

**Company Number: 02320712**

**Charity Number: 800517**

# **Trustees' Report and Financial Statements**

## **For the year ended 31 December 2019**



**directory of social change**

**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 2019**

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# The Directory of Social Change

## Report and Financial Statements for the year ended 31 December 2019

### Message from the Chair

DSC prides itself on being a strong, independent and vocal supporter of social change. What we do helps charities to help their communities and beneficiaries across the UK. Whilst the period of this report predates the Covid 19 pandemic, DSC's major developments and key achievements in 2019, have cemented the belief for the entire DSC board that we are #NeverMoreNeeded.

Amongst the highlights of 2019 was the completion of the 3 year research project funded by our friends at Forces In Mind Trust (FiMT), interrogating the make-up and work of armed forces charities. The project provided essential information via a website, publications and reports. This successful partnership continues into 2020 and consolidates DSC's reputation as experts in the field. More importantly, this work continues to inform policy makers and influencers in the field and at government level. We are very proud of our work and relationship with FiMT and see it as an exemplar of how funders and grant recipients can work together in partnership to produce excellent results that have impact.

DSC is at its best when it works alongside others. We were delighted to support the work of the International Federation of Red Cross and Red Crescent Societies (IFRC) attracting fundraisers from around the globe to the International Conference. We were also proud of the work we did with the Association of English Cathedrals working with Cathedral Chapters around the country on governance and financial leadership.

Our substantial investment in the development of our on-line funding information saw the launch of the new platform Funds On Line at the start of the year. This built on and consolidated the highly effective individual funding platforms of previous years into one super platform. This wonderful resource aids all fundraisers, whether fundraising professionals or individuals from smaller charities who carry out fundraising as part of their other duties and need to be able to access information quickly and easily. Best of all, this new platform ensures easy storage and retrieval of previous applications saving precious time and energy.

DSC continues to speak out without fear or favour for the benefit of the charities we serve. Although we lost our Policy Manager in the middle part of the year, DSC's trustees stepped up to support the staff team by providing independent commentary and campaign support on important issues that matter to our beneficiaries. In particular, DSC continued to push back against the Charity Commission's current, negative narrative about public trust in charity, which places too much importance on an interpretation of public opinion rather than the law and regulation. DSC's leadership and forthright critique has helped create space for other charities to join these debates and put forward their own views.

The campaign for the return of the lottery money, annexed by the government over 10 years ago, remains on our agenda. The lack of progress in this area is frustrating but we're determined not to allow the government to forget the commitment to repay this money.

DSC's revenue model is such that we don't typically attract donations, however, the one exception is the Jessa family whose personal contributions to our work are enormously appreciated. The whole DSC team send heartfelt thanks to the Jessa family.

As we explain in Section 4.2, during the year we completely revised our trustee recruitment process in order to be more reflective of the charities and communities we serve. This proved hugely successful and in 2020 we will welcome 5 new members of our board making us more diverse and inclusive.

DSC is an organisation that has overcome some significant challenges, continues to run itself tightly and effectively; reaching thousands of charities of all shapes and sizes. We remain committed to and proud of

## **The Directory of Social Change**

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serving charities with practical, useful and timely support and information. Together we are changing the world for the better.

**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 2019.

### **1. Achievements and Activities during 2019**

DSC's vision is 'An independent voluntary sector at the heart of social change'. In 2019 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.
- Remain 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:

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

The total number of people, communities and causes helped by our work is very difficult to estimate, with much of the direct support we provide to organisations or individuals having a multiplying effect, through their own organisations, members and beneficiaries. However we believe that the activities outlined in the following sections all contributed to DSC directly reaching over 35,000 individuals across the charity sector in 2019.

#### **1.1 Regional**

DSC undertook a range of activities in 2019 that were either based in regions outside of London, or were specifically aimed at supporting the widest number of charities across England and Wales, irrespective of their geographical location.

##### **1.1.1 In house training**

DSC supported over 120 different organisations in 2019, delivering tailored in-house training to organisations including Age UK, The Iranian Society, Anthony Nolan, London Youth, University of Plymouth Students' Union, Foundation for International Education and The Union, Manchester Metropolitan University.

The most popular subjects continued to be Management, Leadership, Finance, Law, Personal Development and Fundraising. Which we continued to deliver across the country in places such as London, Dorking, Berkshire, Brighton, York, Manchester, Portsmouth, Devon and Morecombe.

We also continued our partnership with the Association of English Cathedrals (AEC) to deliver a tailored programme of training to the 42 Anglican Cathedral Chapters. The AEC project continued from 2018 into 2019 delivering training to Cathedrals in London, Birmingham, Bristol, Exeter, Devon, Canterbury and Winchester.

#### 1.1.2 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 138 free content articles in 2019. DSC e-news and DSC Policy Bulletins were read by 81,000 people in 2019, and @DSC\_Charity twitter followers stood at just over 17,600 followers at the end of the year.

#### 1.1.3 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. Over 250 visitors took advantage of these facilities during 2019.

#### 1.2 Expertise

In 2019 DSC undertook a range of activities designed to connect either our own expertise or that of others in the sector, with the charities that most need it.

##### 1.2.1 Training Courses

During 2019 1,000 delegates attended over 130 courses, covering popular topics such as Project Management, Finance for Non-Finance Managers, Moving into Management, Managing for Managers and Duties of a Trustee.

We successfully ran a one day Moving into Management course in Liverpool attended by 10 delegates. This is part of a small offering of courses we are running in Liverpool to extend our reach regionally.

##### 1.2.2 Conferences

DSC organised 6 events in 2019, the first event of the year was the **International Federation of Red Cross and Red Crescent Societies (IFRC)**. DSC provided administrative support before the event and logistical support over the week the event took place. IFRC's annual three-day International Fundraising Skillshare event 2019, took place on Tuesday 26 March until Friday 29 March 2019.

This event attracted over 200 attendees from across the world who form part of the International Red Cross and Red Crescent Movement. Delegates attended from societies in the United Kingdom, United States of America, Canada and Europe with European partners including: The German Red Cross, The French Red Cross, The Netherlands Red Cross, The Italian Red Cross, The Swedish Red Cross, The Austrian Red Cross. Globally attendees from the Mexican Red Cross, The Burundi Red Cross, Ghana Red Cross, Qatar Red Crescent and Afghan Red Crescent were also represented.

This year's **Charity Accountants' Conference** was held on 19-20 September in Nottingham. The event attracted 94 delegates and 6 exhibiting organisations. Feedback was positive with 50% of delegates rating the event overall as excellent and another 37% rating it as good:

*"Excellent all round couple of days. So many opportunities to network and discuss technical questions with the experts. Great value for money and will now be an annual event for our team." Lucy Phillips, Acorns Children's Hospice*

**The Fundraising Now Conference** 2-day event was held in 2019, 108 people booked to attend the event, which took place on Wednesday 6 and Thursday 7 November at The Resource for London.

