

Company Number: 02320712

Charity Number: 800517

Trustees' Report and Financial Statements

For the year ended 31 December 2017



The Directory of Social Change is a registered charity and a company limited by guarantee

**The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2017**

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Message from the Chair

Over the last decade, since the credit crunch and then recession, we have seen ever increasing costs of operating at the time when the sector's sources of income are under immense pressure. By no means do these increased costs or squeezed income sources impact all charities the same. DSC has continued to be alive to the impact on our beneficiaries and partners; flexing and adapting what we do to meet their ever changing needs. The impact of cuts to local authority spending, social care budgets, and increases in demand for services have made it harder for charities to afford to pay for support at the very time that it is critical that they do find ways to improve, learn, and make sure they are delivering the best they can for their beneficiaries.

In order to address these increasing needs for support, last year we put plans in place to extend our reach by improving our digital footprint; building our expertise and developing more support regionally. Not only did we manage to exceed our target of reaching an additional 22,420 people in 2017 by 3,830, but through investment in our online expertise in particular, we have created a strong platform to further increase our reach in 2018.

We launched a range of new and updated publications, courses and events during the year, and also added seven digital publications to our range of online products and services. The introduction of our short format seminars on GDPR were particularly important as our beneficiaries prepare for major changes to how they handle and manage their data in 2018.

2017 also saw a significant anniversary for one of our more established products, with The Directory of Grant Making Trusts (DGMT) celebrating both the publication of its 25th edition and its 50th year. Largely unchanged since its launch, it remains a vital resource for fundraisers across the voluntary sector and provides the bedrock for much of DSC's other research activity.

We continued our efforts to recover the money owed to the Big Lottery Fund, building on existing support from a number of parliamentarians, and highlighting the importance of the campaign to new Minister for Civil Society, Tracey Crouch. We also continued to campaign for the proper funding of the Charity Commission, *without* charging charities.

We were also delighted to continue our work on Armed Forces charities, supported by Forces in Mind Trust. This year we launched two brand new reports as part of this project: *Focus On: Mental Health Provision*, and *Focus On: Education and Employment Provision*

During the year one Trustee and our Chair stepped down after serving seven years each. I would like to extend our heartfelt thanks to Jamie Wilcox and Catherine Johnstone respectively for their hard work and commitment during their terms of office. I am delighted to welcome on to the Board; Phyllida Perrett, Emily Hughes and William Butler who've already brought fresh insights and perspectives to DSC.

As always, the Board is extremely proud of the effort of our staff, authors, associate trainers and volunteers and hugely thankful for the partners, funders and supporters that enable us to have the impact we do on the voluntary sector. In particular, we would like to thank the Jessa family whose unerring support, both financial and emotional, means a great deal to our DSC team.

**Caron Bradshaw
Chair
Directory of Social Change**

Trustees' Report

Welcome to the Trustees' Annual Report and Audited Financial Statements for the year ended 31 December 2017.

1. Achievements and Activities during 2017

DSC's vision is 'An independent voluntary sector at the heart of social change'. In 2017 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.

Following a review in 2016, a plan was developed to increase DSC's reach in three core areas:

- Online, through online learning and provision of other information and support
- Regionally, by increasing the support provided to organisations outside of London in particular
- Through growing expertise and reaching more beneficiaries with specific and expert help.

Specific projects, products and services were developed in order to increase DSC's total reach into the sector in 2017, aiming to provide support to 22,420 more people than in 2016. The activities delivered, which are outlined in the following sections, surpassed that target and increased DSC's reach by 26,250.

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

DSC supported over 1,600 attendees on over 80 public training courses in 2017. Our most popular course subject areas were Fundraising, Management, Governance, Finance and Personal Development. Topical seminars were well attended this year, particularly the half day workshops on General Data Protection Regulation (GDPR), delivered with our course partners Russell-Cooke, which helped over 150 delegates prepare for the forthcoming changes to data protection.

We ran four Conferences and Fairs in 2017, two of which were held at Resource for London, with the Charity Accountants Conference held in Nottingham and a partnership conference with the Institute of Fundraising (IoF) North West in Liverpool.

In March 2017, we partnered with the IoF North West to run a one-day conference in Liverpool. This was our first partnership with the IoF North West and helped further our goal of reaching more people regionally. The event attracted 66 delegates and both our CEO Debra Allcock Tyler and IoF CEO Peter Lewis were keynote speakers at the event.

In June 2017 we ran Charityfair, our flagship event. This year a new session format was trialled, with 18 sessions delivered over the two days, each delivered by two experts in their field. Julie Bentley,

CEO of Girlguiding and Bernie Hollywood OBE were both key note speakers over the two days and addressed topics such as Women in Leadership and how to connect charities with local businesses. There was also a panel discussion on what the General Election means to charities with guest panellists Sue Tibballs OBE and Paula Sussex from the Charity Commission. A core section of the programme was streamed live for delegates unable to attend in person.

In September 2017 we held the Charity Accountants Conference (CAC), our two-day residential event that has been running for 26 years in partnership with Sayer Vincent LLP. The event received positive feedback from both delegates and exhibitors and was our second most attended event in 2017.

In November, Fundraising Fair was our best attended event of 2017 with 209 delegates attending a range of fundraising related sessions and workshops. Our plenaries addressed topics such as 'How to get ready for GDPR' and 'Does the UK need a Domestic Disasters Emergency Committee in response to the Grenfell Tower'. The speakers included Head of Policy and Communications at The Fundraising Regulator, Gerald Oppenheim; former Director of Fundraising at The British Red Cross, Mark Astarita OBE; Vice Chair of UK Community Foundations, Rob Williamson; and Director of Appeals at the Disasters Emergency Committee (DEC), Monica Blagescu, and again the event was streamed live online for those unable to attend in person.

In 2017 we delivered tailored In-House training to over 100 different organisations, including Big Local, Age UK, Findacure Foundation and Cornwall Museum Partnerships. Similar to last year, our most popular subjects were in the areas of Project Management, Personal Development, Management and Governance.

We also developed key training programmes with Ambition School Leadership and entered a new partnership with the Association of English Cathedrals to deliver a programme of training for the 42 Anglican Cathedrals Chapters throughout 2018.

