

Company Number: 02320712 (England & Wales)  
Charity Number: 800517

## The Directory of Social Change

Trustees' Report and Financial Statements  
For the year ended 31 December 2022

**The Directory of Social Change**  
**Report and Financial Statements for the year ended 31 December 2022**

**Contents**

---

Message from the Chair	1 - 2
Trustees' Report	
1. Achievements and Activities	3 – 9
2. Public Benefit	9 – 10
3. Regulatory and Administrative Details	11– 13
4. Structure, Governance and Management	14 – 16
5. Finance Review	16 – 18
6. Strategic Report – Plans for the Future	18
7. Auditors	18
Statement of Trustees' Responsibilities	19
Independent Auditors' Report	20 – 22
Statement of Financial Activities	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 41

---

## **Message from the Chair**

---

The 2022 perfect storm created by frequent changes in government leadership meant that we found ourselves subject to the proverbial ‘slings and arrows of outrageous fortune’ with a consequent effect on our ability to function well, and on the whole sector’s capacity to both raise much needed finances and get our voices heard.

This turbulence impacted on our own and the sector’s work in several ways. Firstly, because the many organisations struggling to raise money to provide vital services found it hard to find the wherewithal to invest in the development of their staff, volunteers and trustees, which in turn affected DSC’s revenue in the year. Secondly, although we had increased demands for our popular free to user services, which we were proud to offer, they required a significant investment of staff time and energy in a year when there were many other competing demands.

However, we did manage to navigate the complex and challenging environment quite well and ended the year in a reasonably stable financial position, although without being able to build up the cash reserves we had planned to do whilst providing vital services to the sector.

Our annual trading income was £1.6m, compared to £1.7m in 2021, a reduction of 4.6% in 2022. At the end of the year, we had added £48k to the unrestricted reserves in line with the plans for 2022. Overall, our total reserves now sit at £299k consisting of £151k of unrestricted reserves and £148k of restricted reserves.

We were able to grow our increasingly successful podcast series with seven episodes resulting in over 1000 listeners, and to produce 8 new titles in our range of print and digital publications on topics highly relevant to the sector, including ‘Grants Fundraising’ and ‘Staff Forums’.

The Governance App continued to provide a simple and free way for Boards of trustees to assess their performance against the key elements of the Charities Governance Code. This has proved a highly successful innovation with 2,435 trustees from 1,047 organisations using it to improve their governance in the year.

Our policy work included a detailed response to the Commission’s consultation on proposed revisions to the charities Annual Return for 2023, and following the passage of the Dormant Assets Act, a response to the Government’s consultation whilst supporting the work of the Community Wealth Fund Alliance. In addition, we continued to be a key collaborator in the Civil Society Group, working with fellow infrastructure bodies to get the voice of the sector heard, and to and promote good practice and influence decision makers.

We celebrated the eighth year of our research partnership with Forces in Mind Trust (FiMT), which funds our research on Armed Forces Charities and provides valuable information influencing how the sector engages with itself and with government.

We also invested considerable time and effort in developing our Funds Online website to improve functionality for subscribers. Internal processes were also upgraded, enabling our research team to significantly increase the number of records updated in this period.

More detail on what we achieved can be found in the report below but given how challenging and difficult the year was to navigate, the trustees are very proud of the enormous amount the team achieved and how committed they remained on DSC’s focus to continue serving the sector as best we could.

**The Directory of Social Change  
Report and Financial Statements for the year ended 31 December 2022**

**Message from the Chair**

---

A particular shout out to the Jessa Family who continue to support us with their invaluable donations, and to our key partners in the year, including but not restricted to, The Forces In Mind Trust, Armed Forces Covenant Trust, Benefact Group (previously Ecclesiastical), Lloyds Bank Foundation for England and Wales, Sayer Vincent and The National Lottery Community Fund.

**William Butler**  
Chair  
The Directory of Social Change

## Trustees' Report

---

### Trustees' Report

Welcome to the Trustees' Annual Report and Audited Financial Statements for the year ended 31 December 2022.

#### 1. Achievements and Activities during 2022

DSC's vision is 'An independent voluntary sector at the heart of social change'. In 2022 we continued to work towards our Strategic Objectives which underpin this vision:

- Equip voluntary sector organisations with high quality services and products that support them.
- Promote the value of a vibrant and diverse independent voluntary sector.
- Connect givers, influencers and social change makers.
- An independent DSC, financially robust in self-generated revenue.

DSC's strategic priorities as agreed in 2016 remain with an over-arching aim to increase our overall reach by:

- **Regional:** by increasing our range of services accessible throughout the UK
- **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 activities delivered, which are outlined in the following sections, all contributed to DSC reaching over 35,000 beneficiaries in 2022.

#### 1.1 Regional

DSC undertook a range of activities in 2022 that 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

During the year we supported organisations including Act on Energy; Age UK; Association of Voluntary Service Managers; Benefact Group (formerly Ecclesiastical Insurance Group); British Ecological Society; Carers UK; Caritas Anchor House; Community Southwark; English Speaking Union; Foothold; Libraries Connected; Lumos Foundation; Royal Borough of Kensington and Chelsea; Scotland Big Picture and The Wildlife Trusts.

Popular topics for in-house training delivery were 1-1 coaching and support sessions, governance and board development, finance, management development programmes, personal development and fundraising.

In 2022 we continued our work with Benefact Group, organising four webinars. The webinar were free to attend for Benefact grantees which covered the fundraising topics of Funding applications, Fundraising Events, Legacy Fundraising and Social Media Fundraising. These webinars were attended by over a thousand grantees though out the year, they are also available to watch for future grantees and those who could not attend.