This is the second time we have run this event. Numbers were slightly down compared to 2018. There was a total of 40 fundraising sessions covering various aspects of fundraising, from beginners, to experts and generalists. 62% of attendees provided feedback. Of those 90% said the overall event was either good or outstanding and 88% said the event programme was good or outstanding.

**The Management Conference** took place at Resource for London on 26 November 2019. 80 delegates attended. Of the 80 that attended 41% provided feedback, 96% of these rated the overall conference and the conference programme as either good or outstanding.

This was a one-day conference which offered 12 sessions covering various aspects of management, there were also 3 plenary sessions with guest speakers from the sector such as ACEVO, ROTA and Support in Mind Scotland. The final plenary of the day was delivered by our CEO Debra Allcock Tyler and the feedback received was:

- *So inspirational - I left the conference galvanised and proud to be in the sector*
- *One of the most inspiring talks I've heard in a while. As a fellow CEO it really encouraged me to keep going.*
- *Just really inspirational and refreshing to hear this level of honesty*

#### 1.2.3 Publishing

2019 saw the publication of six new titles covering a range of topic areas including some new editions of core titles. April saw the publication of the 12<sup>th</sup> edition of *The Guide to UK Company Giving 2019/20* with a foreword by Amanda Mackenzie OBE, Chief Executive of Business in the Community. Close behind in June we released our annual look at newly registered grant-making charities with *The Guide to New Trusts 2019/20* in both print and pdf formats. It included information on grant-makers established by entrepreneurs, investment bankers, sports people and a notable fashion designer.

In September we published the 26<sup>th</sup> edition of *The Directory of Grant Making Trusts 2020/21* with a foreword by Amanda Bringans, Director of Fundraising, British Heart Foundation and Chair of Trustees, Institute of Fundraising. The annual total awarded by the 2,000 funders featured in the directory amounted to £5 billion. In the same month we published the 7<sup>th</sup> edition of our main fundraising handbook that first saw the light of day twenty seven years earlier in 1992, *The Complete Fundraising Handbook*. The new edition was once again authored by Nina Botting Herbst, Director of Individual Giving at the National Trust for Historic Preservation in the USA. This time she was helped by co-author and fundraising consultant, Lianne Howard-Dace, contributing on events and community fundraising. Reflecting changes in technology, a full chapter was also devoted to digital fundraising with expertise provided by Lisa Clavering and James Gadsby Peet.

In October we published the long-anticipated second edition of *Community Fundraising* in our revised Fundraising Series overseen by Professor Adrian Sargeant and Dr Claire Routley of The Philanthropy Centre, and also in partnership with the Institute of Fundraising. A great success when published in 2002 by the much-missed Harry Brown, the wholly rewritten and expanded 2<sup>nd</sup> edition was created by Sam Rider with the contributions of eleven noted community fundraisers.

To complete our publishing year, also in October, we released the 4<sup>th</sup> edition of *The Complete Volunteer Management Handbook* written in association with the University of Kent. We brought together top names in the field of volunteering – Rob Jackson, Mike Locke, Dr Eddy Hogg and

original author, Rick Lynch – and distilled their combined knowledge into one very handy volume. The foreword was by famous para-athlete and President of NCVO Dame Tanni Grey-Thompson.

The full list of new print titles in 2019 in order of publication was:

- *The Guide to UK Company Giving 2019/20* – 12<sup>th</sup> edition
- *The Guide to New Trusts 2019/20* – 8<sup>th</sup> edition
- *The Complete Fundraising Handbook* – 7<sup>th</sup> edition
- *Directory of Grant Making Trusts 2020/21* – 26<sup>th</sup> edition
- *The Complete Volunteer Management Handbook* – 4<sup>th</sup> edition
- *Community Fundraising* – 2<sup>nd</sup> edition

**1.2.4 The Big Lottery Refund campaign** has been going since 2011 and is supported by over 4000 charities. It aims to get the government to pay back £425 million taken from the Big Lottery Fund (now the National Lottery Community Fund), which was the amount taken from the Fund between 2007 and 2012 to support the London 2012 Olympics. During the year we engaged Shadow Ministers Steve Reed MP and Vicky Foxcroft MP about the issue and wrote to various ministers and officials in the Department of Digital Culture, Media and Skills to brief them yet again and demand that the funds be repaid. We continue to be frustrated by our lack of progress in this area, but will not allow the issue to be forgotten.

**1.2.5 The Grants for Good campaign** is a collaborative campaign with other charities including the Charity Finance Group, Children England, Locality, Lloyds Bank Foundation for England and Wales, and Clinks. The campaign aims to reverse the decline in public sector grants for charities, and to support better grant-making practice by public bodies. We highlighted the importance of grants in our contribution to the Labour Party's civil society policy review and our General Election asks.

**1.2.6 Campaign against Charging Charities.** Since 2010 DSC has campaigned against cuts to the Charity Commission's budget, but in recent years the Commission has argued that it needs the power to charge charities for their own regulation, which DSC adamantly opposes. We continued to make the case against this in public statements during 2019, including when additional money was provided to the Commission in Chancellor Sajid Javid's 'spending review' in the autumn.

#### **1.2.7 Policy and public affairs**

Due to challenging financial circumstances, we were unable to replace our Policy and Campaigns Manager from June 2019. This has stretched our ability to cover a traditionally wide range of policy issues and campaigns affecting charities. However, partly by involving our board of trustees more directly in this work, DSC continued to play a leading role in key policy debates that affect the independence of charities during the year. These included:

- Responding to a consultation on SORP Committee Governance, highlighting the need for a clearer vision and mission for the SORP Committee and a broadening of the scope and input to the advisory SORP Committee.
- Publicly critiquing the Fundraising Regulator's shift to naming and shaming charities that have not paid their voluntary levy, through several pieces in the sector press, blogs and a debate on a BBC Radio 4 programme.
- Consistently pushing back against the Charity Commission's current narrative about public trust in charity, which places an interpretation of public opinion rather than the law and regulation at the centre of its priorities, regulatory focus and public messaging, and which too



often conflates all charities into one homogenous group. DSC's leadership and insightful, forthright critique on this topic is increasingly recognised by peers and expert commentators in the sector.

- Feeding into a policy review by the former Minister for Civil Society Steve Reed MP, to make the case for a revival of grant funding, a Community Wealth Fund, and a refund of the money taken from charities to fund the 2012 Olympics (our Big Lottery Refund campaign). Positive language about grants and a wealth fund were included in the final paper, *From Paternalism to Participation*.
- Analysing the Conservative, Labour and Liberal Democrat election manifestos in December, to assess what they said about charities and civil society and explain what policy proposals could affect charities working in certain policy areas.
- Continuing to analyse major government statements such as the Spring Budget and Autumn interim 'spending review' for policy implications for charities and the wider voluntary sector. We know that many colleagues value our concise, freely available blogs which cut through dense policy material to explain implications for charities.