1.1.2 Publishing

2017 saw the publication of eight new titles showing the range and diversity of subjects covered by our authors. We started the year with publication of the second edition of *It's Tough at the Top*, a practical insight into the world of charity leadership by DSC's Chief Executive, Debra Allcock Tyler. In April we published new editions of *The Charity Treasurer's Handbook* to reflect increases to the audit thresholds for charities in England & Wales, and a fully revised edition of *Managing Without Profit*, the guide to charity governance, management and leadership, voted number two on *The Guardian's* all-time list of must-reads for charity workers.

In September we published the third edition of *The Charity Trustee's Handbook* with new co-author Jacqueline Williams. This bestselling title was brought up to date to reflect changes in the Charities Act 2011, the Charities Act 2016 and the 2017 Charity Governance Code. Published to coincide with DSC's Fundraising Fair in November the new fifth edition of *Corporate and Fundraising Partnerships* (edited by Valerie Morton) relaunched the Fundraising Series of specialist titles which is being overseen by Professor Adrian Sargeant and Dr Claire Routley of Hartsook Centre for Sustainable Philanthropy at Plymouth University, and is also produced in partnership with the Institute of Fundraising.

The year also saw our research team looking again at the world of company support with the publication in the spring of the eleventh edition of *The Guide to UK Company Giving 2017/18*. In

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June, we produced our annual look at newly registered grant-making charities with *The Guide to New Trusts 2017/18* in multiple formats. It included information on grant-makers established by individuals, families and a number of famous faces. In the autumn we celebrated the silver anniversary of *Directory of Grant Making Trusts 2018/19* with its 25th edition and at the same time it entered a landmark 50th year in print.

We further 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, mobi and epub formats 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:

311,350 visits to Trustfunding
169,750 visits to Governmentfunding
95,584 visits to Grantsforindividuals
86,215 visits to Companygiving

The full list of new print titles in 2017 in order of publication was:

- It's Tough at the Top – 2nd edition
- The Charity Treasurer's Handbook – 5th edition
- The Guide to UK Company Giving 2017/18
- Managing without Profit – 4th edition
- The Guide to New Trusts 2017/18
- The Directory of Grant Making Trusts 2018/19
- The Charity Trustee's Handbook – 3rd edition
- Corporate and Fundraising Partnerships – 6th edition

We also produced the following e-publications in digital formats (including pdf, Kindle and e-pub):

- It's Tough at the Top – 2nd edition
- The Guide to New Trusts 2017/18
- The Charity Treasurer's Handbook – 5th edition
- The Guide to New Trusts 2017/18
- The Charity Trustee's Handbook – 3rd edition
- Corporate and Fundraising Partnerships – 6th edition
- Your chance to change the world

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.

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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.

2017 saw the 10th Social Change Awards, with the ceremony taking place at The Magic Circle in Euston in February. The Awards once again attracted high quality nominations from some fantastic charities and individuals; this year there were 143 entries for the six awards categories, and nearly 4,500 votes were cast for the shortlisted nominees. The Social Change lecture on awards night was delivered by Chief Executive of Lloyds Bank Foundation, Paul Streets.

The 2017 Social Change Award winners were:

Influencer Award - Kate Garbers, Managing Director at UnseenUK

The Great Giving Funders Award – Frances Moreton, Director at War Memorial Trust

The Lifetime Achievement Award - John Wills, Charity Manager for Greenpath Ventures

Rising Star Award - James Curtis, First Young Ambassador for Auditory Verbal UK

Everyday Impact: New Enterprises - Bright Shadow

Everyday Impact: Long-term - Carousel

1.2.2 Media coverage during the year

During 2017, DSC received coverage in 242 articles across a range of charity sector and non-charity sector press, a significant increase from 2016. We were asked to comment on a range of important issues, for example on Charity Commission guidance, strategy and governance; the snap General Election; the Spring and Autumn Budgets, amongst other topics.

A significant amount of media coverage was powered by our research paper on Brexit and the future of EU funding for charities, published in November. This generated 30 media articles in outlets like the *Huffington Post*, *The Guardian* and the *Evening Standard*, as well as local papers like the *Newcastle Evening Chronicle* and the *Western Mail*. We also achieved repeated coverage in *The Guardian* featuring the Big Lottery Refund campaign in the summer and autumn and DSC's Chief Executive continued her monthly column in *Third Sector Magazine*, regularly receiving positive feedback and shares on social media.

1.2.3 Policy and public affairs

One of DSC's policy principles is Responsible Regulation – we believe that the regulation of charities and voluntary groups should be proportionate, appropriate and enabling. Our policy activity follows from these principles, which are available on our [website](#).

This year DSC continued to influence public policy by offering constructive but forthright feedback on government proposals and issues that affect the sector's independence, particularly around regulation.

We made a detailed response to the Charity Commission's consultation on proposed changes to the Annual Return 2018 and were pleased to see some of our recommendations reflected in the Commission's response. We also supported enacting secondary legislation (published on 13 September 2017) which will permit charitable companies and Community Interest Companies (CICs)

to convert into Charitable Incorporated Organisations (CIOs). We provided evidence for the House of Lords report on 'Stronger charities for a stronger society' led by Baroness Pitkeathley. We continued to comment on the impact of the Lobbying Act on charities' campaigning activities and published flowcharts and blogs to help charities approach their campaigning in light of the 2017 snap General Election. We also produced a 'Manifesto Mashup' which analysed the main parties' positions on the charity and voluntary sector and key policy areas that affect charitable beneficiaries.

In advance of the government's Autumn Budget, we published unique research on the impact of uncertainty around EU funding for UK-based charities which included policy recommendations for government and charities.

DSC continued to engage with grant-making trusts and foundations, for example to discuss past and future development of philanthropic activity and grant-making practices during a roundtable to celebrate the release of the 25th edition of our flagship publication 'Directory of Grant Making Trusts'. As already highlighted, our conferences debated high-profile policy issues affecting the sector, for example on the impact of Brexit on charities, the General Data Protection Regulation and the potential need for a coordinating body for domestic disaster appeals in the wake of the Grenfell Tower disaster.