##### 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. We published 139 free content articles in 2022.

## **Trustees' Report**

---

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 continued to send daily email bulletins (covering policy, news, free top tips and our products and services) to our all of our beneficiaries in 2022, and we had nearly 56,000 individuals clicking links in those emails.

@DSC\_Charity Twitter followers stood at around 19,700 followers at the end of the year.

In 2022 we did 7 episodes of *Charity Questions Podcast* which received 1,051 listens (150 listens on average per episode).

### **1.2 Expertise**

In 2022 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 Public Training Courses**

Throughout 2022 we continued to deliver courses live online using a virtual platform. 198 courses were delivered and with over 1500 delegates attending. We are really pleased that we have been able to continue to support charities, and those that work within them, with our training.

We continued to deliver our free to attend DSC virtual online talks, Sector Insights, which are one hour panel sessions covering topical and current charity sector challenges. A panel of experts either from within DSC or invited guests shared their expertise or experience on a particular topic, with participants having the chance to ask questions and engage in conversations.

During 2022 we delivered talks that covered subjects such as the Cost of Living, Becoming a Trustee, the Legal challenges of being a trustee, Sustainability and Working with new grant-making charities. We also ran a talk based on the recently published book, *Change for Better – Freshening Up Your Fundraising Approach*.

All these talks were free to attend, The insights were attended by over 500 attendees, with the most popular talk being "Change for Better" with co-author Bernard Ross discussing the book with 221 attendees.

#### **1.2.2 Conferences**

In 2022 DSC organised ten conferences which were all run live online, eight of the conferences were one day events and two were two days. Conferences run were Positive Hybrid Working; Fundraising Now 2022; Charity HR in 2022; The Future of Charity Recruitment; The Ultimate Guide to Marketing your Charity; Charity Accountant's Conference Online 2022; From Here to Diversity; Engage: Influencing Policy and Politicians; Developing and Elevating your Employees and The Future of Charity Funding.

In total over 600 people attended the conferences throughout the year, the most well attended conference being The Charity Accountants Conference which is delivered in partnership with our long-time partners Sayer Vincent. Which was attended by a total of 148 people.

We worked with many people throughout the year to deliver the programme of conferences, which include DSC internal training associates and many guest speakers.

Some of the guest speakers included:

- Paul Amadi MBE, Chief Supporter Officer, British Red Cross;
- Anju Ahluwalia CEO & Co-Founder, Food4All;
- Claire Warner, Consultant & Mentor;

## **Trustees' Report**

---

- Jenny Banks, Associate Director for Business Development, Centre for Mental Health;
- Prospectus, recruitment agency;
- Russell Cooke;
- DSC External Training Associates;
- Damian Kerlin, Creative Consultant;
- Helen Reynolds, Founder of Comms Creatives;
- Dhruvi Shah, freelance journalist;
- Toby Mildon, Diversity and Inclusion Architect;
- Clara Wilcox, The Balance Collective;
- The Charity Commission;
- Bates Wells;
- Oliver Deacon, Executive Coaching for Finance Leaders and Ex-Microsoft FD;
- Pro Bono Economics;
- Nichol  McGill-Higgins, Belonging Leadership Coach;
- Mark Webb, Shadow Board Member, Reflect;
- Neurodiversity in Business;
- Polly Neate, CEO, Shelter;
- Carol Mack OBE, Chief Executive, Association of Charitable Foundations;
- Andy Coish, Head of Partnerships, Hull & East Riding Citizens Advice Bureau
- Duncan Shrubsole, Director of Policy, Communications and Research, The Lloyds Banks Foundation

### **1.2.3 Publishing**

2022 was a solid year for Publishing in which we published two of our bestselling biennial print directories. In a climate dominated by hardship caused by escalating prices and inflation, *The Guide to Grants for Individuals In Need 2022/23*, published in March, received even more attention than usual. In September we also published another of our big hitters, *The Guide to Major Trusts 2023/24*. In May 2023 we released *The Guide to New Trusts 2022/23* in both print and digital formats, the print version selling out within six months.

We also added new guidance titles to our publications list. In both the spring and autumn we added to our extensive Speed Reads list. In February we released *Storytelling for Impact* and *Vision, Mission, Objectives* and in October we published *Confidence at Work* and *Staff Forums*. The latter title became the first book on the subject for our sector.

In May we published *Grants Fundraising* by Neela Jane Stansfield in our popular Fundraising Series in association now with the University of Kent and the Chartered Institute of Fundraising.

The full list of new print titles from DSC in 2022 in order of publication was:

- *Storytelling for Impact (Speed Read)*
  - *Vision, Mission, Objectives (Speed Read)*
  - *The Guide to Grants for Individuals in Need 2022/23 18<sup>th</sup> edition*
  - *The Guide to New Trusts 2022/23 11<sup>th</sup> edition*
  - *Grants Fundraising*
  - *The Guide to Major Trusts 2023/24 17<sup>th</sup> edition*
  - *Confidence at Work (Speed Reads)*
  - *Staff Forums (Speed Reads)*
-

## **Trustees' Report**

---

### **1.2.4 Civil Society Group**

Since March 2020, DSC has been a major contributor of time and resources to an unprecedented collaboration between charity infrastructure organisations called the Civil Society Group ("CSG"). The CSG is supported by over 80 representative and membership bodies across the sector and its strategy has three themes:

- To use collective power to influence the governments in all parts of the UK and other key stakeholders.
- To promote and support programmes of beneficial change within the sector.
- To maintain a mechanism for better cooperation and communication, and data collation and dissemination.

Over the year, DSC continued to help coordinate many of the Group's meetings between CEOs, policy and public affairs teams, and communications staff. DSC staff regularly chaired meetings, organised agendas and minutes, and authored or helped produce policy proposals and briefings. This has involved substantial and dedicated time by senior staff and trustees over an extended period, but clearly meets DSC's charitable objects and purposes in service of our beneficiaries.

