

Company Number: 02320712  
Charity Number: 800517

# **Trustees' Report and Financial Statements**

**For the year ended 31 December 2014**



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 2014**

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## **Message from the Chair**

2014 was a busy and exciting year for us at DSC. We completed the first tranche of work on the Military Charities Project, funded by Forces in Mind Trust. In November we launched the database of over 2000 military charities and the associated report, Sector Insight: Armed Forces Charities. This was well received by the military charities sector and we plan to undertake more such projects in the future.

We were also absolutely delighted that after years of campaigning, the Government refunded some of the lottery monies that had been annexed to pay for the Olympics. In fact, £148 million was paid back, comprising £79 million in unspent Lottery funds and another £69 million from the sale of the Athlete's Village. BIG's share of that amounted to around £60 million. DSC will continue to campaign for the rest of the money to be returned at the earliest opportunity.

Our publications continue to do their work well with our funding titles still dominating. Interestingly we noted that one of the apparent consequences of a tighter economy our beneficiaries, the charities within our sector, was a decrease in searches for funding from the government and trusts and foundations but an increase in searches for grants for individuals and for company giving. It is self-evident that there are more people in need during times of austerity and we think that the increase in searches for company funding may have been affected by the launch the previous year of our Company Giving Almanac

As usual we continued to serve the sector via our training and conference programmes and continued to receive very positive feedback. Examples include:

***I've been struggling with fundraising since c. 1988 and the thought occurs that my life may have been a lot easier if I'd known about DSC years ago!***

***Adrian Bevan***

***Soldiering-On Awards Associate and Treasurer***

*For me, coming to DSC is always like coming home and this was no exception – the entire team were fantastic and, as ever, went the extra mile to ensure that I had everything I needed and to ask how my sessions went with genuine interest.*

*Mike Phillips*

*Trainer, Facilitator, Consultant and Coach*

***DSC funding websites*** are fantastic, they simplify the way we research funders, providing up-to-date contact and application information.

*John Schless – Head of Fundraising and Development, Get Connected*

***The course*** was very useful and helped me make some effective asks in the last few weeks or support and funding from a range of high net worth donors I would have previously thought were out of my league. The course leader was reassuring, well informed, fun and engaging. Her style and humour made the course content much easier digestible.

*Bronagh Daly*

*Business Development Manager, Here to Thrive Creative Consortium.*

Financially we had a satisfactory year. We generated over 98.3% of our own resources, a long term practice of DSC which enables us to be outspoken on behalf of the sector. We increased our income by £5,351 which the Trustees were particularly pleased with given the continuing straitened economy. The Trustees are keen to re-invest in DSC's subscription websites and targeted the team to increase the level of our free reserves in order to free up some money for these developments. This was achieved. Detail can be found in the accounts section of our report.

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All of this was achieved in the context of planning our exit from Stephenson Way, working on a new public website and re-developing our brand – all planned to be ready to launch at the beginning of 2015. So a busy year for our team.

The Board of Trustees at DSC continue to believe that our work supporting the sector to achieve its aims is both needed and successful. The dedication and commitment of our staff to the charities we serve are something we are very proud of. We look forward to welcoming you in 2015 in our new premises, with our new website and brand.

**Catherine Johnstone  
Chair DSC  
CEO Samaritans**

## **Trustees' Report**

Welcome to the Trustees' Annual Report and Audited Financial Statements for the year ended 31 December 2014.

### **1. Achievements and Activities during 2014**

DSC's vision is 'An independent voluntary sector at the heart of social change'. In 2014 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 offer a wide range of products, services and information available across multiple formats that are accessible to voluntary organisations of all sizes and types.

#### **Training, Conferences and Fairs:**

During 2014 we ran approximately 192 training courses with over close on 2000 people attending. This represents a 20% increase from 2013. 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 crowd fundraising, measuring social impact and charity writing for impact. We also developed our half day information seminars on SORP and pension provision for smaller charities. Our emphasis again this year was to improve our viability running fewer events with more people which we achieved.

In-house training was successful this year. We carried out 180 days of training in different organisations which again represents a 20% increase from 2013. We delivered a range of bespoke programmes across our curriculum, including management, governance, fundraising and others. We worked with a wide range of organisations: continuing our work with Age UK on a change management programme in the first half of the year, a national programme for Little Sisters of the Poor and training from Glasgow to Cornwall and other courses with a diverse range of topics including those for RNIB, the British Library and the Falmouth Art Gallery to name but a few. We have extended our coaching programme and have carried out individual coaching sessions for a range of organisations and individuals

An ambitious programme of events was run again this year. We ran 11 Conferences/Fairs in 2014 and although in some cases numbers were not as good as the previous year, others did particularly well. Our Management and Leadership Fair ran with 170 delegates as a two day event for the first time. We ran our 2 day 'Mayfayre' for the second time at our Charity Centre. This event attracted 260 delegates over 60 workshops and we had a positive response from delegates enjoying the spring ambience and making their own choice of workshops in the various 'streams' of topics available. Our autumn Fundraising Fair also did well in 2014 with 270 delegates attending supported by DSC policy team and some of our leading fundraising authors. We ran a new event for the first time: our Wellbeing Fair. This attracted 65 delegates and we ran 9 different workshops with plenary speakers from MIND, speaking about promoting mental health wellbeing in the workplace.