Over the year, DSC continued its typically outspoken commentary on many other issues through public speaking engagements, our E-newsletter, our Policy Bulletin, external articles and blogs, press releases, online message boards, and increasingly via social media channels such as twitter. We also worked to build strong relationships with colleagues in the sector and attended meetings and consultation events held by the Charity Commission, Charity Finance Group, the Association of Charitable Foundations, Charities Aid Foundation, the National Council for Voluntary Organisations, Lloyds Bank Foundation for England and Wales, the National Association for Voluntary and Community Action, and the Association of Chief Executives of Voluntary Organisations.

1.3 Connect givers, influencers and social change makers

During 2017 DSC carried out campaigning 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 4,000 charities. The campaign aims to get the government to pay back £425 million to the Big Lottery Fund, which was the amount taken in 2007 to support the London 2012 Olympics.

Campaign activity during 2017 included releasing a timeline infographic illustrating the developments around the campaign issue, writing press releases and articles which were picked up in national and sector press, and seeking to influence politicians on the issue. Notably, several pieces were published in *The Guardian* newspaper towards the end of 2017.

We corresponded with new Civil Society Minister Tracey Crouch MP, and the Labour Shadow Minister for Civil Society Steve Reed MP about the campaign. Based on our briefing, Steve Reed MP tabled a series of parliamentary questions (written and in session) which revealed new important details on the slow progress of repaying the Lottery from the sales of Olympic assets. This helped drive further press coverage.

1.3.2 Grants for Good campaign

Grants for Good is a collaborative campaign DSC runs in partnership with Charity Finance Group, Children England, NAVCA, Clinks, the Small Charities' Coalition, Locality and the Lloyds Bank Foundation for England and Wales. The broad aims of the campaign are to reverse the decline in public sector grants for charities, and to support better grant-making practice by public bodies.

During the year we added to the content hosted on the DSC website, expanded our supporter network, wrote articles about the need for grants in the sector press, and commented on related issues like the potential to use dormant assets to endow community foundations to build up local grant-making capacity. We reached out to public sector commissioners to create dialogue around grants, for example from Bexley Council, to share good practice and inform their grant-making strategy, as well as other local influencers in the North West of England.

1.3.3 Campaign Against Charging Charities

Successive cuts to the Charity Commission's budget remain a huge concern which DSC has consistently highlighted since 2010. We believe the Commission needs to be adequately resourced to enable charity trustees to perform their duties effectively. However, current budgetary pressures mean the Commission is now pushing to be able to charge charities for regulation, which DSC adamantly opposes.

In mid-2017 we highlighted the issue of lack of funding for the Commission's activities in a letter to the new Civil Society Minister Tracey Crouch as well as to the Commission's new CEO Helen Stephenson. We also asked for an increase of the Commission's budget (without charging charities) in a letter to Elizabeth Truss MP, Chief Secretary to the Treasury, and Chancellor Philip Hammond before the Autumn Budget. Our campaign messages were picked up by the sector press throughout the year.

In the coming year we will continue to push for greater and longer-term budget increases for the Commission and will continue to oppose charging charities. We will continue to work with other organisations that oppose charging and will engage with the Commission's planned consultation on charging charities when it finally materialises.

1.3.4 Research on Armed Forces Charities

DSC's research into Armed Forces Charities, funded by the Forces in Mind Trust (FiMT), continued with the award of a new three-year grant in late 2016.

In 2017 we published two new reports as part of this project: *Focus On: Mental Health Provision*, and *Focus On: Education and Employment Provision*, with research and writing taking place for a third report published in January 2018: *Focus On: Physical Health Provision*.

Approximately 700 reports have been downloaded from the project website www.armedforcescharities.org.uk, with a further 300 printed reports distributed to key individuals. Initial feedback from forces charities, FiMT, and other influencers has been excellent. Four more reports will be published in 2018-19. The project's website received almost 18,000 visitors in 2017. A completely redeveloped website will be launched in 2018 as part of the project plan agreed with FiMT.

Our research on Armed Forces Charities is forging a reputation for DSC as a leading authority on the subject. As an indication of the growing readership and influence in relevant social networks of this work, DSC researchers presented at one of the largest veterans' conferences in 2017 and more appearances are scheduled for 2018. Our research has been referenced in academic reports along with certain sector media outlets, and we have provided consultancy and data to senior members of the armed forces charities community. DSC researchers continue to develop strong relationships with Cobseo (The Confederation of Service Charities) and Veterans Scotland and the charities which they represent.

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.

It is wonderful and a boost to the independence of DSC that we were able to generate 99% (2016 – 82%) of our own income to bring total income for the year to £1,981,894 (2016 £2,493,541). While this is a 21% decrease in the overall income (due to the FIMT income of £447,459 in 2016), it is only a 3% decrease in our self-generated income despite the increasing difficult operating environment for the charitable sector as a whole.

Despite economic issues facing the UK (Brexit, low money market rates), DSC's historic defined benefit pension scheme continued to perform well with the continuing diminution of the deficit by £4,583 in 2017 (£1,566 in 2016). Almost all of the members of staff are enrolled into one of the 2 pension funds, and no new employee in 2017 declined the opportunity to join the auto-enrolment scheme.

The work on developing the new Subscription website (the Fundsonline) continued throughout 2017 even though the launch date has been pushed to 2018. The amount of work, mainly staff time costs, invested in the development by the end of 2017 was £94,776, and additional development costs of at least £50,000 will be added by the time the website is launched. In addition, a total of £137,767 investment has been made on various electronic and online learning platforms expected to launch in 2018. All these investments are made entirely from self-generated reserves, and is made with the aim of increasing the reach of DSC to its beneficiaries online, regionally, and with specific expertise. It is anticipated that this substantial financial effort will enable us to keep up with the pace of technological advance which continues apace in all walks of life.

The reach via DSC's expertise is also evidenced in the increase in research income from £4,500 in 2016 to £22,000 in 2017. DSC successfully carried out impact assessments for Seafarers UK (King George's Fund for Sailors), and intend to use the success as a launch pad to engage in more research-income generating activities to other grant-giving bodies and learning organisations.

2. Public Benefit

The Charitable company has complied with the guidance on public benefit requirement in accordance to Section 17 of the Charities Act 2011.

The Charity Commission in its “Charities and Public Benefit” Guidance requires that key principles 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 wider not-for-profit sector and grade our level of charges specifically so as to remain affordable to smaller charities with limited resources.