At the end of the year the Group assessed their achievements over the year, many of which DSC was involved in, including:

- Organising a meeting between members of the Group and the Minister with responsibility for civil society, Nigel Huddleston MP.
- Engaging the DCMS Select Committee on their scrutiny of the new Charity Commission Chair, Orlando Fraser QC, by providing briefing and draft questions to MPs that was used in the scrutiny session.
- Coordinating and supporting several open letters to the Prime Minister and successive Chancellors of the Exchequer during the political upheaval between August and October, successfully making the case for the inclusion of charities in the Energy Bill Relief Scheme and for other measures to improve the environment for charities and their beneficiaries.
- Helping develop the State of the Sector Survey produced by ProBono Economics and Nottingham Trent University, by feeding into question design, testing the survey and promoting it. The first wave of received over 700 responses and has provided evidence influence the governments in all parts of the UK and other key stakeholders on energy support.

The CSG is planning further work for 2023, in anticipation of a General Election at some point in the next 18 months.

### **1.2.5 Policy and public affairs**

During the year DSC continued to respond to formal consultations and policy announcements affecting charities, particularly concerning the Charity Commission. Our Policy Principle of Responsible Regulation holds that the regulation of charities should be proportionate, appropriate and enabling, and we stressed these principles in relevant responses and communications.

With the long-awaited appointment of a new Chair for the Charity Commission, we wrote to MPs on the DCMS Select Committee with briefing and proposed questions for the preferred candidate, Orlando Fraser KC. We raised questions about Mr Fraser's record during his time as a member of the Charity Commission's board, in particular his involvement in controversial cases where the Commission later had to reverse decisions or subsequently amend guidance after legal challenges.

In August we submitted a detailed response to the Commission's consultation on proposed revisions to the charities Annual Return for 2023. Our response focused on making sure that any changes were proportionate for smaller charities and could be reasonably completed by preparers without disproportionate cost or complexity. We offered constructive changes as well as critique and encouraged widespread participation in the consultation which received 456 responses.

In the Autumn we submitted a response to the Government's consultation on including the Community Wealth Fund as a recipient of future Dormant Assets revenues, following the passage of the Dormant Assets Act earlier in the year, and supporting the work of the Community Wealth Fund Alliance. In our response we argued that funding should go to the Community Wealth Fund and that its priorities should be set by local areas not national politicians or Westminster officials.

As in previous years, DSC analysed and commented on the Government's Budget statements, including the 'mini-budget' in October and the Autumn Statement in November, examining their implications for charities. We analysed the volatile political

---



## **Trustees' Report**

---

environment between August and November and explained the implications for a charity audience in articles on our website and in our e-mail bulletin. We know that many colleagues value our concise, freely available articles which cut through dense policy material to explain implications for charities.

DSC's Chief Executive Debra Allcock Tyler also authored monthly articles in Third Sector magazine and online, on topics relevant to the charity sector. These articles are also published on DSC's website.

### **1.2.6 Research on Armed Forces Charities**

2022 marked the eighth year of DSC's research partnership with Forces in Mind Trust (FiMT), which funds DSC's research on Armed Forces Charities. The ongoing work provides information via reports and interactive data, all of which is housed on DSC's website. We have also completed several other related research projects for FiMT over the years.

DSC's *Sector Insight: Armed Forces Charities 2020*, remains the definitive guide to that particular sub-sector of charities, and feedback shows that it continues to be used by senior policy-makers and practitioners. In addition, DSC's *Focus On* series of eight reports provide topical analysis on areas of charitable provision by Armed Forces charities, which continue to be downloaded and cited. In 2023, DSC's researchers will commence work on the next edition of *Sector Insight*, to be published in early 2024.

During 2022, DSC continued to undertake twice-annual surveys of Cobseo member organisations to provide up to date insight into how the pandemic and the emerging cost-of-living crisis was affecting them. This work has helped inform policy discussions in support of Cobseo's membership organisations. DSC's survey reports are published on the DSC website, along with the accompanying *Cobseo Members' Impact Database*, which allow users to generate additional insights and graphics on survey response data.

DSC's sector-wide online Interactive Database of all Armed Forces Charities continued to be updated each month during 2022, providing regular analysis of key data on Armed Forces charities. Users can undertake custom searches and create tailored graphs to visualise the sector in different ways. We understand this has been used at Cabinet Office level and has become a definitive evidence tool to support strategic work on the Armed Forces charities sector.

The ongoing partnership with FiMT continues to be strategically important for DSC, and our expertise in this area has had a demonstrably positive impact on the sector.

### **1.2.7 Commissioned Research**

DSC provides high-quality impact evaluations, strategic reviews, data analyses, surveys, and other research consultancy for clients. Our team is skilled at working with prospective clients to design projects that meet their needs and available budget. Wherever possible, our research reports are published on DSC's website. During 2022 DSC had a successful year with its commissioned research business, bringing in several major projects that were scheduled for completion in early 2023.

In the second quarter of the year, we were contracted by Fast Track Cities London (FTCI) to undertake research on the HIV/AIDS charity sector in London, to ascertain the evolving needs of people living with HIV/AIDS and the charities who serve them. This work is scheduled for completion early in 2023.

In the summer we successfully won funding for two different major research projects, one from the Service Children's Progression Alliance (SCiP) and one from the Armed Forces Covenant Fund Trust (AFCFT) whom we have worked with in the past. The SCiP project, which is funded by Forces in Mind Trust, examines the funding landscape and grant-making support by charities for Armed Forces children and young people, and the AFCFT provides original research on the extent and nature of small grants in the UK charity sector, and makes recommendations about how small grants can be valued and improved. Both reports will be published in Spring 2023.