#### 1.2.8 Research on Armed Forces Charities

During 2019 DSC concluded the third year of a three-year grant from the Forces in Mind Trust (FiMT) to research Armed Forces Charities and provide information via the website [www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk). Towards the end of 2019, DSC agreed a one-year extension to the project to continue running the website and to produce two more *Focus On* reports in 2020: one on Families and one on Finance. Our partnership with FiMT continues to be a productive and strategically important one for DSC and the armed forces charities sector.

In March, we published *Armed Forces Charities: Sector Trends*, which examines the sector between 2012 and 2018, including its changing composition, finances, and patterns of opening and closing charities. FiMT's CEO, Ray Lock called the report: '*a must read for those making decisions about resources, how they can be generated and where they are best deployed, as well as for those who commentate responsibly about the sector.*' By the end of the year there were 416 downloads of the report and related Fact Sheets, Infographics and Research Briefs from our website.

In September DSC published another report on forces charities: *Focus On: Armed Forces Charities in the Criminal Justice System*. By the end of the year there were 196 downloads of the report and related Fact Sheets, Infographics and Research Briefs from our website.

During the year we also conducted research for *Sector Insight: Armed Forces Charities*, a comprehensive analysis of the sector that updates a similar exercise and publication from 2014.

#### 1.2.9 Commissioned Research

During 2019, DSC increased the breadth and type of research projects we carry out for valued partners from across the sector. This has become an important part of DSC's offering to the charity sector. We are able to provide high-quality impact evaluations, data analyses, surveys, organisational strength reviews, and other research consultancy for clients. Our team is skilled at working with prospective clients to design projects that will meet their needs and available budget.

In March, we were commissioned by FiMT to do an in-depth analysis or 'deep dive' of the literature and evidence around Health and Wellbeing for the Armed Forces Community, to help inform FiMT's

strategic development and priorities. The final report (delivered in February 2020) includes findings, recommendations and a 'needs identification framework' which identifies gaps in the evidence for FiMT to consider.

At the end of March, we delivered an in-depth report for the Liverpool ONE Foundation evaluating 18 of their grants to local groups working in the area of young people's mental health. The analysis identified common themes from the experiences of the grantees' young beneficiaries and presented clear findings and recommendations that Liverpool ONE and others can use in the design of future programmes. The report was launched in November and DSC had the pleasure of presenting findings to grantees and other influencers from the Merseyside area.

In June, DSC won a substantial contract to undertake an impact evaluation of LIBOR funding on behalf of the Armed Forces Covenant Fund. Feedback from the Covenant Fund highlighted DSC's expertise in armed forces charities, which was an integral part of the bid. Initial findings will be published in 2020.

#### **1.2.10 Enquiries to DSC's Research Team**

The DSC Research Team, based in Liverpool, maintains the data which drives our funding website, [www.fundsonline.org.uk](http://www.fundsonline.org.uk), and produces a range of publications to guide and assist our beneficiaries with their fundraising. Team members have a wealth of knowledge and experience about funding for charitable causes and can respond to enquiries referred by other departments or directly from the public. During 2019, the team responded to enquiries concerning charity/CIC registration and development, governance, trusteeship, strategy, reviewing and providing guidance on funding applications, and of course, sources of funding.

Referrals from the Charity Commission are not uncommon. Members of the team respond directly to most of these enquiries or will signpost or suggest other relevant organisations to approach.

### **1.3 Digital**

2019 saw DSC extend its digital reach in a number of areas, increasing the help that we are able to offer online, and delivering information support in formats that are easier to access for a range of our beneficiaries.

#### **1.3.1 Training Online**

Training Online launched at the end of March, this is an online learning platform that can be accessed anytime, anywhere, letting you learn when it is convenient to you. There are 18 online training courses, each consisting of short, bite-sized training modules. All modules are delivered at an introductory level, with the majority only taking under 60 minutes to complete, and the longest only three hours long. Topic areas covered are Management and Leadership, Personal development, Finance and Law, and Marketing and Communications. Course prices range from £5.99 - £19.99.

#### **1.3.2 Digital Conference**

DSC's second **Charity Digital Conference** took place on 25 June 2019, in partnership with Reason Digital, the event was not as well attended as the year before with 56 delegates in total.

#### **1.3.3 Print and Digital Publishing**

We further extended the number of titles available on dual platforms. The majority of our titles are now available digitally either as kindle titles through [amazon.co.uk](http://amazon.co.uk) or as viewable pdfs, mobi and

epub formats through [www.dsc.org.uk](http://www.dsc.org.uk). And in 2019 we produced the following e-publications in digital formats (including pdf, Kindle, mobi and e-pub):

- *The Guide to New Trusts 2019/20* – 8<sup>th</sup> edition
- *The Complete Fundraising Handbook* – 7<sup>th</sup> edition
- *Community Fundraising* – 2<sup>nd</sup> edition
- *The Complete Volunteer Management Handbook* – 4<sup>th</sup> edition

For our beneficiaries who may be sight impaired 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.

### **1.3.4 Funding websites**

Funds online was launched on 22 January 2019. This platform combined information from DSC's previous four funding sites, Trustfunding, Company Giving, Government Funding and Grants for Individuals. Once all the post launch process was completed the four previous sites were switched off at the end of September 2019.

The Funds Online platform not only allows access to the different datasets from one platform but also includes an interactive dashboard, which allows tracking of all activity, including applications, new funding opportunities and saved searches and funders.

The platform was positively received by many users, including Anne-Marie Cagliarini of Community Integrated Care: "The dashboard is really easy to navigate and really clear. The information is all there so you really don't have to search for it"

Over the year there were:

734,519 Searches performed

420,465 Searches Saved

### **1.3.5 DSC website [www.dsc.org.uk](http://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, presentations, brochures and policy briefings. At the end of 2019 we had 11,797 users. Free downloads totalled 25,652 in the year (not including "Look Insides").

### **1.3.6 Governance App**

Work started on the development of a digital governance application, aiming to build on the Charity Governance Code and create a practical tool to help charities identify their own challenges and support them to address them. We are extremely grateful for the support we have received from The Clothworkers' Foundation that enabled us to carry out the preliminary planning and scoping of this project.

### **1.3.7 Media Coverage**

During 2019 we received 120 media mentions in a variety of websites such as Charity Digital News, Third Sector, Civil Society, Cheshire and Wirral Partnership NHS Foundation Trust, North East Connected, M2 and more. Highlights included Debra's articles in Third Sector magazine, our reaction to the General Election result, our research on trends in the armed forces charity sector and the gender pay gap reporting process amongst others.

Data shows a decline in DSC's presence in traditional media over recent years, partly due to a change in our own approach (for example, campaigning on more charity-specific, regulatory issues that may be of less interest to the mainstream press) but also due to wider changes in the industry (the shift from content appearing in traditional newspapers to online publications, social media, and self-published formats). As a result, traditional measures of the value of media coverage are less and less useful.

As the media environment continues to evolve, we are increasingly pushing out more content via DSC's own website and our social media channels, particularly Twitter, LinkedIn and Facebook.