In addition, we continued to make a number of facilities available free to our beneficiaries during the year.

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.

We published approximately 190 free content articles in 2017. DSC e-news was read by approximately 60,000 charity professionals in 2017, and @DSC_Charity twitter followers stood at nearly 15,000 at the end of the year.

2.2 Library Facilities

We have a bookshop and library at our Holloway Road, London office 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 users are on the premises. Nearly 250 visitors took advantage of these facilities during 2017. We also gave occasional free funding website workshops on site in our Holloway Road library (visitor stats included in above total).

2.3 Charityfair

Charityfair which took place in London, continued to offer a free resource area, visitors could access professional one to one coaching sessions and plenary sessions on each day. There was also a free exhibition area with various exhibitors, the DSC funding websites, the Charityfair bookshop and a Wellbeing area.

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.

Many 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 or mobi and e-pub formats to aid readability. Where they are not for sale on our website as part of our standard offering, they can be requested through our customer services department.

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 2017 we had 5,321 newly registered users, compared to 16,120 in 2016 (when we were still registering users of our old site). Free downloads totalled 2,144 in the year, compared to 5,617 in 2016 with more content now provided directly on the site on specific pages or within blog posts, rather than as separate downloadable documents.

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 2017 the team responded to enquiries on a range of topics relating to charity development, governance, trusteeship, strategy, and of course, funding.

Examples range from advice requested on the suitability of setting up a charitable company limited by guarantee as opposed to a charitable incorporated organisation, to a PhD student from Liverpool University inviting the Research Manager to take part in a consultation on: 'The requirement to make an assessment of the risk of financial crime; the application of appropriate levels of due diligence to donors/partners/beneficiaries (the "know your" principles); consulting terrorist lists; reporting suspicious activity and reporting to the Charity Commission.'

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 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 2017 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 2016.

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

352 Holloway Road

London N7 6PA

Tel: 020 7697 4200

E-mail: cs@dsc.org.uk

Website: www.dsc.org.uk

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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
Chair from 19 September 2017

Andrew Garnett Chief Executive, The Garnett Foundation

Catherine Johnstone CBE Chief Executive Royal Voluntary Service
Resigned as Chair 19 September 2017 and Resigned as Trustee 1 December 2017

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
Resigned 11 July 2017 Street Hospital for Children NHS Foundation Trust

William Butler Third Sector Consultant
Appointed 26 July 2017

Emily Hughes Head of Quality, Girlguiding
Appointed 26 July 2017

Phyllida Perrett Strategic Development Director, Prospects Services
Appointed 26 July 2017

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 2017 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
Chibuzo Okpala	Interim Director of Finance

3.6 Auditors, Bankers and Solicitors

Auditors:

haysmacintyre
10 Queen Street Place
London EC4R 1AG

Bankers:

National Westminster Bank Plc
PO Box 224
9 The Broadway
Stanmore
Middlesex HA7 4XW

National Westminster Bank Plc
6 Grange Road West
Charing Cross
Birkenhead
Merseyside CH41 4DF

Solicitors:

Bates Wells & 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.

In 2017 we advertised, as well as put on our website, the need to appoint new trustees following identification of gaps in the trustee board in terms of skills, knowledge, etc. Short listed applications were interviewed by the Chair and another Trustee where possible. The Chief Executive attended interviews as an observer. All existing Trustees were 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. The day to day running of the charity is delegated to the senior leadership team.

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 2017:

Association of English Cathedrals
Charity Commission for England and Wales
Charity Finance Group
Children England
Clinks
Forces in Mind Trust (FiMT)
In Kind Direct
Institute of Fundraising (IoF)
Institute of Leadership and Management (ILM)
Lloyds Bank Foundation for England and Wales
Locality
London School of Economics
Murtaza Jessa
National Association for Voluntary and Community Action
National Council for Voluntary Organisations
Office for Civil Society
Reason Digital
Resource for London
Russell-Cooke
Sayer Vincent
Seafarers UK
Shyrose Jessa
Small Charities Coalition
Technology Trust
Third Sector
UpriseUP

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 outage or 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 hosting of websites in multiple data centres, so if one server goes down another is brought online; all critical data is backed-up offsite.

A Disaster Recovery Plan has been prepared

Back-up plans are in place

A full re-appraisal of risk management was completed at the end of 2016 and adopted in early 2017, taking account of the Charity Commission Guidance document "Charities and Risk Management" (CC26). The appraisal covers not only operational risks, but also identified and emerging risks. It maps the risks specific to the charitable company against a heat map with a points scoring system, to identify the degrees of risk faced with an assessment of the probability of each such risks arising.

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.

Actions taken to mitigate these risks are:

Risk management has been integrated into our monthly management reporting, with a clear assessment and escalation process. Managers are now accountable for risks in their own areas of the business. Following the monthly management reports, discussions about mitigating action with regard to any risk needing attention will take place either at the Leadership Team meeting, or with the relevant Senior Leader.

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 leadership team.

5. Finance Review

In 2017 we generated 99% (2016 – 82%) of our own incoming resources. This income is generated through the sales of our books, websites, training, research services, and events.

Overall charitable income in 2017 was £1,981,894 compared to £2,493,541 in 2016, a decrease of 20.5% which primarily relates to the restricted grant income (FIMT) of £447,459 which was accounted for in 2016 and being spent down over the next 3 years. DSC did not receive any restricted grant income in 2017. There was also a decrease of 8% (£68,027) in the training income

as well as small-value decreases in Publications, Subscriptions, and Sponsorship income streams. On the other hand, the freewill donations increased by £8,000 to £10,500, while the research increased its activities in line with the board's expectation of increasing expertise reach by attracting research income of £22,000 (up from £4,500 on 2016).

Expenditure was reduced to £2,029,866 compared to £2,248,429 in 2016, a reduction of 9.7% (£218,563). The significant reduction of £272,053 were in the staff costs and the activity running costs, resulting from the restructuring plan implemented in 2017. These decreases were partially offset by an increase of £53,490 on support costs (staff, office, and premises) as DSC spends the second full year at the current address.