We ran our partnership conferences this year with Bates Wells & Braithwaite solicitors on Charity Law and Employment Law and with Sayer Vincent for our annual residential two day Charity Accountants' Conference in September.

We successfully ran our Charity Writing Conference in partnership with Jennifer Campbell Charity Writing and Publications (formerly NGO Media). This was a two day event in 2014 introducing an additional

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second day on Charity Communications. This was a success with 50% of 150 delegates attending on both days.

All in all, with around 1900 delegates on public courses, 2000 delegates attending our conferences and fairs and 192 In-house training days delivered, DSC helped around 5000 people through its training activity in 2014.

### **Grant Income:**

In 2014 we received the second tranche of a three-year grant totalling £41,428 from Forces in Mind Trust to continue our research into the military charities sector, and produce and maintain an online database of that information. The project will illuminate the scale and key characteristics of the sector via the online searchable database [www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk) and a series of associated research reports.

### **Publishing:**

In 2014 we published eight titles including the majority of our researched funding directories and also some new editions of some DSC classics.

The year saw our research team hard at work with the publication of four of our bestselling bi-annual directories. In the spring we published *The Guide to Major Trusts volumes 1 and 2* and *The Directory of Grant Making Trusts* In December 2014 we published *The Guide to Educational Grants* and *The Guide to Grants for Individuals in Need*. In June we also released our sought after annual summary of new grant makers in *The Guide to New Trusts* produced in both print and e-format.

As well as our researched directories we also produced two new editions by two long-standing DSC authors. Alan Lawrie, an author with DSC for 30 years, completed the new 4<sup>th</sup> edition of the perennially popular *Business and Strategic Planning*. With its clear layout and practical approach it is one of our bestselling titles.

A timely 4<sup>th</sup> edition of *The Charity Treasurer's Handbook* by Professor Gareth G Morgan of Sheffield Hallam University was launched at the Association of Independent Charity Examiners annual Scottish Conference in Perth September. Anticipating the new SORP it was the first and only independently published title in 2014 to cover these new changes.

In the year we extended the number of titles available in dual platforms. Many of our titles are now available either as kindle titles through [amazon.co.uk](http://amazon.co.uk) or as viewable pdfs through [www.dsc.org.uk](http://www.dsc.org.uk).

Our subscription websites [trustfunding.org.uk](http://trustfunding.org.uk), [companygiving.org.uk](http://companygiving.org.uk), [grantsforindividuals.org.uk](http://grantsforindividuals.org.uk) and [governmentfunding.org.uk](http://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, such as: improving coding and tagging of the data; adding tags to specifically help major customers find relevant support; and continually adding new sources of funding.

301,079 - visits to [trustfunding.org.uk](http://trustfunding.org.uk) (363,203 in 2013)

106,661 - visits to [governmentfunding.org.uk](http://governmentfunding.org.uk) (132,560 in 2013)

67,310 - visits to [grantsforindividuals.org.uk](http://grantsforindividuals.org.uk) (56,491 in 2013)

46,526 - visits to [companygiving.org.uk](http://companygiving.org.uk) (31,824 in 2013)

The full list of new titles in 2014:

- *Business and Strategic Planning – 4<sup>th</sup> edition*

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- *Directory of Grant Making Trusts 2014/15*
- *The Guide to Educational Grants 2015/16*
- *The Guide to Grants for Individuals in Need 2015/16*
- *The Guide to Major Trusts 2014/15 vol 1*
- *The Guide to Major Trusts 2014/15 vol2*
- *The Guide to New Trusts 2014/14*
- *Key Guides: The Charity Treasurer's Handbook – 4<sup>th</sup> edition*

### **Charity Centre:**

The final year of our Charity Centre business was actual our most successful. We introduced evening hires and more flexible hours which were greatly appreciated by our customers. The majority of who were from smaller charities who regularly used the space throughout the year. In 2014 we welcomed 230 organisations. Following DSC's move to Holloway Road in March 2015, the bookshop, library and training activities will continue. Conference and room hire facilities at Resource for London can be organised through DSC.

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

We have, through a variety of means worked to the value of a diverse and vibrant voluntary sector in the UK.

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.

The 8th Annual DSC Social Change Awards continued to attract high quality nominations from some fantastic charities and individuals; this year there were over 134 for the 6 awards, and over 2,600 votes were cast for the shortlisted nominees. The Awards retain their uniqueness through a public vote of the shortlisted candidates, and the informal nature of the awards evening – no black ties and linen table cloths. The Social Change Award lecture was delivered by the new Chief Executive of the Charity Commission Paula Sussex. The awards generated good local media coverage for the winners, including features on BBC Radio Sheffield and BBC Radio Bristol.