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

DSC continued to affirm its independence by generating 99.3% of its own funds in 2019 (2018 - 99.6%). There was an increase in overall income of 7% to £2,018,918 from £1,884,884 in 2018. This is despite the charitable sector as a whole continuing to be assailed from all sides by financial, operational and reputational issues.

Despite economic issues facing the UK (Brexit, low money market rates), DSC's historic defined benefit pension scheme again produced a modest performance, so that the deficit diminished by a further £3,085 (£5,392 in 2018).

The funding website [www.fundsonline.org.uk](http://www.fundsonline.org.uk), was brought into full operation in October 2019, and the old subscription websites switched off. To achieve this the total investment over 4 years is £278,899, which includes a further £42,746 invested in the year and £236,153 transferred from work in progress. This follows investments of £141,377 in 2018, £53,523 in 2017 and £41,253 in 2016. Alongside this substantial investment, development work continued with the OnLine Training platform, which continues to need further development.

All these investments are made entirely from self-generated reserves, 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 in all walks of life.

The reach via DSC's expertise is also evidenced in the increase in commissioned research income to £100,880 in 2019 (£74,000 in 2018), derived from a range of projects utilising different methods. These ranged from the Armed Forces Covenant research into the LIBOR grants evaluation, to YMCA Impact Evaluation and Spelthorne Rentstart. Our continuing experience with these types of project provide a good record for developing these research-income generating activities in the future.

## **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 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 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 and advancement of education and 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 138 free content articles in 2019. DSC e-news and DSC Policy Bulletins were read by 81,000 people in 2019, and @DSC\_Charity twitter followers stood at just over 17,600 followers at the end of the year.

#### **2.3 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.fundsonline.org.uk](http://www.fundsonline.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 our beneficiaries who may be sight impaired 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.

#### **2.4 Website [www.dsc.org.uk](http://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, presentations, brochures and policy briefings. At the end of 2019 we had 11,797 users. Free downloads totalled 25,652 in the year (not including "Look Insides").

### **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, is at 352 Holloway Road, London N7 6PA.

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 2019 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: 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) (second edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

### **3.2 Who we are**

Established in 1975, DSC's vision is that of a flourishing independent voluntary and community sector at the heart of social change. Furtherance of this aim means that 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 the subscription website [www.fundsonline.org.uk](http://www.fundsonline.org.uk)
- Campaigning on issues that affect 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](http://www.dsc.org.uk)

### **3.3 Where we are**

We have an office in London and one in Liverpool.

#### **3.3.1 The London office**

352 Holloway Road  
London N7 6PA  
Tel: 020 7697 4200  
E-mail: [cs@dsc.org.uk](mailto:cs@dsc.org.uk)  
Website: [www.dsc.org.uk](http://www.dsc.org.uk)

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

Suite 103  
1 Old Hall Street  
Liverpool L3 9HG  
Tel: 0151 708 0136  
E-mail: [research@dsc.org.uk](mailto:research@dsc.org.uk)

### **3.4 Trustees:**

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

Caron Bradshaw Chair	Chief Executive, Charity Finance Group, Trustee, Together Charitable Foundation
William Butler	Third Sector Consultant
Joyce Fraser (Appointed 28 April 2020)	Chair, Black Heroes Foundation
Andrew Garnett (Resigned 31 October 2019)	Chief Executive, The Garnett Foundation
Matthew Hill (Appointed 28 April 2020)	Head of Business Support, P3
Emily Hughes	Head of Quality, Girlguiding, Trustee, Avert
Anneka Kapadia (Appointed 28 April 2020)	Senior Volunteer Manager, Volunteering Matters
Lizzie Kenyon (Appointed 28 April 2020)	Director, Centre for Social Innovation, Keep Britain Tidy
Phyllida Perrett	Third Sector Consultant
Andrew Purkis	Third Sector Consultant, Trustee Safe Passage International, Parish Church Councillor of St Mary's Church Balham, Governor Trinity St Mary's Primary School and Blogger
Kashif Shabir (Appointed 28 April 2020)	CEO, Muslim Aid
Lesley Thornley	Chief Executive, Hull & East Riding Citizens Advice Bureau

### **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 2019 comprised:

Debra Allcock Tyler	Chief Executive
Ben Wittenberg	Director of Development and Delivery
Jay Kennedy	Director of Policy and Research
Annette Lewis	Director of Services
Chibuzo Okpala	Interim Director of Finance (until 29 March 2019)
Yvonne Coleman	Head of Finance (from 19 March 2019)

### **3.6 Auditors, Bankers and Solicitors**

#### **Auditors:**

Haysmacintyre LLP  
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.

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.

As part of our governance review of our compliance with the governance code we had noted the need to diversify our board. As a result of that we implemented a completely new trustee recruitment process (details of which are available on our website) and began the search for 2 new trustees.

Amongst other actions we changed the language in our adverts, simplified the application process and advertised in new ways to further our reach. We also noted that prior trustee experience was not a prerequisite, as a full induction and training are provided.

This significant change in approach resulted in us receiving around 40 applications, a huge increase on previous trustee recruitment rounds. Shortlisted candidates were interviewed by the Vice Chair and another Trustee. The Chief Executive attended interviews as an observer. In the end, the shortlist was so excellent the trustees decided to appoint five new trustees instead of the original



two. All existing Trustees were consulted on the final selection. The five new trustees will be fully inducted and officially appointed in 2020.

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.

#### **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 2019:

ACEVO  
Association of English Cathedrals  
Centre for Cities  
Charity Commission for England and Wales  
Charity Finance Group  
Children England  
Citizens Advice Hull and East Riding  
Civil Society Media  
The Clothworkers' Foundation  
Cobseo  
Community Foundation for Lancashire and Merseyside  
Forces in Mind Trust (FiMT)  
Green Corridor  
In Kind Direct  
Institute of Fundraising (IoF)  
Institute of Leadership and Management (ILM)  
Liverpool One Foundation  
Lloyds Bank Foundation for England and Wales  
Locality  
London School of Economics  
Marine Society and Sea Cadets  
National Association for Voluntary and Community Action  
National Council for Voluntary Organisations  
National Union of Students  
Office for Civil Society

Office of the Scottish Charity Regulator  
Reason Digital  
Resource for London  
Russell-Cooke  
Sayer Vincent  
Seafarers UK  
Shyrose Jessa  
Small Charities Coalition  
Technology Trust  
Third Sector  
University of Plymouth  
UpriseUP  
Veterans Scotland

#### **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 last 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.

Risks are reviewed by the Trustees from time to time to reflect the need to keep particular items under review, but also to respond to new or existing risks that are given public prominence concerning charities generally.

## **5. Finance Review**

In 2019 we again generated over 99% of our own incoming resources (2019 - 99.3%, 2018 – 99.6%). This income is generated through the sales of our books, websites, training, research services and events.

Overall charitable income in 2019 was £2,018,918 compared to £1,884,884 in 2018, an increase of 7% (against a 5% decrease in 2018 from 2017). Although there was a decrease in training and events income of 3.9%, this was more than compensated for by a 14.2% increase in income from publications and dissemination of information including research projects.