The increased competitiveness within the training environment, as well as financial restrictions on charities' training budgets as the economic belt-tightening increases, has continued to adversely impact on DSC's income in 2017. Over most of the year, the training income was well below budgeted and forecasted level, though a substantial part of the decline was in line with expectations that training income will reduce following a restructure and refocussing of our offering. However, the last quarter of 2017 was remarkably successful for courses training in particular income £26K above the budgeted levels. This success was due to the quick reaction of the training team in responding to the increased demand for Data Protection Regulation (GDPR) training.

Another factor affecting performance was the delay in the development of the funding website subscription portal. This was originally planned for June 2017, but was intentionally delayed to 2018 to allow management to focus all its effort on ensuring that all activities are operating at peak efficiency and effectiveness, especially with the adverse variance to budget of the first 2 quarters. However, this meant that funding website subscriptions did not reach expected levels during the year.

The FIMT activity was the only restricted project in the year and effectively started at the beginning of 2017. The whole grant income was accounted for in 2016 with a balance of £441,696 available to spend down over 3 years from 2017 to 2019. The FIMT project absorbed £128,328 of costs from the overall expenditure, thereby turning the overall deficit of £47,972 into an unrestricted net income of £80,356. This has a very welcome impact of increasing the general reserves, especially after the fall in 2016. We are bidding for additional grant funded business, which is expected to make a contribution in 2018.

There was a small 2% decrease in net assets (working capital) in the year of £24,800. The balance was the £169,245 decrease in the grant balance owed by FIMT which was offset by the £67,499 increase in clients' debtor balances, and the £77,276 increase in stock and WIP. There was also a 19% decrease of £15,533 in the cash balance at the end of the year, which though lower than planned, is still within safe limits in light of the rigorous cash management planning and oversight implemented by management. DSC continues to operate without the need for an overdraft or bank borrowings.

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 donations of £10,500 in 2017 (2016 -£2,500).

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. DSC has a clear and concise salary policy.

5.3 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 charitable company on a quarterly basis when reviewing the management accounts with an analysis of the results by activity and the forecast results for the coming quarters; together with a review of management of debtors, statistical management indicators and cash flow analysis and forecasts.

The 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 Board is pleased to note that the unrestricted general funds have risen in the year from £112,275 to £192,631 an increase of 72% (2016 a reduction from £173,574 to £112,275 a decrease of 35%). The unrestricted reserves now represent 38% of the total reserves, up by 18 % from 2016's figure of 20%.

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 2017 these Designated Funds amounted to £9,697 (2016 - £16,785).

The Restricted Funds represent the residual value of the grant funds received but expected to be expended during 2018 and 2019, the remaining period of the grant funded project.

Despite the increase in funds in 2017 the Trustees will continue to review quarterly 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. Even with the increase in Bank of England base rate from 0.25% to 0.5% in November 2017, the continuing national policy of holding rates at such a low level means that it is not viable to manage the movement of funds between current and investment accounts. All funds during 2017 were held on current account. Income generated in 2017 amounted to £14 (2016 - £215).

5.5 Fundraising

The charitable company does not engage in any fundraising activities.

5.6 Restricted Funds

To the extent that Restricted Grants are liable to be returned to Grant Providers where they are unspent and it is not intended that they be spent, there was no grant due to be returned at 31 December 2017 (2016 - Nil).

6. Strategic Report - Plans for the Future

During the year the Trustees and Senior Leadership Team had a Strategy Away Day to review strategy set in 2016. This strategy focused on increasing DSC's reach, specifically;

- Online, through online learning and provision of other information and support
- Regionally, by increasing the support provided to organisations outside of London in particular
- Through growing expertise, and reaching more beneficiaries with specific and expert help.

At a Strategy Away Day, the Trustees and the Senior Leadership Team considered changes in the Charity sector's operating environment and the impact of ongoing national issues like Brexit and national government policies. The conclusion was that the strategy was still relevant and would enable DSC to continue to serve its beneficiaries in a time of great uncertainty.

A headline three-year budget and outline plan was developed, with significant focus on the coming year, based on the understanding that the needs of our DSC's beneficiaries could change considerably following implementations of Brexit and national government policy.

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.

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 **30th April 2018** and signed on their behalf, by:

**Phyllida Perrett
Trustee**

**Alistair Mortimer
Trustee**

The Directory of Social Change

Report and Financial Statements for the year ended 31 December 2017

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

Opinion

We have audited the financial statements of the Directory of Social Change for the year ended 31 December 2017 which comprise of the primary statements such as the Statement of Financial Activities, Balance Sheet, Cashflow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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.

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 2017 and of the charitable company's net movement in funds, including the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

**The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2017**

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Anna Bennett (Senior Statutory Auditor)

10 Queen Street Place

For and on behalf of haysmacintyre, Statutory Auditors

London

Date: 30 April 2018

EC4R 1AG

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 2017

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
For the year ended 31 December 2017

	Note	Restricted Funds 2017 £	Unrestricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
INCOME FROM					
Donations and legacies	2	-	10,500	10,500	2,500
Charitable activities	3				
<i>Training and events</i>		-	817,270	817,270	874,390
<i>Publications</i>		-	1,154,110	1,154,110	1,616,436
Investments		-	14	14	215
Total income		-	1,981,894	1,981,894	2,493,541
EXPENDITURE ON					
Charitable activities	4				
<i>Training and events</i>		-	967,354	967,354	1,004,736
<i>Publications</i>		128,328	934,184	1,062,512	1,243,693
Total expenditure		128,328	1,901,538	2,029,866	2,248,429
Net income		(128,328)	80,356	(47,972)	245,112
Transfers between funds		-	-	-	-
NET MOVEMENT IN FUNDS		(128,328)	80,356	(47,972)	245,112
Total funds at 1 January 2017		441,969	112,275	554,244	309,132
Total funds at 31 December 2017	19	£313,641	£192,631	£506,272	£554,244

The notes on pages 29 - 45 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 2016 are shown in note 24.