DSC received coverage in 249 media articles in 2014. DSC's Big Lottery Refund campaign continued to receive coverage with a feature in the Star on Sunday and widespread coverage across the voluntary sector press as promises of repayment were made and the Olympic village was sold. We received national coverage in the Financial Times, Daily Telegraph, The Times and The Guardian newspapers and online for articles on CSR, student debt, company giving and schools' fundraising respectively. DSC's Chief Executive was asked by Third Sector magazine to do a monthly feature in their new look magazine; and DSC's commentary was sought widely across the voluntary sector press on such matters as the Charity Commission, the Lobbying Act, charity sector pay, the Minister for Civil Society merry-go-round and the Budget. The launch of DSC's database of military charities with Forces in Mind received coverage across the voluntary sector press and in The Soldier and we were interviewed on Forces TV.

This year DSC continued to 'speak out' by offering constructive but forthright criticism on a number of government policy proposals and issues that affect the sector's independence, most notably the Lobbying Act and matters relating to charity law and the Charity Commission. Details of all of these can be found on our website.

Following on from our unsuccessful effort in 2013/14 to exempt charities from the Lobbying Act, we continued to highlight the legislation's unnecessary and costly regulatory burden on charities, as well as the threat it poses to charities' ability to advocate on behalf of beneficiaries. We also explained the legislation to charities in an accessible way, via a very popular one-page downloadable flowchart which outlined the extremely complex rules for charity trustees, and a training session at our Volunteer Fair. DSC will continue to be active on the issue during 2015 as the Act is reviewed.

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### *The Charity Commission*

The strategic position of the Charity Commission has been and remains a huge concern for DSC. As the government agency with the widest reach into the sector, what it does affect is all of DSC's beneficiaries. After over five years of consistently demanding a reversal to cuts to the Commission's budget, we had some good news in the form of a new investment package from the Treasury for the Commission, announced in the autumn. Still this may not prove sufficient to allow the Commission to properly resource what are absolutely vital functions, such as the telephone helpline, its wider advice and guidance role, and developing the public register of charities. As part of this in September we gathered small charities to a roundtable with the new Charity Commission CEO Paula Sussex, to allow them to put their ideas and concerns to her.

DSC continued to engage with the Commission and politicians on a number of specific regulatory issues, including a consultation on changes to the Annual Return and a follow up report from the National Audit Office on the Commission's performance. We also submitted written evidence to the Parliamentary Joint Committee examining the Draft Protection of Charities Bill in December. We argue that elements of the proposed Bill would grant the Commission overly broad and subjective powers that could threaten charities' independence, and we will be watching any future charity legislation in the new Parliament carefully.

During 2014 DSC continued its typically outspoken commentary on many other issues through public speaking engagements, our E-newsletter, articles, press releases and online message boards, and increasingly via social media channels such as twitter. We also attended a number of meetings and consultation events held by colleagues in the sector, such as the Association of Charitable Organisations, the National Association for Voluntary and Community Action, the National Council for Voluntary Organisations, and many others.

### **1.3 Connect givers, influencers and social change makers**

#### *Big Lottery Refund Campaign*

During the year DSC continued to lead the Big Lottery Refund campaign, now supported by over 3600 charities. The campaign aims to get the Government to pay back £425 million to the Big Lottery Fund immediately, as this was the amount of Lottery revenue taken from Big in 2007 to support the London 2012 Olympics. Campaign activity included writing letters to Ministers, meeting with relevant officials, working with journalists to secure media articles, and mobilising supporters to raise the issue with MPs.

In July our campaign achieved a partial success, when the Government finally returned some of the Lottery money that had been taken to support the Olympics. Following a series of media stories generated by our campaign, the Department for Culture Media and Sport announced that £148 million was being paid back, comprised of £79 million in unspent Lottery funds and another £69 million from the sale of the Athlete's Village. These funds are being returned to all of the lottery distributors in proportion to their normal 'share' of revenue – the Big Lottery Fund's share of the £148 million therefore works out to around £60 million.

This is great news for DSC's beneficiaries – many thousands of charities and charitable projects benefit from lottery funds and there is now more money available for them to bid for. The Government also confirmed that these repayments are additional to the amount due to be eventually returned via Olympics assets sales, and we are not giving up on our goal of getting the full £425m refunded to Big. The issue remains a top campaigning priority for DSC during the General Election year.

#### *Great Giving Campaign*

DSC believes that company giving to charity in Britain needs to be dramatically improved. In short, we believe companies can give more, more companies can give, and companies can give better. In 2013 we launched a campaign to spark debate, change opinion, and ultimately to get companies to improve their giving. The jumping off point for this was the release of some ground breaking new research, the first ever



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*Company Giving Almanac.* During 2014 the *Almanac* continued to contribute to far-reaching discussion and debate on company giving and CSR, receiving significant coverage in high-profile media outlets such as Forbes, Bloomberg and an in-depth piece in *The Times: Raconteur* magazine.

DSC's campaigning included a number of activities during the year, for example a presentation to politicians and business leaders at the All Party Parliamentary Group on Corporate Social Responsibility in January, and a roundtable on business giving and small charities with the Minister for Civil Society Nick Hurd in March. In October we produced some further research on how companies embody values in their giving in partnership with the Centre for Giving and Philanthropy and CASS Business School, which was presented to an audience of charities, company representatives, academics and CSR professionals.