Expenditure on unrestricted activities increased by 0.6% to £1,858,764 in 2019 from £1,847,322 in 2018, while expenditure on restricted activities decreased 19.7% to £164,428 in 2019 from £204,813 in 2018. There were modest falls in governance costs and in staffing costs.

The increased competitiveness within the training environment, as well as financial restrictions on charities' training budgets as the economic belt-tightening continued, adversely impacted on DSC's training and events income in 2019, a trend recognisable since 2017. Over much of the year, training income was below budgeted and forecast level. Brexit and political uncertainty had a continuing impact. What the economic environment will be like once the Brexit transition period is over and full Brexit is in effect, remains to be seen of course.

The full effect of the new funding website subscription portal will only be felt in a normal year, as it only came into its own finally in October 2019, and of course 2020 has been so seriously affected by the COVID-19 pandemic that it will probably be at least 2021 if not 2022 before full economic activity resumes in the UK and world economies.

The Forces in Mind (FiMT) activity continued in accordance with the three year project agreed with them. 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, so that the final tranche of £149,428 was expended in 2019. We start 2020 with a further grant from them amounting to £125,825 to enable the armed forces charities website to be maintained and two new Focus research projects undertaken as outlined elsewhere in this Report.

Grant income from The Clothworkers' Foundation was received in 2019 amounting to £15,000 (2018 other providers £40,600). This project was completed during the year with the £15,000 of funds being fully accounted for in 2019. (2018 equivalent £40,600).

We are bidding for additional grant funded work, which is expected to make a contribution in 2020.

There was a 77% decrease in net current assets (working capital) in the year of £226,920 (2018 34% decrease of £149,675). This is only to be expected given the extent of the investment in the funding website and the On-Line Learning portal and an increase in stock and work-in-progress on publications. Within this there was a 32% decrease in cash balances, during the year, (21% decrease in 2018). A regime of rigorous cash management planning and oversight, started in 2018, continued during the whole of 2019, with daily and weekly bankings being monitored. Daily bankings have always been a good measure of the forward health of the activities of the Charitable Company.

### **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 £14,391 in 2019 (2018 - £6,007).

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 Chief Executive's salary is determined in line with the pay policy for all DSC staff. 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.
- 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' approach is to adopt some of the recommendations in Charity Finance Group's report 'Beyond Reserves'.

Currently 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. During 2019 the Trustees considered that the reserves were adequate.

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 Board is pleased to note that despite the substantial investment in electronic work-in-progress on subscription websites and online training, the unrestricted general funds were able to be increased by £19,329 in the year (2018 depleted by £3,038) to stand at £208,922 at the year-end (2018 £189,593). Unrestricted reserves now represent 62% of the total reserves (2018 56% of total reserves).

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.

Funds are designated to an amount equal to the sum represented by the net book value of Fixed Assets comprising leasehold improvements, furniture and fittings and computer equipment. At 31 December 2019 these Designated Funds amounted to £3,672 (2018 - £4,431). Our Designated Funds are reviewed annually.

The Restricted Funds of £125,825 (2018 - £149,428) represent the residual value of the grant funds received but expected to be expended during 2020, the remaining period of the grant funded project.

Trustees continue to believe 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, however, this decision is continually reviewed including the ongoing level of reserves required.

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. The Bank of England base rate remained at 0.75% for the whole of 2019. 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 2019 were held on current account. Income generated in 2019 amounted to £83 (2018 - £57).

#### **5.5 Fundraising**

The Charitable Company has not made any fundraising appeals to the general public during the year, and is unlikely to do so in the future. Fundraising focusses on securing grants and donations from registered charities and business links. There has been no outsourced fundraising via professional fundraisers or other third parties. Consequently, the Charitable Company is not registered with the Fundraising Regulator and received no fundraising complaints in the year.

#### **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 2019 (2018 - Nil).

## **6. Plans for the Future**

As agreed by the Trustees at the 2018 annual Strategy Away Day, DSC's strategic priorities for 2019 remained the same as the previous year, to increase DSC's reach:

- 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
- Online, through online learning and provision of other information and support.

In order to inform the future of DSC, and support further strategic conversations, the executive carried out a deep analysis of DSC's work, beneficiary base and activities, called Project Fresh Look. The project conclusions and recommendations were reported back to the Board in April 2019 with a range of short, medium- and long-term action to be taken. These actions covered reviews of analysis of recent decisions, critical assessment of recent projects to identify opportunities for increasing reach further, specific growth plans for core products and services and a number of targets around improving the connections between existing products, services and DSC beneficiaries.

Many of the Fresh Look outcomes and decisions were incorporated into construction of the three-year budget 2020-2022, with significant focus on the coming year, based on the understanding that the needs of 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 LLP 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 16 September 2020 and signed on their behalf, by:

**William Butler**  
Trustee

**Emily Hughes**  
Trustee

**The Directory of Social Change**  
**Report and Financial Statements for the year ended 31 December 2019**

**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 2019 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).

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 2019 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 pages 20 and 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](http://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.

**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.

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.

Anna Bennett (Senior Statutory Auditor)

10 Queen Street Place

For and on behalf of Haysmacintyre LLP, Statutory Auditors

London

Date: 28 September 2020

EC4R 1AG

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(incorporating income and expenditure account)**  
**For the year ended 31 December 2019**

	Note	Restricted Funds 2019 £	Unrestricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<b>INCOME FROM</b>					
Donations and legacies	2	-	14,391	14,391	6,007
Charitable activities	3				
<i>Training and events</i>		-	749,333	749,333	779,441
<i>Publications</i>		140,825	1,114,286	1,255,111	1,099,379
Investments		-	83	83	57
<b>Total income</b>		<b>140,825</b>	<b>1,878,093</b>	<b>2,018,918</b>	<b>1,884,884</b>
<b>EXPENDITURE ON</b>					
Charitable activities	4				
<i>Training and events</i>		-	1,003,484	1,003,484	943,982
<i>Publications</i>		164,428	855,280	1,019,708	1,108,153
<b>Total expenditure</b>		<b>164,428</b>	<b>1,858,764</b>	<b>2,023,192</b>	<b>2,052,135</b>
<b>Net income</b>		<b>(23,603)</b>	<b>19,329</b>	<b>(4,274)</b>	<b>(167,251)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(23,603)</b>	<b>19,329</b>	<b>(4,274)</b>	<b>(167,251)</b>
Total funds at 1 January 2019		149,428	189,593	339,021	506,272
<b>Total funds at 31 December 2019</b>	17, 18,19	<b>£125,825</b>	<b>£208,922</b>	<b>£334,747</b>	<b>£339,021</b>

The notes on pages 28 - 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 2018 are shown in note 25.