## Trustees' Report

---

### 1.3 Digital

2022 saw DSC continue to 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 Digital Publishing

We further extended the number of titles available in dual print and digital platforms. Most of our titles are now available digitally either as Kindle titles through [amazon.co.uk](https://amazon.co.uk) or as viewable pdfs and epub formats through both [www.dsc.org.uk](https://www.dsc.org.uk) and [www.kortext.com](https://www.kortext.com). In 2022 we produced the following e-publications in digital formats from brand new books:

- *Storytelling for Impact (Speed Read)*
- *Vision, Mission, Objectives (Speed Read)*
- *The Guide to New Trusts 2022/23*
- *Grants Fundraising*
- *Confidence at Work (Speed Reads)*
- *Staff Forums (Speed Reads)*

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or 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.

#### 1.3.2 Funding websites

In 2022 Funds Online continued to be an excellent resource for our beneficiaries looking for funding information.

Throughout the year Funds Online provided information from four main datasets to our subscribers, made up of funding from trusts giving a combined total of £4.9 billion, companies giving £330 million in cash and in-kind contributions, £2.4 billion in funding from local, regional and central government and £383 million in funding to individuals for social welfare, education and training.

Further progress was made with developers to improve functionality for subscribers including improved search function and results displayed. Internal processes were also upgraded, enabling our research team to significantly increase the number of records updated in this period. So, while the speed at which we update information on the website improved this in turn further improved the frequency of email updates to subscribers and the quality of the data saved on dashboards. The dashboard allows subscribers to track activity, new funding opportunities, saved funders while also uploading documents including applications, enabling all information to be stored in one place.

Our monthly webinars, which were delivered by our fundraising trainer, remain a popular and hugely beneficial addition to the site, which focus on highlighting the key features and benefits of the platform.

#### 1.3.3 DSC website [www.dsc.org.uk](https://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 2022 we had approximately 20,500 registered users. Free downloads totalled 15,899 in the year (8,620 not including Look Insides).

## **Trustees' Report**

---

### **1.3.4 Governance App**

The Governance App continued to provide a simple and free way for Boards of trustees to assess their performance against the key elements of the Charities Governance Code. During 2022, 2,435 trustees from 1,047 organisations used the app to review their performance.

Work on improving the app continued into 2022, with support from National Lottery Community Fund enabling us to start work on making the reporting of results more user-friendly and enable users to generate automatic reports and benchmark themselves against their previous reviews. This new functionality will be available early in 2023.

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

DSC generated 99.9% of its own funds in 2022 (2021 – 92.8%), the balance of 0.1% being provided by donations. There was a decrease in generated income of 4.6% to £1,635,834 from £1,713,825 in 2021.

Despite the current socio-economic issues facing UK, there was a further decrease in the defined benefit pension scheme deficit. The current value of the defined benefit pension scheme provision for 2022 was £5,864 (2021: £10,071).

In addition to the support we continue to receive from having taken the CBILS loan in 2020, we also continued to take advantage of the HMRC payment plans available for PAYE and VAT.

We invested in some new IT projects which were started in 2021. These projects covered changes and developments being made to improve our internal customer data managements and financial data. At the end of 2022 these projects had been completed and were brought into use at the start of 2023. The projects were funded by DSC'S own reserves and were with the aim of increasing the reach of DSC to its beneficiaries, and improving the support we provide to our beneficiaries.

Commissioned research has continued to bring in material income of £80,288 in 2022 (2021: £105,602) derived from a range of projects, including the Armed Forces Covenant Research. Our continuing experience with these types of projects 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.

## Trustees' Report

---

### 2.1 Free content

Of the roughly 35,000 people DSC reaches every year, by far the majority of them access our free services, information and advice. This support includes:

- **Blog posts and articles:** including inspirational articles, practical articles giving tips and advice, and policy position papers explaining issues and sharing our views, including consultation responses and recommendations. In 2022 all our blogs and articles were read just under 32,000 times.
- **Video content:** 189 videos on our YouTube page (with some also appearing on the DSC website), covering all of our main topic areas, our Espresso Express series and some recorded event content from our Charity Accountants' Conference and other training sessions. These videos have been viewed nearly 30,000 times.
- **Podcasts:** our Charity Chat podcast is available for free on all major podcast platforms and the DSC website. In 2022 we did 7 episodes with 1,051 listeners.
- **Free virtual sessions:** Monthly free demonstrations of the Funds Online platform and Governance App platform. During the year 28 funds online sessions were delivered with 968 attendees, and six governance app sessions were delivered and attended by 72 attendees.
- **Event/meeting speakers:** Our senior staff regularly speak at external events, meetings, launches etc. benefitting both the hosts/organisers and the attendees.

A number of our products and services are also free to the end user because we've received grant funding to either develop or maintain them.

This includes:

- **The Governance App:** Free governance review tool available to all charities. Developed with funding from Clothworkers' Company, Tudor Trust and Lloyds Bank Foundation, The Governance App helped 2,435 trustees from 1,047 organisations to review their performance during 2022.
- **Armed Forces Charities database and research:** a huge database and archive of research into Armed Forces Charities, available through the main DSC website.
- Some of our more in-depth and expert-level support, which most people pay a fee for, are also available for free via intermediaries:
- **Books:** most of our books are available, and all can be requested, from local libraries. Many infrastructure and membership organisations either bulk purchase for their members or have copies of titles like DGMT at their offices for members to access.
- **Funds Online:** Increasingly membership bodies, funders and other organisations are taking out subscriptions on behalf of their users, beneficiaries and grantees so that the service is free to them.