### *New Research on Armed Forces Charities*

Over the course of the year DSC carried out a number of research projects, most notably a new project on armed forces charities with funding and support from the Forces in Mind Trust. This included developing an online database of over 2200 armed forces charities – [www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk) – and publishing an in-depth report, *Sector Insight: UK Armed Forces Charities*. The project aims to provide key strategic information to policy makers, the media, armed forces charities and their beneficiaries, to ultimately enable better services and support for those beneficiaries.

The report provides an independent analysis of UK armed forces charities, describing the different types of charities within the sub-sector and how they are organised, analysing the financial position overall and in detail, and examining the geographical distribution of charitable support for the Armed Forces Community. Both the report and website were launched in November and over 1500 of the free reports have so far been circulated.

A core objective for DSC during 2015 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.

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

In 2013 we conducted a wide ranging business and operations strategic review, and 2014 saw the continued implementation of the subsequent plans. This resulted in some further restructuring, and a rationalisation and refocusing of our products and services, with emphasis on the needs of our customers and the voluntary sector as a whole.

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 2014 we carried out research into British military charities with funding from the Forces in Mind Trust (see section 1.1). A detailed analytical report was launched in November and made available for free in both electronic and hard copy formats. DSC operates a business model whereby we cross-subsidise our activities. Our business and operations review provided deeper insight into the viability of our different product lines, and individual products. This gave us further flexibility to cross-subsidise across these product lines and continue to provide important services to the voluntary sector that are accessibly priced.

In 2014 we generated over 98.3% (2013 – over 92.7%) of our own incoming resources including an increase in overall income of £5,251 (2013 – increase 4.5%).

Overall, DSC further improved its year-end financial position adding £112,286 to unrestricted funds (2013 - increase £2,057). Within restricted funds a net £101,538 was utilised in furtherance of the projects for which the sums were provided, compared to net receipts of £145,589 in 2013. The combined effect was to leave DSC with total funds of £307,118 compared to £296,370 at the end of 2013.

## **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 made the following facilities available free of charge during the year:

### **- Free content**

DSC publishes a large amount of free content from voluntary sector experts including DSC staff, trainers and authors. This typically takes the form of ‘how to’, 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. DSC e-news was read by over 83,000 charity professionals in 2014, and DSC twitter followers stand at over 8,500.

### **- Library Facilities**

We had libraries at both The Charity Centre in Stephenson Way, London, the lease of which ended in March 2015, 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 270 visitors took advantage of these facilities during 2014. We will continue to have library facilities at our new office in Holloway Road as well as in Liverpool in 2015.

### **- MayFayre**

There was free access to Mayfayre in London, 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 2014.

### **- Publications**

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

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

The “MY DSC” 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, policy briefings and back issues of DSC e-news. Registered users increased to over 33,123 during 2014, up 4,050 on 2013. Free downloads totalled over 1,278 in the year, compared to 2,750 in 2013.

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- Help and Assistance to enquirers

Throughout the year, the DSC research team in Liverpool handles requests for help from individuals who are marginalised and who find it difficult to access help through the usual agency or organisational route. For example, requests are received on a regular basis from people across the UK who are in prison and need access to funding sources on their release. These include: requesting advice on how to access funding for literacy classes or further education; help in finding employment; assistance in starting up a new business; travel expenses for interviews; money to purchase suitable clothes to attend interviews in. Members of the research team provide free of charge advice on those grant-makers that might be approached to access funding directly; or information on organisations providing advice and guidance.

- Charity Commission

Referrals by the Charity Commission are not uncommon and the research team in Liverpool receive calls from enquirers who state that the Commission staff recommended that they contact DSC. The nature of the enquiries varies from fundraising to developmental to strategic issues. DSC staff will either provide guidance, signpost sources of help or suggest training where it appears this would be the answer.

### **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 2014 for the Charitable Company confirm that they comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

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

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

The main activities of the organisation include:

Championing the needs of small and medium voluntary sector organisations

Providing practical training courses

Running conferences, seminars and fairs

Researching and publishing reference guides and handbooks

Providing subscription websites: [www.trustfunding.org.uk](http://www.trustfunding.org.uk), [www.governmentfunding.org.uk](http://www.governmentfunding.org.uk), [www.companygiving.org.uk](http://www.companygiving.org.uk) and [www.grantsforindividuals.org.uk](http://www.grantsforindividuals.org.uk).

Campaigning on behalf of the voluntary sector

Publishing valuable free content pieces across social media and electronic channels

In 2014 we also provided multipurpose rooms for hire at our Stephenson Way premises.