**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2019**

**BALANCE SHEET  
As at 31 December 2019**

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

		2019		2018	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		<b>3,672</b>		4,431
Intangible assets	11		<b>295,080</b>		76,956
			<u>298,752</u>		<u>81,387</u>
<b>CURRENT ASSETS</b>					
Stock	12	<b>469,334</b>		678,711	
Debtors	13	<b>276,811</b>		241,986	
Cash at bank		<b>36,656</b>		53,716	
		<u>782,801</u>		<u>974,413</u>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	14	<b>(714,986)</b>		(679,678)	
<b>NET CURRENT ASSETS</b>			<b>67,815</b>		294,735
<b>Creditors: amounts falling due after more than one year</b>	14		<b>(31,820)</b>		(37,101)
<b>NET ASSETS</b>	20		<b>£334,747</b>		<b>£339,021</b>
<b>CHARITABLE COMPANY FUNDS</b>					
Restricted funds	18		<b>125,825</b>		149,428
Unrestricted – designated funds	17		<b>3,672</b>		4,431
Unrestricted – general funds	17		<b>205,250</b>		185,162
	19		<u>£334,747</u>		<u>£339,021</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 28 - 45 form part of these financial statements.

The financial statements were approved and authorised for issue by the Trustees on 16 September 2020 and were signed below on their behalf by:

**William Butler**  
Trustee

**Emily Hughes**  
Trustee

The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2019

STATEMENT OF CASH FLOWS  
FOR YEAR END 31 DECEMBER 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>	a)	265,089	29,810
<b>Cash flows from investing activities</b>			
Interest income		83	57
Purchase of tangible assets		(3,333)	-
Purchase of intangible assets		(278,899)	(44,062)
<b>Cash provided by (used in) investing activities</b>		(282,149)	(44,005)
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		(17,060)	(14,195)
Cash and cash equivalents at the beginning of the year		53,716	67,911
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		£36,656	£53,716
<b>a) Net income (expenditure) for the year</b>		(4,274)	(167,251)
Depreciation charges and amortisation		64,867	69,391
Dividends and interest from investments		(83)	(57)
Loss/(profit) on the sale of fixed assets		-	-
(Increase)/decrease in stock		209,377	(180,986)
Decrease/(increase) in debtors		(34,825)	227,913
(Decrease)/increase in creditors		30,027	80,800
<b>Net cash generated/(used) in operating activities</b>		£265,089	£29,810

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2019

### **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 current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (second edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland 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 13. 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 Trustees have considered the impact of COVID-19 and the challenges presented to the Charity in preparing their financial forecasts and have subsequently prepared cashflow forecasts, considering the possible negative impacts of the pandemic, to reflect the result of the COVID-19 pandemic and its impact on the Charity sector and the Charity's cash flow and reserves.

This demonstrates that the Charity is forecast to generate income in the year ending 31 December 2020 and beyond that, has sufficient reserves to enable the Charity meet its obligations as they fall due for a period of at least 12 months from the date of signing of these accounts.

The review of our forward forecasts, financial position, reserve levels and future plans gives Trustees confidence that 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 calculating a value for work in progress; and
- A discount rate of 1.13% (previously 1.39%) has been used to calculate the present value of pension provision.

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

**1. ACCOUNTING POLICIES (continued)**

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 of information: 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

**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



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

**1. ACCOUNTING POLICIES (continued)**

**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.

**Stock**

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

*Publications*

Book stocks and work in progress on forthcoming books are valued at the lower of cost or 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 live streaming and 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

**1. ACCOUNTING POLICIES (continued)**

**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.

**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 contribution 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

<b>2. DONATIONS AND LEGACIES</b>	<b>Total Funds 2019 £</b>	<b>Total Funds 2018 £</b>
Donations	<b>£14,391</b>	£6,007
	<u><u>          </u></u>	<u><u>          </u></u>
<b>3. INCOME FROM CHARITABLE ACTIVITIES</b>	<b>Total Funds 2019 £</b>	<b>Total Funds 2018 £</b>
Training and events	<b>749,333</b>	779,441
Publications and dissemination of information	<b>1,255,111</b>	1,099,379
	<u><u>          </u></u>	<u><u>          </u></u>
Total	<b>£2,004,444</b>	£1,878,820
	<u><u>          </u></u>	<u><u>          </u></u>

See note 18 for details of movements in restricted funds.

Income from publications and dissemination of information includes restricted grant income of £140,825 (2018: £40,600) relating to research projects:

The Clothworkers' Foundation - £15,000 - towards developing an App to support Trustee Governance best practice.

Forces in Mind Trust £125,825 – towards the Armed Forces Project 2020 for the continuation of the website [armedforcescharities.org.uk](http://armedforcescharities.org.uk) and the production of two Focus Reports on Finance and Families.

**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2019**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 December 2019

**4. ANALYSIS OF EXPENDITURE**

	<b>Staff Costs £</b>	<b>Amortisation &amp; Depreciation £</b>	<b>Other Costs £</b>	<b>Support Costs £</b>	<b>Total 2019 £</b>
Training and events	467,094	29,840	272,461	234,089	1,003,484
Publications and Dissemination of information	548,328	35,027	161,554	274,799	1,019,708
<b>Total</b>	<b>£1,015,422</b>	<b>£64,867</b>	<b>£434,015</b>	<b>£508,888</b>	<b>£2,023,192</b>

**ANALYSIS OF EXPENDITURE (2018)**

	<b>Staff Costs £</b>	<b>Depreciation £</b>	<b>Other Costs £</b>	<b>Support Costs £</b>	<b>Total 2018 £</b>
Training and events	461,134	2,422	324,738	155,688	943,982
Publications and Dissemination of information	541,331	2,844	381,213	182,765	1,108,153
<b>Total</b>	<b>£1,002,465</b>	<b>£5,266</b>	<b>£705,951</b>	<b>£338,453</b>	<b>£2,052,136</b>

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**

	<b>Total 2019 £</b>	<b>Total 2018 £</b>
Staff costs	31,452	32,404
Other costs	10,501	10,573
Audit and accountancy	21,890	22,216
<b>Total</b>	<b>£63,843</b>	<b>£65,193</b>

During the year, no Trustees received any remuneration (2018: £Nil).

During the year, no Trustees received any benefits in kind (2018: £Nil).

During the year 2 Trustees were reimbursed £726 for out-of-pocket expenses for travel and subsistence (2018: 2 Trustees reimbursed £549).