### 2.2 Publications

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

For our beneficiaries who may be sight impaired we provide our printed publications in scalable pdf format or mobile 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.

## **Trustees' Report**

---

### **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) with number 02320712 and as a charity no. 800517. The registered office address is Suite 103, 1 Old Hall Street Liverpool L3 9HG.

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 2021 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" (effective 1 January 2017) - (Charities SORP (FRS 102)), 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, The Directory of Social Change (DSC) campaigns for an independent voluntary and community sector. DSC is the largest provider of information and training to the UK voluntary and community sectors.

The main activities of the organisation include:

- Championing the needs of small and medium voluntary sector organisations
- Providing practical training courses
- Running conferences, seminars and fairs
- Researching and publishing reference guides and handbooks
- Providing 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**

DSC has its Registered Office at its Liverpool premises, but all of our staff work remotely.

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

## Trustees' Report

---

### 3.4 Trustees:

The following individuals acted as Trustees throughout the year and to the date of this report, except where otherwise stated:

William Butler, Chair	Third Sector Consultant
Joyce Fraser	Chair, Black Heroes Foundation
Matthew Hill	Associate Director of IT, ReThink Mental Illness
Emily Hughes	Head of Volunteer Experience, Girlguiding, Trustee
Anneka Kapadia	Policy and Programme Officer, Greater London Authority
Lizzie Kenyon	Director of Services, Keep Britain Tidy
Phyllida Perrett	Third Sector Consultant
Andrew Purkis OBE	Charity Chair and Trustee, school governor and blogger
Kashif Shabir (resigned 13 February 2023)	CEO, Muslim Aid
Lesley Thornley	Ex Chief Executive, Hull & East Riding, CAB
Caron Bradshaw OBE (resigned 28 July 2022)	Chief Executive, Charity Finance Group, Trustee, Together Charitable Foundation

### 3.5 Chief Executive, Company Secretary and Senior Management:

Chief Executive	Debra Allcock Tyler
Company Secretary	John M de C Hoare (Resigned 31 December 2022) Harry Wrafter (Appointed 25 January 2023)

The Senior Leadership Team during 2022 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
Yvonne Coleman	Director of Finance and IT

### 3.6 Auditors, Bankers and Solicitors

#### Auditors:

Simpson Wreford & Partners  
3rd Floor Suffolk House  
George Street  
Croydon CR0 0YN

#### Bankers:

National Westminster Bank Plc	National Westminster Bank Plc
PO Box 224	6 Grange Road West
9 The Broadway	Charing Cross
Stanmore	Birkenhead
Middlesex HA7 4XW	Merseyside CH41 4DF

#### Solicitors:

Bates Wells & Braithwaite London LLP  
10 Queen Street Place  
London, EC4R 1BE

---

**Trustees' Report**

---

**3.7 The Regulatory Environment**

The regulatory environment within which DSC operates is considered to be the following:

**Finance and Accounting**

- The Companies Act 2006
- The Charities Act 2015
- Charities SORP,
- United Kingdom Accounting Standards
- Financial Reporting Standard FRS 102
- UK Generally Accepted Accounting Practice (UK GAAP)
- VAT partial exemption regulations

**Human Resources**

- Employment Law
- Health and Safety Regulations
- Pensions Regulator Requirements
- The Equalities Act

**Operational Matters**

- Data Protection Legislation
- Health and Safety Regulations
- The Equalities Act
- Legal Deposit Libraries Act 2003
- Copyright Designs and patents Act 1988

**Maintaining awareness of legislative and regulatory changes**

DSC is a member of the Charity HR Network, which provides regular updates, organise meetings etc. The charitable company's Solicitors provide regular e-newsletters, updates and provide webinars on topical subjects.

DSC also receives updates from firms of accountants and solicitors with whom it has professional relationships.

A number of members of staff have professional qualifications whose professional institutes provide updates and information to their members. These organisations include The Chartered Institute of Personnel and Development, The Chartered Association of Certified Accountants.

Being a training organisation many of the trainers bring their professional expertise to bear and enable courses, training session and webinars to be put on by DSC and from which the organisation itself benefits.

## **Trustees' Report**

---

### **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.

There is a specified Trustee Recruitment Policy and Procedure which outlines clearly our approach to recruiting trustees and has been amended to ensure it reflects diversity and inclusion.

There is a defined procedure for the induction of Trustees, which includes the provision of a detailed information pack upon each appointment which 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, access to training where required and a buddy system where existing trustees mentor new ones.

#### **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.

The Board also has a number of working groups that consist of trustees and staff which focus on particular areas of interest. These working groups act as advisors and sounding boards for the charity's work. Some of the working groups are set up to deal with specific issues as and when needed. Others are more long-standing. The current working groups are: Wellbeing, Equity, Equality, Diversity and Inclusion; Policy; and one that meets between the main board meetings for general update on progress. Financial matters are dealt with by the Board as a whole although an Audit Working Group was set up to review the 2022 accounts during the year.

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.



## **Trustees' Report**

---

### **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 members of the Civil Society Group who we worked alongside during the year.

We would also like to thank the following partners and sponsors for their support during 2022:

- Armed Forces Covenant Fund Trust
- Benefact Group
- Charity Commission for England and Wales
- Cobseo, the Confederation of Service Charities
- Fast Track Cities London
- Forces in Mind Trust (FiMT)
- Shyrose Jessa/Murtaza Jessa/The Jessa family
- Nottingham Trent University
- Prospectus
- Sayer Vincent
- School Library Association
- Service Children's Progression Alliance
- The National Lottery Community Fund
- Zurich Community Trust

### **4.5 Risk**

We monitor risk on an ongoing basis and we examine three areas:

1. Specific risks which are current – e.g. daily cash flow
2. General risks that we're managing all the time – e.g. decline in revenue streams, IT failures
3. Unpredictable, large risks – e.g. pandemics, collapse of the economy.

