

2 July 2015

Rt Hon Sajid Javid MP  
Secretary of State for Business, Innovation and Skills  
Department for Business, Innovation and Skills  
1 Victoria Street  
London  
SW1H 0ET

Dear Secretary of State

### **Transparency of company charitable donations**

I am writing to ask that you address a specific issue concerning a lack of transparency in company giving to charity, which we believe must be rectified in order to advance constructive relationships between company donors and charities.

In 2013 the last Government amended the Companies Act 2006 (Strategic Report and Directors' Report) Regulations, removing the obligation for companies to provide information in their reports about their charitable donations. At the time the previous Parliamentary Under-Secretary of State for Business, Innovation and Skills, Jo Swinson, claimed that 'there is no evidence that such disclosure affects charitable giving.' DSC disagreed and made representations to Jo Swinson and to the Business Secretary Vince Cable, asking that these provisions be retained.

Now we have gathered evidence that these changes have made the charitable activity of leading companies significantly less transparent. DSC researches and publishes the *Guide to UK Company Giving*, which examines the cash and in-kind giving of 400 companies which give the most to charitable causes in the UK. **Evidence from our recent research indicates that following the regulatory changes in 2013, 41% of companies in our sample did not declare their total charitable cash donations, despite evidence of charitable activity on their part.**

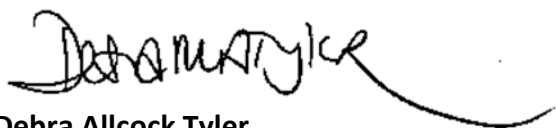
This makes it very difficult to establish the total charitable contributions made by companies to UK charitable causes (estimated to be £700 million annually), it makes individual companies' donations less transparent to shareholders and the general public, and it makes it harder for charities seeking to build relationships with company donors to identify the right companies to approach. If this situation continues unaddressed, charities will have more difficulty identifying and

securing much-needed support from companies in the future – despite the fact that we know Government is keen to build these kinds of relationships.

I ask that you reverse the legislative changes made in 2013, and to once again require companies to declare their total charitable cash donations and a breakdown of charitable activity in their reports and accounts. This is not likely to be burdensome to companies, it is in the public interest and the interest of charities, and socially responsible companies should want this information in the public domain anyway.

I look forward to your reply on this issue and we are of course very happy to work with you and your officials to explore how it could be addressed.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Debra Allcock Tyler', with a long, sweeping underline that extends to the right.

**Debra Allcock Tyler**

Chief Executive

Directory of Social Change

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