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

352 Holloway Road  
London N7 6PA

Tel: 08450 77 77 07

E-mail: [cs@dsc.org.uk](mailto:cs@dsc.org.uk)

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

Until 28 February 2015

24 Stephenson Way  
London, NW1 2DP

##### **3.3.2 The Liverpool office**

One Old Hall Street

Suite 103

Liverpool

L3 9HG

Tel: 0151 708 0136

E-mail: [north@dsc.org.uk](mailto:north@dsc.org.uk)

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**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, Chief Executive, Samaritans

Alistair Mortimer, Vice President, Relationship and Product Management, Bank of America Merrill Lynch

Lesley Thornley, Chief Executive, Hull & East Riding Citizens Advice Bureau

Jamie Wilcox, Head of Volunteer Services, 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 during 2014 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 Management 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 2014:

Bates, Wells & Braithwaite London LLP  
Captiv8  
Centre for Giving and Philanthropy  
Charities Aid Foundation (CAF)  
Charity Finance Group (CFG)  
Charity Times Magazine  
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  
London Voluntary Service Council (LVSC)  
National Association for Voluntary and Community Action (NAVCA)  
National Council for Voluntary Organisations (NCVO)  
Office for Civil Society  
Reason Digital  
Russell-Cooke  
Sayer Vincent

## **The Directory of Social Change Report and Financial Statements for the year ended 31 December 2014**

Shyrose Jessa  
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

### **5. Finance Review:**

DSC's principle is to be largely self-financing. In 2014 we achieved 98.3% of our income (92.7% in 2013) through sales of our books, websites, training and events. In 2014 1.6% of income was generated from grants (2013 – 7.2%).

Overall charitable income in 2014 was £2,506,075, compared to £2,500,724 in 2013. Expenditure increased to £2,495,327 compared to £2,353,078 in 2013, but of the expenditure increase of £142,249, extra costs in fulfilling the requirements of grant funded projects amounted to £113,299.

The surplus generated by DSC's own activities amounted to £112,286 (2013 £2,057), feeding directly into the unrestricted reserves. Within restricted funds a net £101,538 was utilised in furtherance of the projects for which the sums were provided. The combined effect was to leave DSC with total funds of £307,118 compared to £296,370 at the end of 2013.

### **DSC Earned Income:**

We continue to work closely with a wide range of individuals and organisations, while at the same time ensuring that we are not financially dependent on any single funder, purchaser or provider for our operational programme. We have no endowment. DSC received no donations in 2014 (2013 - £2,000).

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

### **Remuneration Policy:**

The overall policy on remuneration within DSC is as follows:

( a ) 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 Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2014**

- ( b )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.
- ( c ) 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 Management 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.

**Reserves:**

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

When determining the reserves position for the forthcoming year the Board considers whether the resources available for use in the planned activities of the charitable company within the year are sufficient before determining what should be the appropriate level of reserves for that particular year. The Board also considers the reserves position of the Charity on a quarterly basis reviewing management accounts with analysis of results by activity and forecast results for the coming quarters; management of debtors, statistical management indicators and cash flow analysis and forecasts.

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 resulted in an increase in the Unrestricted General Funds in 2014 to £242,969 from £112,356.

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 equivalent to the net book value of those assets. At 31 December 2014 these Designated Funds amounted to £14,176 (2013 - £32,503).

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.

**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 2014 amounted to £687 (2013 - £414).

**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 2014 (2013 - Nil).



## **6. Statement of Trustees Responsibilities**

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

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

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

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

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

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

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

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

## **7. 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 29 April 2015 and signed on their behalf, by:

**Jamie Wilcox**

Trustee

**Lesley Thornley**

Trustee

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

We have audited the financial statements of The Directory of Social Change for the year ended 31 December 2014 which comprise of the primary statements such as the Statement of Financial Activities, Balance Sheet, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

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](http://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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2014**

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

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

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

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

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

Date: 29 – 04 - 2015  
26 Red Lion Square  
London  
WC1R 4AG

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating income and expenditure account)**  
**For the year ended 31 December 2014**

	Note	Restricted Funds 2014 £	Unrestricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
<b>Incoming Resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	-	-	2,000
Investment income		-	687	687	414
<i>Incoming resources from charitable activities</i>					
	3	41,248	2,464,140	2,505,388	2,498,310
<b>Total incoming resources</b>	15	<u>41,248</u>	<u>2,464,827</u>	<u>2,506,075</u>	<u>2,500,724</u>
<b>Resources Expended</b>					
<i>Charitable expenditure</i>					
Costs of activities in furtherance of the Charity's objects	4	142,786	2,297,685	2,440,471	2,299,446
<i>Governance</i>	5	-	54,856	54,856	53,632
<b>Total resources expended</b>	15	<u>142,786</u>	<u>2,352,541</u>	<u>2,495,327</u>	<u>2,353,078</u>
<b>NET MOVEMENT IN TOTAL FUNDS FOR THE YEAR</b>					
		(101,538)	112,286	10,748	147,646
Total funds at 1 January 2014		<u>151,511</u>	<u>144,859</u>	<u>296,370</u>	<u>148,724</u>
<b>Total funds at 31 December 2014</b>		<u><u>£49,973</u></u>	<u><u>£257,145</u></u>	<u><u>£307,118</u></u>	<u><u>£296,370</u></u>

The notes on pages 22 - 30 form part of these financial statements. All amounts are from continuing activities.