The Executive look at risk as part of normal monthly reporting. Trustees are updated quarterly.

#### **Current areas of specific risk:**

- Charity closures due to rising inflation and the energy crisis impacting revenue streams
- DSC's customer base being vulnerable to fluctuating funding patterns
- Cyber Security, IT Systems outage or collapse
- Suppliers' insolvency
- Cashflow – ensuring that cash in balances cash out

#### **Actions taken to mitigate these risks are:**

- Live financial and operational information is reviewed weekly by the Executive Team
  - Audit Board Working Group in place to review the yearly accounts and risk profile during the audit which reports to the full Board
  - 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.
-

## Trustees' Report

---

- A Disaster Recovery Plan has been prepared
- Back-up plans are in place

### General 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 accountable for identifying and communicating risks in their own areas of the business. Following the monthly management reports, discussions about mitigating action with regard to any risk needing attention takes place either at the Leadership Team meeting, or with the relevant Senior Leader.

Specific Board Working Groups are set up to monitor high risk investments or projects eg, IT, as and when required.

### Unpredictable, large risks:

Risks that emerge or occur quickly are assessed and referred immediately (along with a planned response where appropriate) to the relevant member of the senior leadership team.

DSC adopts the Charity Finance Group approach to managing risk which is to identify current operational risks, emerging longer term risks and mitigating actions on a monthly basis as part of general management practices and trustees discuss this at quarterly board meetings.

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 2022 DSC generated 99.9% of its own funds (2021 – 92.8%), the balance of 0.1% being provided by donations. The self-generated income arises through the sales of our books, websites, training, research services and events. Overall charitable income in 2022 was £1,635,834 compared to £1,713,825 in 2021, a change of 4.6% from 2021 (2021 a 12.3% change from 2020).

During 2022 we continue to hold our online training programmes which have continued to be a success and have reflected in the 2022 training income increasing by 6.2% from 2021. Income from publications, subscriptions and research has reduced by 8.9% compared to 3.6% in 2021. Expenditure on unrestricted activities decreased by 4.3% compared to 2021.

In 2022 we have continued to adopt the policy of holding regular Board Working Group meetings to monitor the financial situation on a regular basis. This strategy has continued to pay off as decisions could be made rapidly as needed. In 2022 the frequency of these meetings reduced, however towards the end of the year a separate Audit Board Working Group was set up providing oversight on controls, risk management and financial reporting in the year and this is reflected in the Governance costs which have increased to £77,729 in 2022, (2021: £73,621) The analysis is shown in Note 6 to the Accounts.

We continue to have the Forces in Mind (FiMT) grant activity in addition to two other restricted grants, thus at the end of 2022 we had a total of £148,493 towards our restricted funds. (2021 £206,960).

There has been a 2.5% decrease in current assets in 2022 compared 6.8% increase in 2021, and a 12.6% decrease in total liabilities (2021: 8.4% decrease). Overall, we had a 3.4% decrease in net assets in 2022 (2021: 101% increase).

## **Trustees' Report**

---

### **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. We received donations of £Nil in 2022 (2021 - £14,000).

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

### **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 6 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 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 the year under review Trustees agreed that the medium to long term goal is to increase the level of unrestricted free reserves, as funds allow.

The full Board 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.

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. Our Designated Funds are reviewed annually.

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 considered acceptable.

Total reserves at the end of 2022 were £299,385 made up of £148,493 of restricted reserves and £150,892 of unrestricted reserves; and the Trustees are working to continue to increase this level in 2023.

**Trustees' Report**

---

**5.4 Investment Policy and Performance**

At the Balance Sheet date, the Charitable Company only held cash investments. The Bank of England base rate was 0.25% from the beginning of 2022 rising to 3.5% by the end of December 2022. 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 2022 were held on current account. Income generated in 2022 amounted to £61 (2021 - £8)

**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 2022 (2021: £Nil).

**6. Strategic Report - Plans for the Future**

DSC's vision, mission and strategic objectives remained unchanged during 2022. The strategic aim continued to be a focus during the year – that is extending our reach into the sector:

- Regionally, by increasing the support provided to organisations across the UK
- Through growing expertise, and reaching more beneficiaries with specific and expert help
- Digital through the development of digital services.

Trustees tasked the Executive with re-visiting our Reach strategy during 2022 and coming up with a plan for the coming 3-5 years, which will be agreed during 2023.

**7. Auditors**

The auditors, Simpson Wreford & Partners have been appointed 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 ..... and signed on their behalf, by:

**William Butler**  
Chair

**Lesley Thornley**  
Trustee and Chair of Audit Board Working Group

**The Directory of Social Change**  
**Statement of Trustees' Responsibilities**

**For the year ended 31 December 2022**

---

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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2022

---

### Opinion

We have audited the financial statements of The Directory of Social Change (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, and the Cash Flow 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 31st December 2022, and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinion 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
  - the Report of the Trustees has been prepared in accordance with applicable legal requirements.
-

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2022

---

### **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 Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's 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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, 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.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed auditor under the section 151 of the Charities Act 2011 and report in accordance with that Act.

