British Red Cross on The Guide to New Trusts publication

“It’s such a great event. Every year it gives me a real buzz and I leave on a high. Session content was excellent and really got me thinking. I was inspired and came away with several ideas of how to improve my work.” – Garry Coombs, St Luke’s (Cheshire) Hospice attended The Charity Accountant’s Conference.

“I’ve always used trustfunding.org.uk for research and have found it to be an invaluable tool. £270,000 is what we need to raise each year to continue the provision of our vital services, a large portion of which is done via grant and trust fundraising for all of which I use trustfunding.org.uk.” – Christina Hunter, Fundraising Manager, The Peter Pan Centre for Children with Special Needs.

“I thoroughly enjoyed the training and it will be really useful in my job.” – Ellie Walsh, Spinal Injuries Association attended the ‘Becoming an Assertive Professional’ course.

Positive thanks was not just restricted to our products and services. Our policy work and our commitment to sharing our research, our thinking and our campaigning with the sector was also appreciated:

“DSC is doing a great job thanks” Robina Qureshi, Positive Action in Housing

“An interesting edition, which I read “cover to cover”. Big issues!”

“Thank you for telling us about this and taking action.” Sally K Church

“Thank you very much for your enlightening article on potential charging by the Charity Commission.”

“Thank for being a voice on such matters.” Gordon Tubbs

“Thanks for this very useful and informative!” Leonie McCarthy, CEO of Peterborough CVS

Looking forward to 2016, the trustees have tasked the charity team with developing a new strategic plan, incorporating what we have all learned from the events of the previous year, both internal and external. We continue to be very proud of our work, our reach into our sector, and our wonderful team of staff, volunteers, associate trainers and authors, who do so much to serve charities. Our strapline, ‘helping you to help others’ has never been more appropriate nor pertinent.

Catherine Johnstone CBE
Chair
Directory of Social Change

Trustees' Report

Welcome to the Trustees' Annual Report and Audited Financial Statements for the year ended 31 December 2015.

1. Achievements and Activities during 2015

DSC's vision is 'An independent voluntary sector at the heart of social change'. In 2015 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.

1.1 Equip voluntary sector organisations with high quality services and products that support them

We continued to offer a wide range of products, services and information available across multiple formats that are accessible to voluntary organisations of all sizes and types.

1.1.1 Training, Conferences and Fairs

Courses: in 2015 we ran 198 training courses with around 2,000 people attending. Our general management courses were again very popular along with a good mix of fundraising, governance, finance, marketing and personal skills development. We ran several new programmes including: leading resilient change, measuring social impact, copywriting, making simple smartphone films, tax can make you money, the essentials of individual giving and two new IT courses: working effectively with Excel and dash board statistics. We also further developed our half day information seminars continuing with SORP and pension provision for smaller charities. In addition, more topical seminars included 'upholding your reputation' and half days for trustees and fundraisers on the new regulations.

In-house training: we had a successful year in 2015 and carried out over 200 days of training in different organisations which again represents a 10% increase from 2014. We delivered a range of bespoke programmes across our curriculum, including management, governance, fundraising and others. We worked with a wide range of organisations again this year and continued our work with Age UK on a change management programme and a coaching programme for individual staff. We also continued our national programme for Little Sisters of the Poor and training from Glasgow to Cornwall and other courses with a diverse range of topics, including a national programme for Big Local where we have run workshops nation-wide for their community support programme.

We have returned to Gibraltar this year to work with Kasuma Trust and also delivered training in Budapest for European Roma Rights. Our coaching programmes have done well in 2014 with major contracts with Natcen and Age UK.

Conferences and events: we ran eight Conferences/Fairs in 2015 in our new venue at Resource for London. This was three fewer events than 2014 and conferences have been more challenging in terms of attracting delegates in 2015. However Charityfair ran in June with 348 delegates which was 88 more than the previous year.

We ran 56 workshops over two days and provided some exhibition and free coaching and well-being resources as well as a Charityfair 'question time' with a panel of speakers including Julia Cleverdon, Peter Wanless and our CEO Debra Allcock Tyler. Our autumn Fundraising Fair had 180 delegates this year, supported by DSC's policy team and some of our leading fundraising authors.

We ran a new event this year: a campaigning conference in November which attracted 50 delegates; speakers included CEOs from Greenpeace and Sheila McKechnie Foundation as well as experienced campaigners leading nine different workshops. Feedback was very positive and we plan to develop this in 2016.

We ran our partnership conferences this year with Bates Wells & Braithwaite solicitors on Charity Law and with Sayer Vincent for our annual residential two day Charity Accountants' Conference which did well this year with 125 residential delegates. We ran our Charity Writing Conference in partnership with Jennifer Campbell Charity Writing and Publications (formerly NGO Media). This was a two day event with 160 delegates, 60% attending both days with the second day focussing on Charity Communications.

In summary, with around 2,000 delegates on public courses, 1,050 delegates attending our conferences and fairs and 200 In-house training days delivered, DSC helped around 5000 people through its training activity in 2015. Although we have had fewer people attending conferences, training overall has maintained its reach to customers in terms of numbers.

1.1.2 Publishing

In 2015 we published five new titles including our researched funding directories, a fully revised version of a DSC classic and a brand new piece of funding analysis.

The year saw our research team hard at work with the publication of three of our bestselling bi-annual directories. We celebrated the 10th edition of *The Guide to UK Company Giving 2015/16* which included a new section on corporate charities and their giving. We produced our annual edition of *The Guide to New Trusts 2015/16*. As always the range of the new grant-making charities was quite diverse. This year they included new trusts set up by a celebrity chef and an inventor. We published our bestselling biannual publication *The Directory of Grant Making Trusts*.

As well as our researched directories, we produced a new 2nd edition of our fundraising primer, *Effective Fundraising*, with DSC's own Director of Development and Delivery, Ben Wittenberg, dovetailing new and up-to-date advice with the timeless wisdom of much missed fundraising expert Luke FitzHerbert.

Building on our research expertise and our data on grant-making charities, we published the first ever *Sector insight: UK Grant-making Trusts and Foundations 2015*, a unique analysis of 2,500 grant-making charities providing the most comprehensive picture of funding for charitable endeavour in the UK to date.