**BALANCE SHEET**  
**Company limited by guarantee**  
**As at 31 December 2014**

**Company Number: 02320712**  
**Charity Number: 800517**

	<b>Note</b>	<b>2014</b>		<b>2013</b>	
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		<b>14,176</b>		32,503
<b>CURRENT ASSETS</b>					
Stocks	11	<b>373,471</b>		324,192	
Debtors	12	<b>180,546</b>		187,107	
Cash at bank		<b>386,314</b>		378,309	
		<b>940,331</b>		889,608	
<b>Creditors:</b> amounts falling due within one year	13	<b>(644,007)</b>		(621,962)	
<b>NET CURRENT ASSETS</b>			<b>296,324</b>		267,646
<b>Creditors:</b> amounts falling due after more than one year	13		<b>(3,382)</b>		(3,779)
<b>NET ASSETS</b>	17		<b>£307,118</b>		£296,370
<b>CHARITABLE COMPANY FUNDS</b>					
Restricted funds	16		<b>49,973</b>		151,511
Unrestricted – designated funds	16		<b>14,176</b>		32,503
Unrestricted – general funds	16		<b>242,969</b>		112,356
			<b>£307,118</b>		£296,370

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

The notes on pages 22 - 30 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 29 – 04 - 2015 and were signed below on their behalf by:

.....  
**Jamie Wilcox**  
Trustee

.....  
**Lesley Thornley**  
Trustee

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

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

#### 1.2 Company status

The Directory of Social Change is registered as a company limited by guarantee (without share capital) no. 02320712 and as a charity no. 800517. Its governing instrument is its memorandum and articles of association. The members of the charitable company are the trustees named on page 12. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

#### 1.3 Fund accounting

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

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

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

#### 1.4 Incoming resources

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

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charitable company becomes unconditionally entitled to the grant. Income from training and the sale of publications received in advance of the relevant training event or publication date is carried forward as deferred income. Income from information providing websites for which users pay a subscription in advance is carried forward as deferred income in respect of the proportion of the subscription period still to be provided. Income and expenditure relating to the event to be held in the following year is carried forward in the Balance Sheet respectively under deferred income and prepayments.

#### 1.5 Resources expended

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

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

### 1. ACCOUNTING POLICIES (continued)

#### 1.6 Cash flow

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

#### 1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	remaining lease term to 4 March 2015
Furniture and Fixtures	-	straight line over 5 years
Computer Equipment	-	straight line over 4 years

#### 1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred. In respect of operating leases with a rent free period, the rent free equivalent benefit is spread equally over the term of the lease.

#### 1.9 Stocks and work in progress

##### 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 either in furtherance of the purposes of a project for which a grant has been received, or in relation to the charitable company's own website which will be used to generate income. Cost includes staff costs and associated overheads. The project website will be charged to The Statement of Financial Activities when it goes fully live and the income generating website will be amortised over the four years once it goes live.

#### 1.10 Pensions

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

### 2. VOLUNTARY INCOME

	Total Funds 2014 £	Total Funds 2013 £
Donations	£ -	£2,000

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

### 3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Total Funds 2014 £	Total Funds 2013 £
Training and events	958,522	921,916
Publications and dissemination of information	1,295,054	1,363,529
Charity Centre	251,812	212,865
	<u>          </u>	<u>          </u>
Total	<u><u>£2,505,388</u></u>	<u><u>£2,498,310</u></u>

See note 15 for details of movements in restricted funds.

Income from Publications and dissemination of information includes grants as follows:

	2014 £	2013 £
Pears Foundation – grant towards UK Company Giving Almanac	-	15,000
Pears Foundation – grant towards Evaluation Report for the Give More Campaign	-	5,000
Forces in Mind Trust – grant towards the UK Military Charities Online Resource Centre	41,248	160,998
	<u>          </u>	<u>          </u>
Total	<u><u>£41,248</u></u>	<u><u>£180,998</u></u>

### 4. CHARITABLE EXPENDITURE BY FUNCTIONS

#### SUMMARY BY EXPENDITURE TYPE

	Staff Costs £	Depreciation £	Other Costs £	Total 2014 £	Total 2013 £
Training and events	560,909	14,540	647,295	1,222,744	1,138,908
Publications and dissemination of information	618,292	12,166	324,759	955,217	931,895
Charity Centre	34,191	2,967	225,352	262,510	228,643
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Subtotal charitable functions	1,213,392	29,673	1,197,406	2,440,471	2,299,446
Governance	22,336	-	32,520	54,856	53,632
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u><u>£1,235,728</u></u>	<u><u>£29,673</u></u>	<u><u>£1,229,926</u></u>	<u><u>£2,495,327</u></u>	<u><u>£2,353,078</u></u>

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



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

### 5. GOVERNANCE

	Total Funds 2014 £	Total Funds 2013 £
Staff costs	22,336	27,546
Other costs	13,270	6,366
Auditors' remuneration (see note 7)	19,250	18,800
Support costs (see Note 6)	-	920
Total	<u>£54,856</u>	<u>£53,632</u>

During the year, no Trustees received any remuneration (2013: £Nil).