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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the charitable company and the sector in which it operates, through discussions with management and those charged with governance, and also from our detailed understanding of the sector. We identified the financial reporting framework including but not limited to (United Kingdom Generally Accepted Accounting Practice, The Charities Act 2011 and the Companies Act 2006), Data Protection Act 2018, Bribery Act 2010 being of significance in the context of The Directory of Social Change and its ongoing activities.
- We made enquiries with management and those charged with governance and also reviewed board meeting minutes to confirm our understanding that the charitable company continued to comply with the applicable legal and regulatory frameworks, and also to confirm our understanding of the specific policies and procedures enlisted by the charitable company to ensure ongoing compliance.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE DIRECTORY OF SOCIAL CHANGE

For the year ended 31 December 2022

---

- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud may occur, and gained an understanding of the charitable company's policies and procedures on fraud risks through discussion with the charitable company's management.
- We considered the risk of material misstatement due to fraud as a result of possible management override of controls, and improper revenue recognition. To address these risks we tested the appropriateness of journal entries posted, reviewed those judgements made in making accounting estimates, and tested the application of revenue recognition and the cut-off of revenue.
- We communicated those laws and regulations considered relevant to the charitable company, and potential fraud risks to all engagement team members, and consider that the engagement team had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations, and remained alert to any indications of fraud throughout the audit.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### Use of our 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
John Millidge (Senior Statutory Auditor)  
for and on behalf of Simpson Wreford & Partners, Chartered Accountants & Statutory Auditors  
Suffolk House, George Street, Croydon, CR0 0YN

.....2023



The Directory of Social Change  
Statement of Financial Activities (incorporating the Income and Expenditure Account)

For the year ended 31 December 2022

	Note	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>INCOME FROM</b>					
Donations and legacies	2	-	2,002	2,002	14,000
Charitable activities	3				
- Training and events		-	522,571	522,571	492,021
- Publications		157,208	956,055	1,113,263	1,221,804
Other income	4	-	-	-	119,421
Investments		-	61	61	8
<b>Total income</b>		<b>157,208</b>	<b>1,480,689</b>	<b>1,637,897</b>	<b>1,847,254</b>
<b>EXPENDITURE ON</b>					
Charitable activities	5				
- Training and events		-	491,763	491,763	456,040
- Publications		116,130	1,040,498	1,156,628	1,234,857
		<b>116,130</b>	<b>1,532,261</b>	<b>1,648,391</b>	<b>1,690,897</b>
<b>Net income / (expenditure)</b>		<b>41,078</b>	<b>(51,572)</b>	<b>(10,494)</b>	<b>156,357</b>
<b>Transfers between funds</b>		<b>(99,545)</b>	<b>99,545</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(58,467)</b>	<b>47,973</b>	<b>(10,494)</b>	<b>156,357</b>
Total funds at 1 January 2022		206,960	102,919	309,879	153,522
<b>Total funds at 31 December 2022</b>		<b>148,493</b>	<b>150,892</b>	<b>299,385</b>	<b>309,879</b>

All amounts are from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on page 26 - 41 form part of these financial statements.

As at 31 December 2022

	Note	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	11		10,874		13,686
Intangible assets	12		118,299		223,772
			<b>129,173</b>		<b>237,458</b>
<b>CURRENT ASSETS</b>					
Stock	13	577,310		425,053	
Debtors	14	255,092		346,362	
Cash at bank		6,830		89,241	
		<b>839,232</b>		<b>860,656</b>	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	(586,109)		(670,242)	
<b>NET CURRENT ASSETS</b>					
			<b>253,123</b>		<b>190,414</b>
<b>Creditors:</b> amounts falling due after more than one year	15		<b>(82,911)</b>		<b>(117,993)</b>
<b>NET ASSETS</b>					
			<b>299,385</b>		<b>309,879</b>
<b>CHARITABLE COMPANY FUNDS</b>					
Restricted funds			148,493		206,960
Unrestricted - designated funds	17		10,874		13,686
Unrestricted - general funds	17		140,018		89,233
			<b>299,385</b>		<b>309,879</b>

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 financial statements were approved and authorised for issue by the Trustees on.....and were signed below on their behalf by:

.....  
**William Butler**  
Chair

.....  
**Lesley Thornley**  
Trustee and Chair of Audit Board Working Group

The notes on page 26 - 41 form part of these financial statements.

**The Directory of Social Change  
Statement of Cash Flows**

**As at 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net income / (expenditure) for the year	(10,494)	156,357
Amortisation of intangible assets	105,473	113,741
Depreciation of tangible assets	3,480	2,391
Interest receivable and similar income	(61)	(8)
(Profit) / loss on sale of fixed assets	-	-
Decrease / (increase) in stock	(152,257)	51,301
(Increase) / decrease in debtors	91,270	(174,447)
Decrease in creditors	(87,215)	(56,641)
<b>Net cash generated from / (used in) operating activities</b>	<b>(49,804)</b>	<b>92,694</b>
<b>Cash flows from investing activities</b>		
Interest income	61	8
Purchase of tangible assets	(668)	(12,892)
Purchase of intangible assets	-	(132,001)
<b>Net cash used in investing activities</b>	<b>(607)</b>	<b>(144,885)</b>
<b>Cash flows from financing activities</b>		
Cash inflow of new borrowing	-	-
Repayments of borrowing	(32,000)	(16,000)
<b>Net cash (used in) / generated from financing activities</b>	<b>(32,000)</b>	<b>(16,000)</b>
<b>(Decrease) / increase in cash and cash equivalents in the year</b>	<b>(82,411)</b>	<b>(68,191)</b>
Cash and cash equivalents at the beginning of the year	89,241	157,432
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6,830</b>	<b>89,241</b>

**Analysis of net debt 2022**

	<b>Cash</b>	<b>Loans</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At the start of the year	(54,759)	144,000	89,241
Cash flows	(50,411)	(32,000)	(82,411)
	<b>(105,170)</b>	<b>112,000</b>	<b>6,830</b>

## **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 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 12. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company. The Charity's registered office is Suite 103, 1 Old Hall Street, Liverpool L3 9HE.