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

For the year ended 31 December 2019

**6. SUPPORT COSTS ALLOCATED TO ACTIVITIES (2019)**

	Staff Costs £	Office Costs £	Premises Costs £	Governance Costs £	Total 2019 £
Training and events	24,912	126,227	53,582	29,368	234,089
Publications and dissemination of information	29,245	148,179	62,900	34,475	274,799
Total	<u>£53,157</u>	<u>£274,406</u>	<u>£116,482</u>	<u>£63,843</u>	<u>£508,888</u>

**SUPPORT COSTS ALLOCATED TO ACTIVITIES (2018)**

	Staff Costs £	Office Costs £	Premises Costs £	Governance Costs £	Total 2018 £
Training and events	45,080	60,921	19,698	29,989	155,688
Publications and dissemination of information	52,920	71,516	23,124	35,204	182,765
Total	<u>£98,000</u>	<u>£132,437</u>	<u>£42,822</u>	<u>£65,193</u>	<u>£338,453</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

2019 £	2018 £
4,092	5,266
60,775	64,125
19,900	19,000
<u>          </u>	<u>          </u>

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

For the year ended 31 December 2019

<b>8. STAFF COSTS AND NUMBERS</b>	<b>2019</b>	2018
	£	£
<b>Staff costs were as follows:</b>		
Wages and salaries	<b>996,198</b>	1,015,842
Social security costs	<b>83,137</b>	100,385
Pension costs	<b>21,696</b>	16,642
	<u><b>£1,101,031</b></u>	<u>£1,132,869</u>

There were no payments in the year for early termination (2018 – no payments in the year for early termination).

The average number of employees during the year was as follows:	<b>No.</b>	<b>No.</b>
Training	<b>16</b>	16
Publications	<b>14</b>	12
Accounting and administrative support	<b>7</b>	7
	<u><b>37</b></u>	<u>35</u>
Full time equivalent	<u><b>35</b></u>	<u>32</u>

1 (2018 – 1) employee received remuneration between £80,000 – £90,000 in 2019 (2018 - between £80,000 - £90,000). The employer pension contributions for this employee were £1,188 (2018 – £703).

The total employee remuneration of the key management personnel of the Charitable Company was £265,076 (2018: £296,949).

# The Directory of Social Change

## Report and Financial Statements for the year ended 31 December 2019

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2019

#### 9. PENSION COMMITMENTS

The Charitable Company participates in the scheme, a multi-employer scheme which provides benefits to some 950 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 2017. This valuation showed assets of £794.4m, liabilities of £926.4m and a deficit of £131.5m. 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 2019 to 31 January 2025:	£11,243,000 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.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. 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 2019 to 31 January 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)

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 2019**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

for the year ended 31 December 2019

**9. PENSION COMMITMENTS (continued)**

PRESENT VALUES OF PROVISION

	31 December 2019 (£s)	31 December 2018 (£s)	31 December 20176 (£s)
Present value of provision	37,723	43,104	44,678

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 December 2019 (£s)	Period Ending 31 December 2018 (£s)
Provision at start of period	43,104	44,678
Unwinding of the discount factor (interest expense)	694	583
Deficit contribution paid	(6,654)	(5,497)
Remeasurements - impact of any change in assumptions	579	(471)
Remeasurements - amendments to the contribution schedule	-	3,811
Provision at end of period	37,723	43,104

There was £4,575 in outstanding contributions in 2019 (2018 - £3,859) included in the Balance Sheet.

**10. TANGIBLE FIXED ASSETS**

	Leasehold Improvements £	Furniture & Fittings £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 January 2019	7,781	10,791	165,193	183,765
Additions	-	-	3,333	3,333
At 31 December 2019	7,781	10,791	168,526	187,098
<b>Depreciation</b>				
At 1 January 2019	7,781	7,930	163,623	179,334
Charge for the year	-	2,158	1,934	4,092
At 31 December 2019	7,781	10,088	165,557	183,426
<b>Net Book Value</b>				
<b>At 31 December 2019</b>	<b>£-</b>	<b>£703</b>	<b>£2,969</b>	<b>£3,672</b>
At 31 December 2018	£-	£2,861	£1,570	£4,431

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 2019

<b>11. INTANGIBLE FIXED ASSETS</b>		<b>Total</b>
		<b>£</b>
<b>Cost</b>		
At 1 January 2019		267,512
Additions		278,899
		<hr/>
At 31 December 2019		546,411
		<hr/>
<b>Depreciation</b>		
At 1 January 2019		190,556
Charge for the year		60,775
		<hr/>
At 31 December 2019		251,331
		<hr/>
<b>Net Book Value</b>		
<b>At 31 December 2019</b>		<b>£295,080</b>
		<hr/> <hr/>
At 31 December 2018		£76,956
		<hr/> <hr/>
<b>12. STOCKS AND WORK IN PROGRESS</b>	<b>2019</b>	2018
	<b>£</b>	<b>£</b>
<b>Publications</b>		
Work in progress	<b>92,071</b>	116,911
Finished books	<b>191,709</b>	154,958
<b>Subscription websites</b>		
Work in progress	<b>49,443</b>	46,681
<b>Electronic</b>		
Work in progress	<b>136,111</b>	360,161
	<hr/>	<hr/>
	<b>£469,334</b>	£678,711
	<hr/> <hr/>	<hr/> <hr/>
<b>13. DEBTORS</b>	<b>2019</b>	2018
	<b>£</b>	<b>£</b>
Trade debtors	<b>36,750</b>	54,801
Other debtors	<b>12,247</b>	23,851
Prepayments and accrued income	<b>227,814</b>	163,334
	<hr/>	<hr/>
	<b>£276,811</b>	£241,986
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

for the year ended 31 December 2019

<b>14. CREDITORS: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade creditors	<b>152,104</b>	57,836
Other taxation and social security	<b>88,630</b>	93,689
Other creditors	<b>15,900</b>	26,902
Accruals	<b>75,225</b>	101,959
Deferred income (see note 15)	<b>375,943</b>	393,630
Pension provision	<b>7,184</b>	5,662
	<hr/>	<hr/>
	<b>£714,986</b>	<b>£679,678</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>CREDITORS: amounts falling after more than one year</b>		
Other creditors	<b>1,281</b>	3,477
Pension provision	<b>30,539</b>	33,624
	<hr/>	<hr/>
	<b>£31,820</b>	<b>£37,101</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>15. DEFERRED INCOME</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Balance at start of year	<b>393,630</b>	372,446
Less: Amount released to income	<b>(393,630)</b>	(374,446)
Add: Amount deferred in the year:		
Subscriptions	<b>312,656</b>	336,855
Training income	<b>63,287</b>	56,775
	<hr/>	<hr/>
	<b>£375,943</b>	<b>£393,630</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>16. FINANCIAL INSTRUMENTS</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Financial assets at amortised cost	<b>£85,653</b>	<b>£132,368</b>
	<hr/>	<hr/>
Financial liabilities at amortised cost	<b>£282,133</b>	<b>£229,460</b>
	<hr/>	<hr/>

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 2019

<b>17. STATEMENT OF FUNDS 2019</b>	<b>Brought Forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers In/(out)</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Designated fund</b>					
Fixed Asset Fund	4,431	-	-	(759)	3,672
<b>General funds</b>	185,162	<b>1,878,093</b>	<b>(1,858,764)</b>	<b>759</b>	<b>205,250</b>
<b>Total Unrestricted Funds</b>	<b>£189,593</b>	<b>£1,878,093</b>	<b>£(1,858,764)</b>	<b>-</b>	<b>£208,922</b>

<b>STATEMENT OF FUNDS 2018</b>	<b>Brought Forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers In/(out)</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Designated fund</b>					
Fixed Asset Fund	9,697	-	-	(5,266)	4,431
<b>General funds</b>	182,934	1,844,184	(1,847,322)	5,266	185,162
<b>Total Unrestricted Funds</b>	<b>£192,631</b>	<b>£1,844,184</b>	<b>£(1,847,322)</b>	<b>-</b>	<b>£189,593</b>

**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 £759 (2018: £5,266) was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.