**The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2017**

BALANCE SHEET
Company limited by guarantee
As at 31 December 2017

Company Number: 02320712
Charity Number: 800517

	Note	2017		2016	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		9,697		16,785
Intangible assets	11		97,019		152,883
			<u>106,716</u>		<u>169,668</u>
CURRENT ASSETS					
Stock	12	497,725		420,449	
Debtors	13	469,899		618,303	
Cash at bank		67,911		83,443	
		<u>1,035,535</u>		<u>1,122,195</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(591,125)		(685,825)	
NET CURRENT ASSETS			<u>444,410</u>		<u>436,370</u>
Creditors: amounts falling due after more than one year	14		(44,854)		(51,794)
NET ASSETS	19		<u><u>£506,272</u></u>		<u><u>£554,244</u></u>
CHARITABLE COMPANY FUNDS					
Restricted funds	18		313,641		441,969
Unrestricted – designated funds	17		9,697		16,785
Unrestricted – general funds	17		182,934		95,490
			<u>£506,272</u>		<u>£554,244</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 29 - 45 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on **30th April 2018** and were signed below on their behalf by:

Phyllida Perrett
Trustee

Alistair Mortimer
Trustee

**The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2017**

**STATEMENT OF CASH FLOWS
FOR YEAR END 31 DECEMBER 2017**

	Note	2017 £	2016 £
Cash flows from operating activities	a)	<u>(13,672)</u>	<u>(123,594)</u>
Cash flows from investing activities			
Interest income		14	215
Purchase of tangible assets		(1,874)	(4,513)
Purchase of intangible assets		-	(36,229)
Cash provided by (used in) investing activities		<u>(1,860)</u>	<u>(40,527)</u>
Increase/(decrease) in cash and cash equivalents in the year		(15,532)	(164,121)
Cash and cash equivalents at the beginning of the year		83,443	247,564
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>£67,911</u>	<u>£83,443</u>
a) Net income (expenditure) for the year		(47,972)	245,112
Depreciation charges and amortisation		64,826	56,253
Dividends and interest from investments		(14)	(215)
Loss/(profit) on the sale of fixed assets		-	334
(Increase)/decrease in stock		(77,276)	(116,370)
Decrease/(increase) in debtors		148,404	(355,314)
(Decrease)/increase in creditors		(101,640)	46,606
Net cash generated/(used) in operating activities		<u>£(13,672)</u>	<u>£(123,594)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Statement of compliance

The financial statements have been prepared in accordance with 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 2016) - (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).

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. The Charity's registered office is 352 Holloway Road, London, N7 6PA.

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.

Significant judgements and sources of examination uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Depreciation and amortisation rates used;
- The overhead rate used when calculations a value for work in progress; and
- A discount rate of 1.39% (previously 2.5%) has been used to calculate the present value of pension provision.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

Income

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

Donations and legacies

Donations and gifts 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

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

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

- Training and events: 46%
- Publications and dissemination: 54%

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Fixed assets are stated at cost or deemed cost (donated valuation at estimated fair value) less accumulated depreciation and impairment losses. Assets costing more than £500 are capitalised.

Depreciation is calculated to write off the costs of the fixed asset by equal instalments as follows, all straight line:

Leasehold improvements	41 months, straight line (the life of the lease)
Furniture, fittings and equipment	5 years straight line
Computer equipment	4 years straight line

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

Stock

Stocks are valued at the lower of cost and net realisable.

Publications

Book stocks and work in progress on forthcoming books are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes, in the case of books and publications produced by the charitable company, production costs and applicable overheads as reduced by the amount of any grant receivable; in the case of books bought in from other publishers purchase cost only is included. A provision has been made for slow-moving items on the basis of expected future sales.

Subscription websites

The work in progress relates to the subscription websites for re-saleable items. Cost includes staff costs and associated overheads, which are amortised over the annual life of the subscriptions. This is continued on a rolling basis as the subscription websites are continually updated.

Electronic work-in-progress

The Work-in-Progress relates to work on the new Funding Online website, live streaming work, and work for on-line learning. Cost includes staff costs, associated overheads and third party supplier costs as incurred for these developments. Once live these will be amortised over 4 years.

Funds

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

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

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

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.

2. DONATIONS AND LEGACIES

	Total Funds 2017 £	Total Funds 2016 £
Donations	£10,500	£2,500

3. INCOME FROM CHARITABLE ACTIVITIES

	Total Funds 2017 £	Total Funds 2016 £
Training and events	817,270	874,390
Publications and dissemination of information	1,154,110	1,616,436
Total	£1,971,380	£2,490,826

See note 16 for details of movements in restricted funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

3. INCOME FROM CHARITABLE ACTIVITIES (continued)

Income from publications and dissemination of information	2017	2016
Includes grants as follows:	£	£
Armed Forces Research Report and Development of Website	-	447,459
Total	<u>£-</u>	<u>£447,459</u>

4. ANALYSIS OF EXPENDITURE

	Staff Costs £	Depreciation £	Other Costs £	Support Costs £	Total 2017 £	Total 2016 £
Training and events	386,246	4,123	331,860	245,125	967,354	1,004,736
Publications and dissemination of information	580,093	4,839	189,825	287,755	1,062,512	1,243,693
Total	<u>£966,339</u>	<u>£8,962</u>	<u>£521,685</u>	<u>£532,880</u>	<u>£2,029,866</u>	<u>£2,248,429</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 governance costs and support costs as detailed in Notes 5 and 6 respectively.

5. GOVERNANCE

	Total 2017 £	Total 2016 £
Staff costs	31,646	29,690
Other costs	10,746	15,882
Audit and accountancy	17,050	24,640
Total	<u>£59,442</u>	<u>£70,212</u>

During the year, no Trustees received any remuneration (2016: £Nil).

During the year, no Trustees received any benefits in kind (2016: £Nil).

During the year 2 Trustees were reimbursed £355 for out-of-pocket expenses for travel and subsistence (2016: 3 Trustees reimbursed £950).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

6. SUPPORT COSTS ALLOCATED TO ACTIVITIES

	Staff Costs £	Office Costs £	Premises Costs £	Governance Costs £	Total 2017 £	Total 2016 £
Training and events	46,261	150,948	20,573	27,343	£245,125	220,520
Publications and dissemination of information	54,306	177,200	24,150	32,099	£287,755	258,870
Total	<u>£100,567</u>	<u>£328,148</u>	<u>£44,723</u>	<u>£59,442</u>	<u>£532,880</u>	<u>£479,390</u>

Support costs are the costs of central management. These costs are apportioned to activities based on total direct costs.