In the year we extended the number of titles available in dual platforms. The majority of our titles are now available digitally either as kindle titles through amazon.co.uk or as viewable pdfs through www.dsc.org.uk.

Our subscription websites trustfunding.org.uk, companygiving.org.uk, grantsforindividuals.org.uk and governmentfunding.org.uk have continued to attract large numbers of subscribers and provide invaluable information and analysis of sources of funding for many thousands of charity fundraisers.

We have continued to improve and enhance the information provided by these resources, by improving coding and tagging of the data; adding search tags to specifically help major customers find relevant support; and continually adding new sources of funding. Over the year there were:

322,989 visits to Trustfunding (10% increase on 2014)

117,246 visits to Governmentfunding (13.5% increase on 2014)

71,777 visits to Grantsforindividuals (10% increase on 2014)

48,581 visits to Companygiving (8.3% increase on 2014)

The full list of new print titles in 2015 was:

- *Directory of Grant Making Trusts 2015/16*
- *Effective Fundraising – 2nd edition*
- *Sector insight: UK Grant-making Trusts and Foundations 2015*
- *The Guide to New Trusts 2015/16*
- *The Guide to UK Company Giving 2015/16.*

We also produced the following e-publications:

- *Effective Fundraising – 2nd edition*
- *It's Tough at the Top*
- *Keeping Volunteers*
- *The Guide to New Trusts 2015/16*
- *Patrons, Presidents and Personalities.*

1.1.3 Charity Centre

After an outstanding financial year in 2014, Charity Centre had an excellent final two months at Stephenson Way, finally closing its doors on 27 February 2015 when DSC moved to new premises at Resource for London.

1.2 Promote the value of a vibrant and diverse independent voluntary sector

We continued to work to promote the value of a diverse and vibrant voluntary sector in the UK.

1.2.1 DSC Social Change Awards

The DSC Social Change Awards are for all those working to achieve a positive change in society - individuals, charities, community groups, companies, and public bodies – representing the huge diversity of voluntary endeavour in the UK.

Now in their ninth year, in 2015 the Awards once again attracted high quality nominations from some fantastic charities and individuals; this year there were over 140 entries for the six awards categories, and over 2,500 votes were cast for the shortlisted nominees. The Awards retain their uniqueness through a public vote of the shortlisted candidates. The Social Change lecture was delivered by Peter Wanless, CEO of NSPCC. The awards generated good local media coverage for the winners.

1.2.2 Media coverage during the year

DSC received coverage in 200 media articles in 2015. DSC's Big Lottery Refund campaign caused a huge stir in November, successfully fighting off credible threats to the Big Lottery Fund as part of the Government's Autumn Statement.

DSC led the sector's response to the threat from an early stage which saw our campaigns work being covered in high profile outlets including the Sunday Mail, The Herald, and The People, as well as being referenced by politicians in Westminster debates.

With 2015 being a year when the media paid particularly close attention to charities, DSC received coverage across a range of charity sector press and non-charity sector press. We were asked to comment on a range of important issues relating to the Charity Commission (including its governance and funding), the Charities (Protection and Social Investment) Bill, and the Lobbying Act. We achieved significant coverage for our commentary and analysis of the General Election outcome and what this means for charities.

DSC's Chief Executive continued her monthly column in Third Sector Magazine which has received positive feedback from many people, and the launch of *DSC's Sector Insight: UK Grant-Making Trusts and Foundations* saw wide coverage in the sector press.

1.2.3 Policy and public affairs

This year DSC continued to influence public policy by offering constructive but forthright criticism on a number of government policy proposals and issues that affect the sector's independence, most notably the Charities (Protection and Social Investment) Bill and other matters relating to charity law and the Charity Commission. Details of all of these can be found on our website: <https://www.dsc.org.uk/category/policy-campaigns-research/>.

If you visit our website you will see that one of DSC's policy principles is Responsible Regulation – which the regulation of charities and voluntary groups should be proportionate, appropriate and enabling, and our work in this area follows from these principles.

Therefore we believe that the strategic position of the Charity Commission is critical and during 2015 it was a huge concern for DSC. As the government agency with the widest reach into the sector, what it does affects all of DSC's beneficiaries. Following the Queen's Speech, we analysed and influenced debate on the Charities (Protection and Social Investment) Bill, via media and Parliamentary work and also with colleagues in the sector. We focused on clauses that would enhance the Charity Commission's power to disqualify trustees, which we believe are overly broad and threaten the independence of charities and trustee boards. In particular, Clause 10 would allow the Commission to disqualify virtually anybody from trusteeship, if it considered a trustee to be 'unfit', if it was 'in the public interest' and if they had done 'anything to damage public trust and confidence in charity'. We were unsuccessful in our attempts to amend the Bill to reduce the scope of these powers but the Government did announce that the Commission would consult on how they will be implemented.

Early in the year DSC engaged directly with the Commission's consultation on a new version of CC3, the general guidance for charity trustees. We were concerned that initial drafts were far too negative in tone, over-emphasised compliance and risk, and did not do enough to showcase the positive benefits and importance of trusteeship, which could put potential trustees off the role. We were pleased when the final version included a number of specific improvements we had put forward.

The massive cuts to the Commission's budget remain a concern which DSC has consistently highlighted over the years. However the budgetary pressures mean the Commission is now pushing to be able to charge charities for regulation, which DSC adamantly opposes.

Following a Commission report that claimed public support for the idea, DSC regularly set out the case in public against charging already cash-starved small charities. We surveyed our e-news readers and found strong opposition, which we analysed and sent to the Chair, William Shawcross. We are awaiting a consultation on the issue in 2016.

Over the year DSC continued its typically outspoken commentary on many other issues through public speaking engagements, our E-newsletter, a new Policy Bulletin, articles, press releases and online message boards, and increasingly via social media channels such as twitter. We also worked hard on building stronger relationships with colleagues in the sector and attended a number of meetings and consultation events held by them, such as the Charity Finance Group, the Association of Charitable Foundations, the National Council for Voluntary Organisations, and many others.

1.3 Connect givers, influencers and social change makers

During 2015 DSC carried out a number of campaigning and research activities which sought to bring together givers, influencers and social change makers.