During the year, no Trustees received any benefits in kind (2013: £Nil).

During the year, 1 Trustee was reimbursed £438 for out-of-pocket expenses (2013: 1 Trustee reimbursed £208)

### 6. SUPPORT COSTS ALLOCATED TO ACTIVITIES

	Staff Costs £	Office Costs £	Premises Costs £	Total 2014 £	Total 2013 £
Training and events	75,165	117,595	69,777	262,537	236,744
Publications and dissemination of information	62,894	98,396	58,385	219,675	193,712
Charity Centre	15,340	23,999	14,240	53,579	46,607
Governance (Note 5)	-	-	-	-	920
Total	<u>£153,399</u>	<u>£239,990</u>	<u>£142,402</u>	<u>£535,791</u>	<u>£477,983</u>

Support costs are the costs of central management. These costs are apportioned to activities based on total direct costs. 2014 premises costs include £112,728 allocated from the Charity Centre (2013 - £100,477).

### 7. NET INCOME/(EXPENDITURE)

	2014 £	2013 £
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charitable company	29,673	27,884
Auditors' remuneration - audit services	15,400	15,050
- other services	3,850	3,750
	<u>48,923</u>	<u>46,684</u>

### 8. STAFF COSTS AND NUMBERS

	2014 £	2013 £
<b>Staff costs were as follows:</b>		
Wages and salaries	1,109,541	1,032,354
Social security costs	111,569	102,795
Pension costs	14,618	10,215
	<u>£1,235,728</u>	<u>£1,145,364</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

### 8. STAFF COSTS AND NUMBERS (continued)

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

	2014 No.	2013 No.
Training	13	13
Publications	15	14
Charity Centre	1	1
Accounting and administrative support	6	6
Management and administration	1	1
	<u>36</u>	<u>35</u>

1 employee received remuneration between £80,000 – £90,000 in 2014 (2013: between £80,000 - £90,000 - 1). The employer pension contributions for this employee were nil.

### 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.

One of the charitable company's schemes has had its contributions invested in The Pensions Trust Growth Plan 3, a money purchase scheme with guaranteed benefits which closed to new contributions during the year. The assets of the scheme are held and administered independently by The Pensions Trust, a leading provider of pensions for the voluntary sector. This is a multi-employer scheme and as it is not possible to identify DSC's share of the underlying assets and liabilities of the scheme, under the provisions of FRS17 the charitable company accounts for this scheme as a defined contribution scheme and the contributions are accounted for as they fall due. A deficit reduction plan was agreed from April 2014, into which DSC is paying a sum of £4,189 per annum (£4,067 – 2013) by monthly instalments. This will rise to £4,314.98 per annum from April 2015. These payments have been accounted for as they fall due.

If the charitable company were to leave Growth Plan 3 or its successor scheme it would have a liability to Growth Plan 3. At 30 September 2013, the last firm date for which figures have been produced by The Pensions Trust, this liability would have been £87,009 (30 September 2012 £107,101). There is however no plan to leave the scheme so this contingent liability has not been provided for in the accounts.

There were £2,123 in outstanding contributions in 2014 (2013 - £1,677) included in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2014

<b>10. TANGIBLE FIXED ASSETS</b>	<b>Leasehold Improvements £</b>	<b>Furniture &amp; Fittings £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2014	279,338	128,286	157,868	565,492
Additions	-	-	11,346	11,346
	<u>279,338</u>	<u>128,286</u>	<u>169,214</u>	<u>576,838</u>
At 31 December 2014	<u>279,338</u>	<u>128,286</u>	<u>169,214</u>	<u>576,838</u>
<b>Depreciation</b>				
At 1 January 2014	259,196	122,009	151,784	532,989
Charge for the year	20,142	3,318	6,213	29,673
	<u>279,338</u>	<u>125,327</u>	<u>157,997</u>	<u>562,662</u>
At 31 December 2014	<u>279,338</u>	<u>125,327</u>	<u>157,997</u>	<u>562,662</u>
<b>Net Book Value</b>				
At 31 December 2014	£ -	£2,959	£11,217	£14,176
	<u>£20,142</u>	<u>£6,277</u>	<u>£6,084</u>	<u>£32,503</u>
At 31 December 2013	<u>£20,142</u>	<u>£6,277</u>	<u>£6,084</u>	<u>£32,503</u>

All fixed assets are used for charitable purposes

<b>11. STOCKS AND WORK IN PROGRESS</b>	<b>2014 £</b>	<b>2013 £</b>
<b>Publications</b>		
Work in progress	<b>50,810</b>	109,997
Finished books	<b>156,088</b>	134,557
<b>Subscription websites</b>		
Work in progress	<b>69,351</b>	70,112
<b>Electronic</b>		
Work in progress	<b>97,222</b>	9,526
	<u><b>£373,471</b></u>	<u>£324,192</u>
	<u><u><b>£373,471</b></u></u>	<u><u>£324,192</u></u>
<b>12. DEBTORS</b>		
<b>Due within one year</b>		
Trade debtors	<b>137,661</b>	134,811
Sundry debtors	<b>9,580</b>	14,407
Prepayments	<b>33,305</b>	37,889
	<u><b>£180,546</b></u>	<u>£187,107</u>
	<u><u><b>£180,546</b></u></u>	<u><u>£187,107</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