**18. RESTRICTED FUNDS (2019)**

Publications and the dissemination of Information	149,428	<b>140,825</b>	<b>(164,428)</b>	-	<b>£125,825</b>
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**RESTRICTED FUNDS (2018)**

Publications and the dissemination of Information	313,641	40,600	(204,813)	-	£149,428
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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). This is a grant for 2020 to cover the continued operation of the Armed Forces Charities Website ([www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)). and the production of two Focus reports on Finance and Families.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
for the year ended 31 December 2019

<b>19. STATEMENT OF FUNDS 2019</b>	<b>Brought Forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers In/(out)</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Designated funds	4,431	-	-	(759)	3,672
General funds	185,162	1,878,093	(1,858,764)	759	205,250
	<u>£189,593</u>	<u>£1,878,093</u>	<u>£(1,858,764)</u>	-	<u>£208,922</u>
Restricted funds	149,428	140,825	(164,428)	-	£125,825
Total of funds	<u>£339,021</u>	<u>£2,018,918</u>	<u>£(2,023,192)</u>	-	<u>£334,747</u>

<b>STATEMENT OF FUNDS 2018</b>	<b>Brought Forward</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers In/(out)</b>	<b>Carried forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Designated funds	9,697	-	-	(5,266)	4,431
General funds	182,934	1,844,184	(1,847,322)	(5,266)	185,162
	<u>192,631</u>	<u>1,844,284</u>	<u>(1,847,322)</u>	-	<u>189,593</u>
Restricted funds	313,641	40,600	(204,813)	-	149,428
Total of funds	<u>£506,272</u>	<u>£1,884,884</u>	<u>£(2,052,135)</u>	£-	<u>£339,021</u>

<b>20. ANALYSIS OF NET ASSETS BETWEEN FUNDS 2019</b>	<b>Restricted Funds 2019</b>	<b>Unrestricted Funds 2019</b>	<b>Total Funds 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	-	3,672	3,672
Intangible fixed assets	-	295,080	295,080
Current assets	125,825	656,976	782,801
Creditors due within one year	-	(714,986)	(714,986)
Creditors due after one year	-	(31,820)	(31,820)
Total	<u>£125,825</u>	<u>£208,922</u>	<u>£334,747</u>

<b>ANALYSIS OF NET ASSETS BETWEEN FUNDS 2018</b>	<b>Restricted Funds 2018</b>	<b>Unrestricted Funds 2018</b>	<b>Total Funds 2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	-	4,431	4,431
Intangible fixed assets	-	76,956	76,956
Current assets	149,428	824,985	974,413
Creditors due within one year	-	(679,678)	(679,678)
Creditors due after one year	-	(37,101)	(37,101)
Total	<u>149,428</u>	<u>£189,593</u>	<u>£339,021</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

for the year ended 31 December 2019

**21. OPERATING LEASE COMMITMENTS**

At 31 December 2019 the charitable company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2019	2018	2019	2018
	£	£	£	£
Less than 1 year	<b>107,109</b>	103,339	<b>4,390</b>	4,136
Between 2 and 5 years	<b>289,899</b>	373,924	<b>335</b>	1,500
> 5 years	-	-	-	-
	<b><u>£397,089</u></b>	<u>£477,263</u>	<b><u>£4,725</u></b>	<u>£6,636</u>

Committed rent and service charges payable for 2019 under the lease of the offices at 352 Holloway Road, London N7 (which was renewed on 1 Aug 2018 for a term expiring on 31 July 2023) and the lease of One Old Hall Road, Liverpool (which expires on 3 September 2023) amount respectively to £83,132 (2018 - £82,121) and £21,432 (2018 - £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.

**23. RELATED PARTY TRANSACTIONS**

**Caron Bradshaw**, a Trustee of the Charitable Company, is also the Chief Executive of Charity Finance Group.

DSC subscribes to Charity Finance Group on behalf of the organisation, at a cost of £345 (In 2018 the equivalent subscription was £345).

**Lesley Thornley**, a Trustee of the Charitable Company, is also the Chief Executive of Hull and East Riding Citizens Advice Bureau Ltd, which organisation retained the Charitable Company to undertake an Impact evaluation study "Help Through Crisis" project at a cost of £12,000 (inc VAT), of which the first instalment of £6,000 (inc VAT) was invoiced in November in 2018. No further charges were invoiced in 2019, but this project is ongoing,

**Emily Hughes**, a Trustee of the Charitable Company, is also Head of Quality Girlguiding, which organisation sent a delegate to attend the course "Moving into Management" at a cost of £471 during the year. There was no equivalent cost in 2018.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

for the year ended 31 December 2019

**23. RELATED PARTY TRANSACTIONS (continued)**

**Emily Hughes** is also a Trustee of Avert which organisation purchased DSC In-House Training for 9 staff on “Project Management” at a cost of £980 during the year. In addition, Avert sent a delegate to attend the course “Mastering Time Management” at a cost of £329. During the year. In neither case was there any equivalent cost in 2018.

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.

**24. POST BALANCE SHEET EVENTS**

**COVID-19 pandemic**

Since the year-end, the COVID-19 pandemic has had a significant impact on all areas of the sector. COVID-19 is considered to be a non-adjusting post balance sheet event and therefore has not been taken into account in preparing the balance sheet as at 31 December 2019.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

for the year ended 31 December 2019

**25. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2018):**

	Note	Restricted Funds 2018 £	Unrestricted Funds 2018 £	Total Funds 2018 £
<b>INCOME FROM</b>				
Donations and legacies	2	-	6,007	6,007
Charitable activities	3			
<i>Training and events</i>		-	779,441	779,441
<i>Publications</i>		40,600	1,058,779	1,099,379
Investments		-	57	57
<b>Total income</b>		<b>40,600</b>	<b>1,844,284</b>	<b>1,884,884</b>
<b>EXPENDITURE ON</b>				
Charitable activities	4			
<i>Training and events</i>		-	943,982	943,982
<i>Publications</i>		204,813	903,340	1,108,153
<b>Total expenditure</b>		<b>204,813</b>	<b>1,847,322</b>	<b>2,052,135</b>
<b>Net income</b>		<b>(164,213)</b>	<b>(3,038)</b>	<b>(167,251)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(164,213)</b>	<b>(3,038)</b>	<b>(167,251)</b>
Total funds at 1 January 2018		313,641	192,631	506,272
<b>Total funds at 31 December 2018</b>	19	<b>£149,428</b>	<b>£189,593</b>	<b>£339,021</b>