1.3.1 Big Lottery Refund Campaign

DSC continued to lead the Big Lottery Refund campaign, now supported by over 3,800 charities. The campaign aims to get the Government to pay back £425 million to the Big Lottery Fund, which was the amount of Lottery money taken from Big in 2007 to support the London 2012 Olympics.

We wrote to all the party leaders and relevant Ministers/Shadow Ministers in the run-up to the General Election. Following the formation of the Conservative Government, we wrote to the new Culture Minister John Whittingdale MP to demand that the Government immediately repay the Big Lottery Fund. We received a standard response from John Penrose MP, saying that the pre-existing deal to refund the Lottery via the sale of Olympics assets over 20-30 years remained in place. We also briefed the new Labour Shadow Minister for Civil Society, Anna Turley MP, on the issue.

In the run-up to the Autumn Statement and Spending Review we learned of another credible threat to the Lottery.

High-level discussions between the Department for Culture, Media and Skills (DCMS) and HM Treasury were taking place which involved siphoning off £320 million in Big Lottery Fund lottery cash to backfill cuts in statutory funding at the DCMS. This would have been disastrous for DSC's beneficiaries, who increasingly depend on Big Lottery funding as other sources of grant funding are cut back. We mobilised our campaign supporters to write to their MPs, launched a #BigLotteryRipoff twitter campaign, and achieved significant national newspaper coverage. This activity, and further support from our sector colleagues, resulted in the Chancellor announcing that the raid was not going to happen.

1.3.2 Great Giving Campaign

DSC believes that company giving to charity in Britain needs to be dramatically improved - that companies can give more, more companies can give, and companies can give better. 2015 proved a challenging year for our ability to influence company giving as regulatory changes introduced by the previous Coalition Government removed the obligation for companies to declare total cash donations to charities.

We warned that this move would result in fewer companies declaring their giving and potentially reducing levels of company giving overall.

And indeed, as we predicted over 40% of the companies in our latest Guide to UK Company Giving took advantage of this and did not openly and transparently share their giving data.

As part our Great Giving campaign we wrote to Chancellor George Osborne and the Business Secretary Sajid Javid asking them to reverse the changes and once again require companies to declare donations in reports and accounts. Sadly the Government is sticking to its line that removing these simple requirements has ‘saved billions for British business.’

There is little evidence to support this assertion and we maintained that this is also potentially robbing billions from British charities.

1.3.3 Sector Insight: UK Grant-making Trusts and Foundations

A major achievement in terms of our ‘connecting’ objective was the successful launch of the first ever *Sector Insight: UK Grant-making Trusts and Foundations* report at the end of July, to a group of people from leading grant-makers and research organisations. It contains original data and analysis of a sample of 2,500 grant-making charities, which is not available anywhere else. This work has enhanced DSC’s research and connecting role amongst this key group of charities; for example we also presented findings to the Grant Funders’ Network and members of the Association of Charitable Foundations.

1.3.4 Research on Armed Forces Charities

In addition to our other research work we further developed our research into armed forces charities with continued funding and support from the Forces in Mind Trust. This included further development and maintenance of our online database of over 2,200 armed forces charities – www.armedforcescharities.org.uk.

A core objective for DSC during 2016 and beyond is to continue to expand our research work, beyond our traditional focus on fundraising directories to a greater range and type of research which benefits the charity sector overall or ‘sub-sectors’ within it. We continue to establish connections and partnerships with other organisations to further this objective.

1.4 An independent DSC, financially robust in self-generated revenue

DSC’s underlying principle remains to generate the vast majority of our funding from sales of our products and services. We only seek funding for specific research or developmental products that offer real value to the voluntary sector and that we cannot fund ourselves.

In 2015 we generated 92.7% (2014 – 98.3%) of our own incoming resources, returning to a similar percentage of self-generated income as was achieved in 2013. This was largely due to the grant income associated with our research work. For example, in 2015 we received the third tranche of a three-year grant totalling £41,428 from Forces in Mind Trust to continue our research into the armed forces charities sector, and to maintain an online database of that information. The project illuminates the scale and key characteristics of the sector via the free online searchable database www.armedforcescharities.org.uk.

During the year we also received £41,132 from Forces in Mind Trust as the first instalment of a grant to produce a report on Scottish Armed Forces Charities. This report will be the first detailed analysis of this sector and complements our ongoing research into the UK’s armed forces charities and the important work they do.

In 2015 we launched a new brand and a new dsc.org.uk website. Both are key to our business model and our ability to communicate what we do to the charity sector and other stakeholders.

The work for both of these started well before, with the brand launched in February at our new Holloway Road premises. The new website went live on 17 September 2015.

With the implementation of new accounting standard Charities SORP (FRS 102) DSC has had to absorb the impact of the defined benefits pensions' deficit of £50,847 on its unrestricted reserves. But for this unrestricted reserves would have been £224,421 at the end of 2015 and total reserves £359,979 which would have compared to the originally published pre restatement 2014 reserves of £257,145 and £307,118 respectively.

Besides this significant impact, DSC also withstood the effects of having to move premises at the end of February, a full rebranding during the spring and the introduction of its new website in September. Despite these effects it ended the year with unrestricted reserves of £173,574 and total reserves of £309,132 compared to the post FRS102 2014 free reserves of £220,854 and £270,827 respectively.

2. Public Benefit

The Charity 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 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 continued to make the following facilities available free of charge during the year:

2.1 Free content

DSC continues to publish a large amount of free content from voluntary sector experts including DSC staff, trainers and authors. 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.

On our new website alone, launched in September, we published approximately 40 free content articles between September and the end of the year. DSC e-news was read by over 90,000 charity professionals in 2015, and DSC twitter followers stood at over 10,000 at the end of 2015.

2.2 Library Facilities

We had a library at The Charity Centre in Stephenson Way, London, for January and February (we moved to Holloway Road at the end of February, where library services continued) and in our Old Hall 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. Over 320 visitors took advantage of these facilities during 2015. We also gave occasional free funding website workshops on site in our Holloway Road library (visitor stats included in above total).

2.3 Charityfair

There was free access to Charityfair in London (resource area), where visitors could also have free access to our subscription websites while on our stand, and there were free mentoring and coaching opportunities with the trainers and speakers offered during the fairs to those registering beforehand. The free access to trainers and speakers was extended to most of the additional fairs that we put on in 2015.

2.4 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, as well as in our own libraries.