7. NET INCOME FOR THE YEAR

This is stated after charging:

Depreciation of tangible fixed assets:

- owned by the charitable company

Amortisation of intangible fixed assets

Auditors' remuneration - audit services

	2017 £	2016 £
- owned by the charitable company	8,962	9,221
Amortisation of intangible fixed assets	55,864	47,032
Auditors' remuneration - audit services	18,500	17,900
	<u>83,326</u>	<u>74,153</u>

8. STAFF COSTS AND NUMBERS

Staff costs were as follows:

Wages and salaries

Social security costs

Pension costs

Redundancy payments

	2017 £	2016 £
Wages and salaries	966,998	1,041,047
Social security costs	87,511	104,577
Pension costs	12,397	14,974
Redundancy payments	-	58,637
	<u>£1,066,906</u>	<u>£1,219,235</u>

There were no redundancy payments made in the year (2016 – two payments, total of £41,137). Last year's redundancy payments were as a result of restructuring at the charitable company. There was one payment of £1,625 in the year for one employee for agreed early contract termination notice period (2016 – one payment, £17,500 for agreed notice period relating to long term illness). All amounts were paid in the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

8. STAFF COSTS AND NUMBERS

The average number of employees during the year was as follows:

	No.	No.
Training	14	17
Publications	13	18
Accounting and administrative support	8	7
Management and administration	-	1
	<hr/>	<hr/>
	35	48
	<hr/> <hr/>	<hr/> <hr/>
Full time equivalent	33	40
	<hr/> <hr/>	<hr/> <hr/>

1 (2016 – 1) employee received remuneration between £80,000 – £90,000 in 2017 (2016 - between £80,000 - £90,000). The employer pension contributions for this employee were £384 (2016 – £370).

The total employee remuneration of the key management personnel of the charitable company was £262,463 (2016: £271,075).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

9. PENSION COMMITMENTS

The charitable company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charitable company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore, the charitable 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.

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)
From 1 April 2016 to 30 September 2028:	£54,560 per annum	(payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

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 charitable company has agreed to a deficit funding arrangement the charitable 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.

**The Directory of Social Change
Report and Financial Statements for the year ended 31 December 2017**

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2017

9. PENSION COMMITMENTS (continued)

PRESENT VALUES OF PROVISION

	31 December 2017 (£s)	31 December 2016 (£s)	31 December 2015 (£s)
Present value of provision	44,678	49,261	50,847

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 December 2017 (£s)	Period Ending 31 December 2016 (£s)
Provision at start of period	49,261	50,847
Unwinding of the discount factor (interest expense)	668	1,205
Deficit contribution paid	(5,337)	(4,993)
Remeasurements - impact of any change in assumptions	86	2,202
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	44,678	49,261

There was £3,575 in outstanding contributions in 2017 (2016 - £660) included in the Balance Sheet.

10. TANGIBLE FIXED ASSETS	Leasehold Improvements £	Furniture & Fittings £	Computer Equipment £	Total £
Cost				
At 1 January 2017	7,781	10,791	165,445	184,017
Additions	-	-	1,874	1,874
Disposals	-	-	(2,126)	(2,126)
At 31 December 2017	7,781	10,791	165,193	183,765
Depreciation				
At 1 January 2017	4,175	3,614	159,443	167,232
Charge for the year	2,277	2,158	4,527	8,962
Disposals	-	-	(2,126)	(2,126)
At 31 December 2017	6,452	5,772	161,844	174,068
Net Book Value				
At 31 December 2017	£1,329	£5,019	£3,349	£9,697
At 31 December 2016	£3,606	£7,177	£6,002	£16,785

All fixed assets are used for charitable purposes.

**The Directory of Social Change
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2017

11. INTANGIBLE FIXED ASSETS	Websites	Total
	£	£
Cost		
At 1 January 2017	223,450	223,450
Additions	-	-
	<hr/>	<hr/>
At 31 December 2017	223,450	223,450
	<hr/>	<hr/>
Depreciation		
At 1 January 2017	70,567	70,567
Charge for the year	55,864	55,864
	<hr/>	<hr/>
At 31 December 2017	126,431	126,431
	<hr/>	<hr/>
Net Book Value		
At 31 December 2017	£97,019	£97,019
	<hr/>	<hr/>
At 31 December 2016	£152,883	£152,883
	<hr/>	<hr/>
12. STOCKS AND WORK IN PROGRESS	2017	2016
	£	£
Publications		
Work in progress	111,109	115,913
Finished books	154,072	129,324
Subscription websites		
Work in progress	53,167	69,508
Electronic		
Work in progress	179,377	105,704
	<hr/>	<hr/>
	£497,725	£420,449
	<hr/>	<hr/>
13. DEBTORS	2017	2016
	£	£
Trade debtors	127,299	101,920
Other debtors	9,430	21,047
Prepayments and accrued income	333,170	495,336
	<hr/>	<hr/>
	£469,899	£618,303
	<hr/>	<hr/>

**The Directory of Social Change
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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2017

14. CREDITORS: amounts falling due within one year	2017	2016
	£	£
Due within one year		
Trade creditors	70,055	116,962
Other taxation and social security	81,936	80,923
Other creditors	16,210	12,830
Accruals	43,261	45,449
Deferred income (see note 15)	374,466	424,324
Pension provision	5,197	5,337
	<u>£591,125</u>	<u>£685,825</u>
	<u><u>£591,125</u></u>	<u><u>£685,825</u></u>
CREDITORS: amounts falling after more than one year		
Other creditors	5,673	7,870
Pension provision	39,181	43,924
	<u>£44,854</u>	<u>£51,794</u>
	<u><u>£44,854</u></u>	<u><u>£51,794</u></u>
15. DEFERRED INCOME	2017	2016
	£	£
Balance at start of year	424,324	416,816
Less: Amount released to income	(424,324)	(416,816)
Add: Amount deferred in the year:		
Subscriptions	334,557	358,728
Training income	39,889	65,596
	<u>£374,446</u>	<u>£424,324</u>
	<u><u>£374,446</u></u>	<u><u>£424,324</u></u>
16. FINANCIAL INSTRUMENTS	2017	2016
	£	£
Financial assets at amortised cost	£212,144	£206,410
	<u>£212,144</u>	<u>£206,410</u>
Financial liabilities at amortised cost	£217,095	£232,372
	<u>£217,095</u>	<u>£232,372</u>

Under FRS 102 the definition of financial assets includes cash, trade debtors and other debtors. The definition of financial liabilities includes trade creditors, other creditors, accruals and pension liabilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2017

17. STATEMENT OF FUNDS	Brought Forward	Income	Expenditure	Transfers In/(out)	Carried Forward
	£	£	£	£	£
Designated fund					
Fixed Asset Fund	16,785	-	-	(7,088)	9,697
General funds	95,490	1,981,894	(1,901,538)	7,088	182,934
Total Unrestricted Funds	<u>£112,275</u>	<u>£1,981,894</u>	<u>£(1,901,538)</u>	<u>-</u>	<u>£192,631</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 £7,088 was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

18. STATEMENT OF FUNDS

Restricted funds

Publications and the dissemination of Information	441,969	-	(128,328)	-	313,641
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Restricted funds represent grants received to enable specific areas of charitable activities to be undertaken.