<b>13. CREDITORS: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	73,897	52,622
Social security and other taxes	57,636	53,280
Sundry creditors	21,472	26,387
Accrued expenditure	66,914	62,768
Deferred income (see note 14)	424,088	426,905
	<u>£644,007</u>	<u>£621,962</u>

<b>CREDITORS: amounts falling after more than one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Other creditors	<u>£3,382</u>	<u>£3,779</u>

<b>14. DEFERRED INCOME</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Balance at start of year	426,905	408,924
Less: Amount released to income	(426,905)	(408,924)
Add: Amount deferred in the year:		
Subscriptions	347,352	343,226
Training income	69,024	71,051
Charity Centre	7,712	12,628
	<u>£424,088</u>	<u>£426,905</u>

<b>15. STATEMENT OF FUNDS</b>	<b>Brought Forward</b>	<b>Incoming Resources</b>	<b>Resources expended</b>	<b>Transfers In/(out)</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Designated fund</b>					
Fixed Asset Fund	32,503	-	-	(18,327)	14,176
<b>General funds</b>	112,356	2,464,827	(2,352,541)	18,327	242,969
	<u>£144,859</u>	<u>£2,464,827</u>	<u>£(2,352,541)</u>	<u>£ -</u>	<u>£257,145</u>

### DESIGNATED FUNDS

The fixed asset fund reflects the net book value of fixed assets tied up in unrestricted funds at the year end. During the year £18,327 was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

	<b>Brought Forward</b>	<b>Incoming Resources</b>	<b>Resources expended</b>	<b>Transfers In/(out)</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted funds</b>					
Publications and the dissemination of information	£151,511	£41,248	£(142,786)	£ -	£49,973
	<u>£151,511</u>	<u>£41,248</u>	<u>£(142,786)</u>	<u>£ -</u>	<u>£49,973</u>

### RESTRICTED FUNDS

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

16. SUMMARY OF FUNDS	Brought Forward £	Incoming Resources £	Resources expended £	Transfers In/(out) £	Carried forward £
Designated funds	32,503	-	-	(18,327)	14,176
General funds	112,356	2,464,827	(2,352,541)	18,327	242,969
	144,859	2,464,827	(2,352,541)	-	257,145
Restricted funds	151,511	41,248	(142,786)	-	49,973
Total of funds	£296,370	£2,506,075	£(2,495,327)	£ -	£307,118

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted Funds 2014 £	Unrestricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
Tangible fixed assets	-	14,176	14,176	32,503
Current assets	49,973	890,358	940,331	889,608
Creditors due within one year	-	(644,007)	(644,007)	(621,962)
Creditors due after one year	-	(3,382)	(3,382)	(3,779)
Total	£49,973	£257,145	£307,118	£296,370

## 18. OPERATING LEASE COMMITMENTS

At 31 December 2014 the charitable company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
<b>Expiry date:</b>				
Less than 1 year	45,162	-	-	-
Between 1 and 2 years	-	229,342	-	5,694
> 5 years	19,024	18,590	-	-
	£64,186	£247,932	£ -	£5,694

Committed rent and service charges payable for 2014 under the lease of the Charity Centre in Stephenson Way, London NW1 (which expires on 4 March 2015) and the lease of offices at One Old Hall Street, Liverpool (which expires on September 3, 2023) amounted respectively to £239,000 (2013: £251,492) and £18,168 (2013: £21,391). With regard to the offices in London, the charitable company on 28 January 2015 signed a new lease for offices at 352 Holloway Road, London N7 commencing 28 February 2015 and expiring 31 July 2018, for which the commitment for rent and service charges for 2015 will amount to £66,014.

Since the year end the charitable company has retained the services of a dilapidations surveyor to advise on the question as to whether there is any liability in respect of the premises at Stephenson Way.

## 19. TAXATION

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

### 20. RELATED PARTY TRANSACTIONS

Debra Allcock Tyler is Chief Executive of The Directory of Social Change and a Trustee of The Small Charities Coalition. The Directory of Social Change rented out office space to The Small Charities Coalition.

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>Income:</b>		
The Small Charities Coalition	£10,456	£13,120
	<u>          </u>	<u>          </u>

In addition:

- (1) The Small Charities Coalition utilised rooms for meetings on four occasions during the year at no cost, for which room hire rates would have been £1,066 (2013 - NIL).
- (2) The Garnett Foundation, of which one Trustee of The Directory of Social Change was Chief Executive, utilised rooms for meetings on 5 occasions during the year at a cost of £780, for which room hire at normal rates would have been approximately twice that amount (2013 on full room hire rates).
- (3) During the year the charitable company received income from charitable activities on normal terms from a charity of which a further Trustee of The Directory of Social Change was Chief Executive.

All these transactions were undertaken in accordance with the powers contained in the Memorandum and Articles of Association to further the objects of the charitable company.