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 their premises. For those with sight problems we provide our printed publications in scalable pdf format to aid readability.

2.5 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 and policy briefings. During 2015 we had 6,081 newly registered users, compared to 4,050 new registrations in 2014. Free downloads totalled over 2,976 in the year, compared to 1,278 in 2014.

2.6 Enquiries to DSC's Research Team

The Research Team based in Liverpool maintains our four subscription websites and produces a range of publications to guide and assist our beneficiaries. Team members have a wealth of knowledge and experience about funding for charitable causes and are able to respond to enquiries referred by other departments or directly from the public. During 2015 the team responded to around 850 enquiries on a range of topics relating to charity development, governance, trusteeship, strategy, and funding.

Examples range from students seeking support for living costs to enable them to attend a particular course of study, to prisoners seeking help on release from prison to start their own business, to wheelchair football players having to share wheelchairs within their team. Referrals from the Charity Commission are not uncommon. Members of the team are able to respond directly to the majority of these enquiries or will signpost or suggest other relevant organisations to approach.

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, which is also the Registered Office of the charitable company has moved to 352 Holloway Road, London N7 6PA from March 2015 having previously been at 24 Stephenson Way, London, NW1 2DP.

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 2015 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" (FRS102) issued in 2015.

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

Campaigning on behalf of 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

We have an office in London and one in Liverpool.

3.3.1 The London office

From 2 March 2015

Until 28 February 2015

352 Holloway Road
London
N7 6PA

24 Stephenson Way
London
NW1 2DP

Tel: 08450 77 77 07

E-mail: cs@dsc.org.uk

Website: www.dsc.org.uk

3.3.2 The Liverpool office

Suite 103
1 Old Hall Street
Liverpool
L3 9HG

Tel: 0151 708 0136
E-mail: research@dsc.org.uk

3.4 Trustees:

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

Caron Bradshaw	Chief Executive, The Charity Finance Group
Andrew Garnett	Chief Executive, The Garnett Foundation
Catherine Johnstone CBE	Interim Chief Executive, Migrant Help UK
Alistair Mortimer,	Vice President, Service Strategy, Network Services, Bank of America Merrill Lynch
Lesley Thornley,	Chief Executive, Hull & East Riding Citizens Advice Bureau
Jamie Wilcox,	Head of Volunteer Services and Patient Experience, Great Ormond Street Hospital for Children NHS Foundation Trust

3.5 Chief Executive, Company Secretary and Senior Management:

Chief Executive: Debra Allcock Tyler
Company Secretary: John M de C Hoare

The Senior Leadership Team who ran the charitable company on a day-to-day basis during 2015 comprised:

Debra Allcock Tyler	Chief Executive
Ben Wittenberg	Director of Development and Delivery
Jay Kennedy	Director of Policy and Research
John Wallace	Director of Operations
Satinder Pujji	Finance Director

3.6 Auditors, Bankers and Solicitors

Auditors:

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

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

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Solicitors:

Bates Wells & Braithwaite London LLP
2 - 6 Cannon Street
London
EC4M 6YH

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.

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 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 at any other time as circumstances dictate.

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

4.4 Relationships with other charities, organisations and individuals

We work with a very wide range of organisations. We are very grateful to all the following, partners and sponsors for their support during 2015:

Bates, Wells & Braithwaite London LLP
Captiv8
Centre4Learning Ltd
Civil Society Media
The Confederation of Service Charities (COBSEO)
Forces in Mind Trust
In Kind Direct
Institute of Leadership and Management (ILM)
Jennifer Campbell Charity Writing and Publications
National Association for Voluntary and Community Action (NAVCA)
National Council for Voluntary Organisations (NCVO)
Office for Civil Society
Reason Digital
Russell-Cooke
Sayer Vincent
Small Charities Coalition
Technology Trust
Third Sector Magazine

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
Decline in print buying
IT Systems collapse
Office space being 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

A full re-appraisal of risk management is currently underway, taking account of the Charity Commission Guidance document "Charities and Risk Management" (CC26). The re-appraisal is covering not only operational risks, but also identified and emerging risks. It will map the risks against a heat map with a points scoring system, to identify the degrees of risk faced.

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

Risk management is to be integrated into our monthly management reporting, with a clear assessment and escalation process. Managers are to be accountable for risks in their own areas of the business.

Major and urgent risks. Risks that emerge or occur quickly will be 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 management team.

It is envisaged that the new risk management and appraisal scheme will be adopted by the middle of 2016.

5. Finance Review

In 2015 we generated 92.7% (2014 – 98.3%) of our own incoming resources, returning to a similar percentage of self-generated income as was achieved in 2013. This income is generated through the sales of our books, websites, training and events.

Overall charitable income in 2015 was £2,360,737, compared to £2,506,075 in 2014. Expenditure was reduced to £2,322,422 compared to £2,493,764 in 2014. Of these expenses reductions, £114,293 resulted from unrestricted and £57,039 from restricted activity.

The financial performance of DSC in 2015 was affected by three significant events:

- The impact of FRS102 which required that the defined benefit pensions deficit be accounted for in accordance with the formula applying to multi-employer schemes. This had the effect of adding £14,556 to expenditure for the year as well as reducing reserves earned in earlier years by £36,291. Although DSC has been contributing to the pensions deficit for a number of years and accounting for those contributions, this is the first time that this historic issue, over which it has no control, has significantly impacted the yearly activity and the reserves. There are some 1,300 companies in this scheme which is managed by The Pensions Trust. The full effect is shown at Note 9 to the Financial Statements.
- The implementation of the new DSC website, for which the 2015 expenditure has been charged with £2,821 for depreciation for each month of operation. There was no equivalent charge in the previous year.
- The move from 24 Stephenson Way to 352 Holloway Road for which identifiable costs amounted to £10,620. In addition there are always additional expenses incurred and charged to other areas which are not readily identified at the time but which are absorbed with other cost headings. Again, there was no equivalent cost in 2014.

DSC received or became entitled to receive grants in the year amounting to £171,322 (2014 - £41,248). These were for 3 specific projects, and £85,747 was spent on two of these projects in the year (2014 - £142,786 spent on 1 project). It is anticipated that the whole of the remaining grant funds will be spent in fulfilling the projects' requirements in 2016.