The restricted funds held at the year-end relates to Forces in Mind Trust (FiMT) 2. This is funded by the FiMT to produce themed research reports on Armed Forces Charities in 2017 and 2018 and redevelop the Armed Forces website (www.armedforcescharities.org.uk).

19. STATEMENT OF FUNDS 2017	Brought Forward	Income	Expenditure	Transfers In/(out)	Carried forward
	£	£	£	£	£
Designated funds	16,785	-	-	(7,088)	9,697
General funds	95,490	1,981,894	(1,901,538)	7,088	182,934
	<u>112,275</u>	<u>1,981,894</u>	<u>(1,901,538)</u>	<u>-</u>	<u>192,631</u>
Restricted funds	441,969	-	(128,328)	-	313,641
Total of funds	<u>£554,244</u>	<u>£1,981,894</u>	<u>£(2,029,866)</u>	<u>£-</u>	<u>£506,272</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2017

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Restricted	Unrestricted	Total	Total
	Funds	Funds	Funds	Funds
	2017	2017	2017	2016
	£	£	£	£
Tangible fixed assets	-	9,697	9,697	16,785
Intangible fixed assets	-	97,019	97,019	152,883
Current assets	313,641	721,894	1,035,535	1,122,195
Creditors due within one year	-	(591,125)	(591,125)	(685,825)
Creditors due after one year	-	(44,854)	(44,854)	(51,794)
Total	<u>£313,641</u>	<u>£192,631</u>	<u>£506,272</u>	<u>£554,244</u>

21. OPERATING LEASE COMMITMENTS

At 31 December 2017 the charitable company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2017	2016	2017	2016
	£	£	£	£
Less than 1 year	70,751	107,338	2,607	-
Between 2 and 5 years	84,869	134,707	13,332	-
> 5 years	14,358	35,485	-	-
	<u>£169,978</u>	<u>£277,530</u>	<u>£15,939</u>	<u>£-</u>

Committed rent and service charges payable for 2018 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 £49,532 (2016 - £77,252) and £21,216 (2016 - £21,216).

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.

22. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2017

23. RELATED PARTY TRANSACTIONS

Caron Bradshaw, a Trustee of the charitable company, is also the Chief Executive of Charity Finance Group.

Membership of the Charity Finance Group was taken out by the charitable company for Mr Chi Okpala, DSC Interim Director of Finance in 2017 at a cost of £335.00. (In 2016 an equivalent subscription had been taken out in the name of Mr Satinder Pujji, Director of Finance at that time at a cost of £330.00).

Other than as stated above there were no transactions between the charitable company in the year and any entity with which any of the Trustees was connected (In 2016 – in addition to the above Lesley Thornley, a Trustee of the charitable company, is also the Chief Executive of Hull and East Riding Citizens Advice Bureau. In 2016 Mr Graham Shepherd, the Director of Finance of the Hull & East Riding Citizens Advice Bureau attended a course on Financial Governance provided by the charitable company at a cost of £85.00).

Debra Allcock Tyler, Chief Executive of the charitable company was also a Trustee throughout the year of In Kind Direct. There were no related party items in 2017. (2016 In Kind Direct exhibited at Charityfair on a free of charge basis, the equivalent cost would have been £600 including VAT).

John M de C Hoare, Company Secretary of the Charitable Company acted throughout the year in that capacity. In the year and in his capacity as Company Secretary he attended as a delegate free of charge the following conferences put on by the charitable company:

- Charity Accountants Conference, Nottingham – September 2017 (equivalent cost would have been £ 649 including VAT).

(In 2016, in his capacity as Company Secretary he attended on a free of charge basis Charity Accountants Conference, Bristol for which the equivalent cost would have been £674 (including VAT); Data Protection, London for which the equivalent cost would have been £335; and Business and Strategic Planning, London for which the equivalent cost would have been £340).

Chi Okpala, Interim Director of Finance of the charitable company acted through the year in that capacity. In the year and in his capacity as Interim Director of Finance he attended as a delegate free of charge the following conferences and courses put on by the charitable company:

- Managing for Managers, London – October 2017 (equivalent cost would have been £500). (There was no equivalent cost in 2016).

As stated above Membership of the Charity Finance Group was taken out by the charitable company for Mr Chi Okpala in 2017 at a cost of £335.00. (2016 no equivalent cost in his name).

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NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2017

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2016):

	Note	Restricted Funds 2016 £	Unrestricted Funds 2016 £	Total Funds 2016 £
INCOME FROM				
Donations and legacies	2	-	2,500	2,500
Charitable activities	3			
<i>Training and events</i>		-	874,390	874,390
<i>Publications</i>		447,459	1,168,977	1,616,436
<i>Charity centre</i>		-	-	-
Investments		-	215	215
Total income		447,459	2,046,082	2,493,541
EXPENDITURE ON				
Charitable activities	4			
<i>Training and events</i>		-	1,004,736	1,004,736
<i>Publications</i>		141,048	1,102,645	1,243,693
<i>Charity centre</i>		-	-	-
Total expenditure		141,048	2,107,381	2,248,429
Net income		306,411	(61,299)	245,112
Transfers between funds		-	-	-
NET MOVEMENT IN FUNDS		306,411	(61,299)	245,112
Total funds at 1 January 2016		135,558	173,574	309,132
Total funds at 31 December 2016	17	£441,969	£112,275	£554,244