A new table appears in the Financial Statements this year as a result of the implementation of the new Charity SORP (FRS102) and appears immediately after the Balance Sheet. This Cash Flow Statement shows that in 2015 £206,932 of cash resources were applied in acquiring fixed assets compared to £11,346 in 2014. This is a significant investment in the future and has been achieved without recourse to any bank borrowings or third party financing.

5.1 DSC Earned Income

We continue to work closely with a wide range of individuals and organisations, while at the same time ensuring that we are not financially dependent on any single funder, purchaser or provider for our operational programme. DSC received a donation of £2,500 in 2015 (2014 - NIL).

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

5.2 Remuneration Policy

The overall policy on remuneration within DSC is as follows:

- Trustees are voluntary and not remunerated. Out-of-pocket expenses paid to Trustees are shown as part of Note 5 to the Financial Statements.
- 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. The Chief Executive's salary is determined in line with the pay policy for all DSC staff.
- 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. Any salary increases proposed other than at the annual review reflect the need to retain key staff and are determined by the Chief Executive with advice to the Chair of Trustees.

5.3 Reserves

The Trustees have decided to adopt some of the recommendations in the Charity Finance Group's report 'Beyond Reserves'.

At their meeting at which the Budget for the forthcoming year is approved, the Board considers whether the resources available for use in the planned activities of the charitable company will be sufficient before determining what should be the appropriate level of reserves for the year ahead and whether any adjustments are needed for designated reserves.

In addition, at their quarterly meetings the Board reviews the reserves position of the charitable company as part of its review of accounting information. This includes turnover analysis, cost analysis, Balance Sheet review and cash flow analysis for the recent quarter, the year to date and projections to the year end. This detailed review of the results enables the Board and the Senior Leadership Team to consider the restricted and free reserves with a view to determining their sufficiency and the impact of the forecast results on reserves held. Any contingent items that might need to be considered are reported to and discussed by the Board at these meetings.

The Trustees feel 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.

The Trustees note that this policy has, despite all the significant one off events that have taken place in the year as detailed above, resulted only in the unrestricted general funds declining from £220,854 to £173,574. (2014 – An increase from £107,005 to £220,854).

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.

Currently funds are designated for the purpose of financing Fixed Assets purchases of leasehold improvements, furniture and fittings and computer equipment equivalent to the net book value of those assets. At 31 December 2015 these Designated Funds amounted to £21,827 (2014 - £14,176).

With the implementation of new accounting standard Charities SORP (FRS 102) DSC has had to absorb the impact on its unrestricted reserves of the agreed contribution of £50,847 over the next few years towards the deficit on the defined benefits pension scheme. But for this unrestricted reserves would have been £224,821 at the end of 2015 and total reserves £359,978 which would have compared to the originally published pre restatement 2014 reserves of £257,145 and £307,118 respectively. Besides this significant impact, DSC also withstood the effects of having to move premises at the end of February, a full rebranding during the spring and the introduction of its new website in September.

Despite these effects DSC ended the year with unrestricted reserves of £173,574 and total reserves of £309,132 compared to the post FRS102 2014 free reserves of £220,854 and £270,827 respectively. With fixed assets of £185,513 (2014 - £14,176), and after allocating unrestricted reserves in full against this figure, this gives rise to a position of negative free reserves of £11,939 (2014 positive £196,678), which is expected to be quickly rectified in 2016.

Detailed analysis of the Reserves position is shown in the Notes to the Financial Statements entitled Statement of Funds and Analysis of Net Assets between Funds, Notes 16 and 18 respectively on pages 40 and 41.

As described above, the current Funds Policy is to review available funds on an ongoing basis at each Trustees Meeting in order to ensure the adequacy of resources for current and future needs, and to allow for 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.

5.4 Investment Policy and Performance

At the Balance Sheet date the charitable company only held cash investments. Funds surplus to immediate requirements are placed on short-term deposit, or 1-30 day call, at DSC's bankers. The returns on these funds remain depressed due the continuing national policy of holding bank base rates at 0.5%. Income generated in 2015 amounted to £532 (2014 - £637).

5.5 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 2015 (2014 - Nil).

6. Strategic Report - Plans for the Future

Given the current political and economic uncertainties, and that the three-year strategic plan had come to its end, the Trustees have embarked on a thorough review of strategy to determine whether the objects of the charitable company are being adequately served by the current provision and range of services, and by considering the potential for:

- reviewing the scope of services made available to the charitable and not-for-profit sector.
- reviewing ways in which services can be offered to a wider range of charities and not-for-profits than those that currently know of and use the services on offer.

At a Strategy AwayDay the Trustees and the Senior Leadership Team considered a range of options both for services and for beneficiaries. The Senior Leadership Team has been charged with working-up viable plans as to how to give effect to these proposals for incorporation in the next strategic three-year plan.

7. Statement of Trustees Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Directory of Social Change

Report and Financial Statements for the year ended 31 December 2015

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

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

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

8. Auditors

The auditors, haysmacintyre 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 companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 21 July 2016 and signed on their behalf, by:

Caron Bradshaw
Trustee

Jamie Wilcox
Trustee

The Directory of Social Change

Report and Financial Statements for the year ended 31 December 2015

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 2015 which comprise of the primary statements such as the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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.

We have been appointed auditor under the Companies Act 2006. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its net movement in funds, 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.

Independent Auditors' Report to the Members of the Directory of Social Change (Continued)

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.

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:

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

Murtaza Jessa

Senior Statutory Auditor

for and on behalf of haysmacintyre, Statutory Auditor

25 Red Lion Square

London

WC1R 4AG

Date: 21 July 2016

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

The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2015

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
For the year ended 31 December 2015

	Note	Restricted Funds 2015 £	Unrestricted Funds 2015 £	Total Funds 2015 £	Restated Funds 2014 £
INCOME FROM					
Donations and legacies	2	-	2,500	2,500	-
Charitable activities	3				
<i>Training and events</i>		-	935,446	935,446	958,522
<i>Publications</i>		171,332	1,213,046	1,384,378	1,295,054
<i>Charity centre</i>		-	37,881	37,881	251,812
Investments		-	532	532	687
Total income		171,332	2,189,405	2,360,737	2,506,075
EXPENDITURE ON					
Charitable activities	4				
<i>Training and events</i>		-	1,242,914	1,242,914	1,248,858
<i>Publications</i>		85,747	851,214	936,961	977,067
<i>Charity centre</i>		-	142,557	142,557	267,839
Total expenditure		85,747	2,236,685	2,322,432	2,493,764
Net income		85,585	(47,280)	38,305	12,311
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS	17	85,585	(47,280)	38,305	12,311
Total funds at 1 January 2015		49,973	220,854	270,827	258,516
Total funds at 31 December 2015		£135,558	£173,574	£309,132	£270,827

The notes on pages 27 - 43 form part of these financial statements. All amounts are from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

All amounts derive from continuing activities.

Full comparative figures for the year ended 31 December 2014 are shown in note 22.

The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2015

BALANCE SHEET

Company Number: 02320712

Company limited by guarantee
As at 31 December 2015

Charity Number: 800517

	Note	2015		Restated 2014	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		21,827		14,176
Intangible assets	11		163,686		-
			<u>185,513</u>		<u>14,176</u>
CURRENT ASSETS					
Stock	12	304,079		373,471	
Debtors	13	262,989		180,546	
Cash at bank		247,564		386,314	
		<u>814,632</u>		<u>940,331</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(635,093)		(648,291)	
NET CURRENT ASSETS			179,539		292,040
Creditors: amounts falling due after more than one year	14		(55,920)		(35,389)
NET ASSETS	18		<u>£309,132</u>		<u>£270,827</u>
CHARITABLE COMPANY FUNDS					
Restricted funds	17		135,558		49,973
Unrestricted – designated funds	17		21,827		14,176
Unrestricted – general funds	17		151,747		206,678
			<u>£309,132</u>		<u>£270,827</u>

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

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

The financial statements were approved and authorised for issue by the Trustees on 21 July 2016 and were signed below on their behalf by:

Caron Bradshaw
Trustee

Jamie Wilcox
Trustee

The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2015

STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities	a	67,650	18,664
Cash flows from investing activities			
Interest income		532	687
Purchase of tangible assets		(19,711)	(11,346)
Purchase of intangible assets		(187,221)	-
Cash provided by (used in) investing activities		(206,400)	(10,659)
Increase/(decrease) in cash and cash equivalents in the year		(138,750)	8,005
Cash and cash equivalents at the beginning of the year		386,314	378,309
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		247,564	386,314
Net income (expenditure) for the year		38,305	12,311
Depreciation charges and amortisation		32,960	29,673
Dividends and interest from investments		(532)	(687)
Loss/(profit) on the sale of fixed assets		2,635	-
Decrease (increase) in stock		69,392	(49,279)
(Increase)/decrease in debtors		(82,443)	6,561
Increase (decrease) in creditors		7,333	20,085
Net cash generated/(used) in operating activities		67,550	18,664

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

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:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and 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).

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. The transition date for the charity was 01 January 2014.

In accordance with the requirements of FRS 102, a reconciliation of opening balances is provided:

Reconciliation of opening funds and balances	1 January 2015	1 January 2014
	£	£
Fund balances as previously stated	307,118	296,370
Being the recognition of the pension liability	(36,291)	(37,854)
	<hr/>	<hr/>
Fund balances as restated	270,827	258,516
	<hr/> <hr/>	<hr/> <hr/>

Preparation of accounts on a going concern basis

The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.

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 14. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

1. ACCOUNTING POLICIES (continued)

Income recognition

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

Donations and legacies

Donations and gifts and are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably.

Gifts in kind

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

Grants

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

Income from charitable activities

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

Investment income

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

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 and Charity Centre.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

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

- Training and events: 49%
- Publications and dissemination: 41%
- Charity centre: 10%

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

1. ACCOUNTING POLICIES (continued)

Allocation of costs

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

Operating leases

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

Intangible Fixed Assets

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

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

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

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

Software development costs 4 years

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

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

1. ACCOUNTING POLICIES (continued)

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.

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.

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 websites in the course of preparation at the year-end in furtherance of the purposes of a project for which a grant has been received. Cost includes staff costs and associated overheads. The website will be amortised over 4 years once it goes live.

Funds

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

1. ACCOUNTING POLICIES (continued)

Employee benefits

Short term benefits

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

Employee termination benefits

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

Pension scheme

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

The pensions costs charged in the financial statements represent the contributions payable during the year. There was also a defined benefit pension scheme which was closed to new contributions on 30 September 2013. Further information is provided in note 9.

Judgements and areas of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates. The Trustees consider the valuation of stock and work in progress to be the area of judgement and estimation that have a significant effect on the financial statements. Further details on these judgements are provided above.

2. DONATIONS AND LEGACIES

Total Funds 2015 £	Total Funds 2014 £
-----------------------------	-----------------------------

Donations	£2,500	£ -
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3. INCOME FROM CHARITABLE ACTIVITIES

Total Funds 2015 £	Total Funds 2014 £
-----------------------------	-----------------------------

Training and events	935,446	958,522
Publications and dissemination of information	1,384,378	1,295,054
Charity Centre	37,881	251,812
Total	£2,357,705	£2,505,388

See note 16 for details of movements in restricted funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

3. INCOME FROM CHARITABLE ACTIVITIES (continued)

Income from publications and dissemination of information	2015	2014
Includes grants as follows:	£	£
Forces in Mind Trust – grants towards:-		
Military Charities Online Resource Centre	41,248	41,428
Scottish Armed Forces Charities Resource Centre	82,264	-
Armed Forces Charities Impact Evaluation	47,820	-
	<hr/>	<hr/>
Total	£171,332	£41,248
	<hr/> <hr/>	<hr/> <hr/>

4. ANALYSIS OF EXPENDITURE

	Staff Costs £	Depreciation £	Other Costs £	Support Costs £	Total 2015 £	Total 2014 £
Training and events	489,622	4,618	505,901	242,773	1,242,914	1,248,858
Publications and Dissemination of information	571,601	3,864	158,360	203,136	936,961	977,067
Charity Centre	20,071	943	71,997	49,546	142,557	267,839
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	£1,081,294	£9,425	£736,258	£495,455	£2,322,432	2,493,764
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The staff costs for each expenditure type shown above comprise the staff costs from each charitable activity, together with the staff costs allocated to activities as part of governance costs and support costs as detailed in Notes 5 and 6 respectively.

5. GOVERNANCE

	Total 2015 £	Total 2014 £
Staff costs	28,394	22,336
Other costs	8,665	13,270
Auditors' remuneration	19,250	19,250
	<hr/>	<hr/>
Total	56,309	£54,856
	<hr/> <hr/>	<hr/> <hr/>

During the year, no Trustees received any remuneration (2014: £Nil).

During the year, no Trustees received any benefits in kind (2014: £Nil).

During the year 1 Trustee was reimbursed £260 for out-of-pocket expenses (2014: 1 Trustee reimbursed £438)

**The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2015**

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

8. STAFF COSTS AND NUMBERS (continued)

The average number of employees during the year was as follows:	No.	No.
Training	14	11
Publications	15	15
Charity Centre	-	-
Accounting and administrative support	7	6
Management and administration	1	2
	<hr/>	<hr/>
	37	34
	<hr/> <hr/>	<hr/> <hr/>
Full time equivalent	35	36
	<hr/> <hr/>	<hr/> <hr/>

1 employee received remuneration between £80,000 – £90,000 in 2015 (2014: between £80,000 - £90,000 - 1). The employer pension contributions for this employee were £Nil.

The total employee benefits of the key management personnel of the charitable company were £320,240 (2014: £298,938).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

9. PENSION COMMITMENTS

The charitable company operates contributory pension schemes for its permanent staff. Contributions may be paid alternatively into individual's personal pension schemes. These pension costs are accounted for in the Statement of Financial Activities as they fall due and represent 5% of gross salaries of staff opting to join the schemes or have contributions paid into their own scheme. The charitable company has no commitments beyond those regular contributions.

Employees are able to opt to have their funds invested in Growth Plan or in Ethical Plan. For those opting into the Growth Plan the charitable company's members had their contributions and those of the charitable company invested in The Pensions Trust Growth Plan 3, a money purchase scheme with guaranteed benefits which closed to new contributions on 30th September 2013. The assets of the schemes are held and administered independently by The Pensions Trust, a leading provider of pensions for the voluntary sector. For funds invested in Growth plan 3, this was redefined as a defined benefit scheme following a change in legislation in 2011. Some 1,300 employers participated in this scheme, and it is not possible 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 *the year ended 31 December 2015*

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 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. 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 2013 to 31 March 2023:	£13.9m per annum (payable monthly and increasing by 3% each on 1st April)
--	--

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
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From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)
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**The Directory of Social Change
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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2015

9. PENSION COMMITMENTS (continued)

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.

	31 December 2015 (£s)	31 December 2014 (£s)
Present value of provision	50,847	36,291

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 December 2015 (£s)
Provision at start of period	36,291
Unwinding of the discount factor (interest expense)	680
Deficit contribution paid	(4,284)
Re-measurements - impact of any change in assumptions	(1,261)
Re-measurements - amendments to the contribution schedule	19,421
Provision at end of period	50,847

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 December 2015 (£s)
Interest expense	680
Remeasurements – impact of any change in assumptions	(1,261)
Remeasurements – amendments to the contribution schedule	19,421
Contributions paid in respect of future service*	NIL*
Costs recognised in income and expenditure account	14,556

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. The scheme was closed to new contributions on 30 September 2013.

**The Directory of Social Change
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NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

9. PENSION COMMITMENTS (continued)

ASSUMPTIONS

	31 December 2015 % per annum	31 December 2014 % per annum
Rate of discount	2.50	1.99

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the charitable company and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 December 2015 (£s)	31 December 2014 (£s)
Year 1	4,993	4,284
Year 2	5,337	4,412
Year 3	5,497	4,544
Year 4	5,662	4,681
Year 5	5,832	4,821
Year 6	6,007	4,966
Year 7	6,187	5,115
Year 8	6,373	5,268
Year 9	6,564	1,327
Year 10	5,058	-
Year 11	-	-
Year 12	-	-
Year 13	-	-
Year 14	-	-
Year 15	-	-
Year 16	-	-
Year 17	-	-
Year 18	-	-
Year 19	-	-
Year 20	-	-

**The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2015**

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

9. PENSION COMMITMENTS (continued)

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the charitable company's balance sheet liability.

There were £nil in outstanding contributions in 2015 (2014 - £2,123) included in the Balance Sheet.

10. TANGIBLE FIXED ASSETS	Leasehold Improvements	Furniture & Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
At 1 January 2015	279,338	128,286	169,214	576,838
Additions	7,781	9,220	2,711	19,712
Disposals	(279,338)	(128,285)	(4,780)	(412,403)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	7,781	9,221	167,145	184,147
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 2015	279,338	125,327	157,997	562,662
Charge for the year	1,898	1,859	5,668	9,425
Disposals	(279,338)	(125,649)	(4,780)	(409,767)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	1,898	1,537	158,885	162,320
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 December 2015	£5,883	£7,684	£8,260	£21,827
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2014	£ -	£2,959	£11,216	£14,176
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All fixed assets are used for charitable purposes.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

11. INTANGIBLE FIXED ASSETS	Websites £	Total £
Cost		
At 1 January 2015	-	-
Additions	187,221	187,221
	<hr/>	<hr/>
At 31 December 2015	187,221	187,221
	<hr/>	<hr/>
Depreciation		
At 1 January 2015	-	-
Charge for the year	23,535	23,535
	<hr/>	<hr/>
At 31 December 2015	23,535	23,535
	<hr/>	<hr/>
Net Book Value		
At 31 December 2015	£163,686	£163,686
	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2014	£ -	£ -
	<hr/> <hr/>	<hr/> <hr/>
 12. STOCKS AND WORK IN PROGRESS	 2015	 2014
	£	£
Publications		
Work in progress	95,660	50,810
Finished books	107,266	156,088
Subscription websites		
Work in progress	60,566	69,351
Electronic		
Work in progress	40,587	97,222
	<hr/>	<hr/>
	£304,079	£373,471
	<hr/> <hr/>	<hr/> <hr/>
 13. DEBTORS	 2015	 2014
	£	£
Due within one year		
Trade debtors	110,773	137,661
Other debtors	20,768	9,580
Prepayments and accrued income	131,448	33,305
	<hr/>	<hr/>
	£262,989	£180,546
	<hr/> <hr/>	<hr/> <hr/>

**The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2015**

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

14. CREDITORS: amounts falling due within one year	2015	2014
	£	£
Due within one year		
Trade creditors	101,464	73,897
Other taxation and social security	49,684	57,636
Other creditors	9,937	21,472
Accruals	52,199	66,914
Deferred income (see note 15)	416,816	424,088
Pension provision	4,993	4,284
	<u>£635,093</u>	<u>£648,291</u>
 CREDITORS: amounts falling after more than one year		
Other creditors	10,066	3,382
Pension provision	45,854	32,007
	<u>£55,920</u>	<u>£35,389</u>

15. DEFERRED INCOME	2015	2014
	£	£
Balance at start of year	424,088	426,905
Less: Amount released to income	(424,088)	(426,905)
Add: Amount deferred in the year:		
Subscriptions	347,293	347,352
Training income	69,523	69,024
Charity Centre	-	7,712
	<u>£416,816</u>	<u>£424,088</u>

Amounts have been deferred to the period to which they relate.

16. STATEMENT OF FUNDS	Brought Forward	Incoming Resources	Resources expended	Transfers In/(out)	Carried Forward
	£	£	£	£	£
Designated fund					
Fixed Asset Fund	14,176	-	-	7,651	21,827
General funds	206,678	2,189,405	(2,236,685)	(7,651)	151,747
	<u>£220,854</u>	<u>£2,189,405</u>	<u>£(2,236,685)</u>	<u>£ -</u>	<u>£173,574</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 £7,651 was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

**The Directory of Social Change
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NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

16. STATEMENT OF FUNDS	Brought Forward £	Incoming Resources £	Resources expended £	Transfers In/(out) £	Carried Forward £
Restricted funds					
Publications and the dissemination of Information	£49,973	£171,332	(£85,747)	£	£135,558

RESTRICTED FUNDS

The restricted funds represent the following projects:

Forces in Mind Trust (FiMT) – Fund balance £43,609: is funded by FiMT to develop and run the website providing information on Armed Forces Charities (www.armedforcescharities.ork.uk).

Scottish Armed Forces Project – Fund balance £44,129: is funded by FiMT to gain a deeper understanding of the armed forces charities' sector in Scotland.

FiMT Impact Evaluation Project– Fund balance £47,820: is funded by FiMT to analyse and evaluate the impact of the website providing information on Armed Forces Charities (www.armedforcescharities.ork.uk).

17. SUMMARY OF FUNDS	Brought Forward £	Incoming Resources £	Resources expended £	Transfers In/(out) £	Carried forward £
Designated funds	14,176	-	-	7,651	21,827
General funds	206,678	2,189,405	(2,236,685)	(7,651)	151,747
	220,854	2,189,405	(2,236,685)	-	173,574
Restricted funds	49,973	171,332	(85,747)	-	135,558
Total of funds	£270,827	£2,360,737	£(2,322,432)	£ -	£309,132

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted Funds 2015 £	Unrestricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Tangible fixed assets	-	21,827	21,827	14,176
Intangible fixed assets	-	163,686	163,686	-
Current assets	135,558	679,074	814,632	940,331
Creditors due within one year	-	(635,093)	(635,093)	(648,291)
Creditors due after one year	-	(55,920)	(55,920)	(35,389)
Total	£135,558	£173,574	£309,132	£270,827

**The Directory of Social Change
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NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

19. OPERATING LEASE COMMITMENTS

At 31 December 2015 the charitable company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Less than 1 year	61,164	239,488	-	-
Between 2 and 5 years	66,887	-	-	-
> 5 years	20,570	18,162	-	-
	<u>£148,621</u>	<u>£275,650</u>	<u>£ -</u>	<u>£ -</u>

Committed rent and service charges payable for 2016 under the lease of the offices at 352 Holloway Road, London N7 (which expires on 31 July 2018) and the lease of One Old Hall Road, Liverpool (which expires on 3 September 2023) amount respectively to £75,715 (2014- £62,271) and £18,680 (2014 - £18,070).

The charitable company also had offices at The Charity Centre, 24 Stephenson Way, London NW1 which lease expired on 4 March 2015, and has retained the services of a dilapidations surveyor to advise on the question as to whether there is any liability in respect of these former premises.

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

Debra Allcock Tyler is Chief Executive of the charitable company and was a Trustee of The Small Charities Coalition until 20 January 2015 and acted throughout the year as a Trustee of In Kind Direct. A room was provided to The Small Charities Coalition for January 2015 on a free of charge basis at the charitable company's former offices at 24 Stephenson Way, the equivalent cost would have been £800. In House Direct exhibited at Charity Fair in June/July 2015 on a free of charge basis, the equivalent cost would have been £1,800 including VAT.

	2015	2014
	£	£
Income:		
The Small Charities Coalition	<u>£ -</u>	<u>£10,456</u>

There were no transactions between the charitable company in the year and any entity with which any of the Trustees was connected (2014 - The Charity Finance Group of which a Trustee of the charitable company was Chief Executive, took a free-of-charge stand at one of the charitable company's events in return for the free-of-charge marketing of the event to the members of The Charity Finance Group).

The Directory of Social Change
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NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2014):

	Note	Restricted Funds 2014 £	Unrestricted Funds 2014 £	Total Funds 2014 £
INCOME FROM				
Donations and legacies	2	-	-	-
Charitable activities	3			
<i>Training and events</i>		-	958,522	958,522
<i>Publications and dissemination of information</i>		41,248	1,253,806	1,295,054
<i>Charity centre</i>		-	251,812	251,812
Investments		-	687	687
Total income	16	41,248	2,464,827	2,506,075
EXPENDITURE ON				
Charitable activities	4			
<i>Training and events</i>		-	1,248,858	1,248,858
<i>Publications and dissemination of information</i>		142,786	834,281	977,067
<i>Charity centre</i>		-	267,839	267,839
Total expenditure	16	142,786	2,350,978	2,493,764
Net income		(101,538)	113,849	12,311
Transfers between funds		-	-	-
NET MOVEMENT IN FUNDS		(101,538)	113,849	12,311
Total funds at 1 January 2014		151,511	107,005	258,516
Total funds at 31 December 2014		£49,973	£220,854	£270,827