### **Preparation of accounts on a going concern basis**

The trustees note that Charity's financial year ends in December, which is typically the lowest point of the organisation's performance. The first quarter of 2023 has performed in line with expectations and the financial information provided by the Executive Board indicates that the future performance is currently predicted to do better than expectation. The cash position has improved in the first quarter and is forecasted to continue on its current trajectory over the next twelve months in line with expectation and improved income generation.

Therefore, having carefully reviewed the financial forecast, cash flow forecast and performance to date for the current year for at least a period of twelve months from the date of approval of the financial statements, including expected income and anticipated expenditure, the trustees consider that there are no material uncertainties regarding going concern and therefore that the financial statements are appropriately prepared on the going concern basis.

### **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 4.96% (previously 1.18%) 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 and are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably. Gift Aid received or receivable in respect of donations is included where applicable.

### 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.

### Subscription income

Subscription income is recognised on a straight line basis over the subscription term.

### Investment income

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

### Job retention scheme grant income

The charitable company received £nil (2021: £95,466) of grants from the Government's Job Retention Scheme during the prior year. At the end of the prior year, the existing job retention scheme was continuing to be applied for 20% of their time in respect of the relevant staff. The Scheme closed in September 2021.

**For the year ended 31 December 2022**

---

### **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.

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: 32% (2021 - 29%)
- Publications and dissemination: 68% (2021 - 71%)

### **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
----------------------------	---------

For the year ended 31 December 2022

---

### Tangible fixed assets

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

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

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

### Financial instruments

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

#### Creditors and provisions

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

#### Debtors

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

#### Cash at bank and in hand

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

### Stock

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

#### Publications

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

#### Subscription websites

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

**The Directory of Social Change  
Notes to the Financial Statements**

**For the year ended 31 December 2022**

---

Electronic work-in-progress

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

**Funds**

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

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

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

**Employee benefits**

Short term benefits

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

Employee termination benefits

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

Pension scheme

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

The pensions costs charged in the financial statements represent the contributions payable during the year. There was also a defined benefit pension scheme which was closed to new contributions on 30 September 2013. Further information is provided in note 10.



For the year ended 31 December 2022

<b>2. DONATIONS AND LEGACIES</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Donations	2,002	14,000

<b>3. INCOME FROM CHARITABLE ACTIVITIES</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Training and events	522,571	492,021
Publications and dissemination of information	1,113,263	1,221,804
	<u>1,635,834</u>	<u>1,713,825</u>

Income from publications and dissemination of information includes restricted grant income of £157,208 (2021: £296,191) relating to research projects. Further details are provided in note 17.

<b>4. OTHER INCOME</b>	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Coronavirus Job Retention Scheme	-	95,466
Insurance claim	-	23,955
	<u>-</u>	<u>119,421</u>

<b>5a ANALYSIS OF EXPENDITURE</b>	<b>Staff Costs £</b>	<b>Amortisation &amp; Depreciation £</b>	<b>Other Costs £</b>	<b>Support Costs £</b>	<b>Total Costs £</b>
Training and events	329,140	34,865	58,831	68,927	491,763
Publications and dissemination of information	699,421	74,088	236,648	146,471	1,156,628
	<u>1,028,561</u>	<u>108,953</u>	<u>295,479</u>	<u>215,398</u>	<u>1,648,391</u>

The staff costs for each expenditure type shown above comprise the staff costs from each charitable activity, together with the staff costs allocated to activities as part of governance costs and support costs as detailed in Notes 6 and 7 respectively.

For the year ended 31 December 2022

**5b COMPARATIVE ANALYSIS OF EXPENDITURE (2021)**

	<b>Staff Costs £</b>	<b>Amortisation &amp; Depreciation £</b>	<b>Other Costs £</b>	<b>Support Costs £</b>	<b>Total Costs £</b>
Training and events	263,509	33,678	51,126	107,727	456,040
Publications and dissemination of information	645,144	82,454	243,514	263,745	1,234,857
	<u>908,653</u>	<u>116,132</u>	<u>294,640</u>	<u>371,472</u>	<u>1,690,897</u>

**6. GOVERNANCE**

	<b>Total Funds 2022 £</b>	<b>Total Funds 2021 £</b>
Staff costs	48,181	46,907
Other costs	10,018	9,664
Audit and accountancy	19,530	17,050
	<u>77,729</u>	<u>73,621</u>

During the year, no Trustees received any remuneration (2021: £Nil) or any benefits in kind (2021: £Nil).

During the year 2 Trustees were reimbursed £176 for out-of-pocket expenses for travel and subsistence (2021: 2 Trustees were reimbursed £181).

**7a SUPPORT COSTS ALLOCATED TO ACTIVITIES**

	<b>Staff Costs £</b>	<b>Office Costs £</b>	<b>Premises Costs £</b>	<b>Governance Costs £</b>	<b>Total Costs £</b>
Training and events	17,323	16,296	10,435	24,873	68,927
Publications and dissemination of information	36,812	34,629	22,174	52,856	146,471
	<u>54,135</u>	<u>50,925</u>	<u>32,609</u>	<u>77,729</u>	<u>215,398</u>

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

For the year ended 31 December 2022

**7b COMPARATIVE SUPPORT COSTS ALLOCATED TO ACTIVITIES (2021)**

	Staff Costs £	Office Costs £	Premises Costs £	Governance Costs £	Total Costs £
Training and events	13,869	64,504	8,004	21,350	107,727
Publications and dissemination of information	33,955	157,923	19,596	52,271	263,745
	<u>47,824</u>	<u>222,427</u>	<u>27,600</u>	<u>73,621</u>	<u>371,472</u>

**8. NET INCOME FOR THE YEAR**

	2022 £	2021 £
This is stated after charging:		
- Depreciation of tangible fixed assets	3,480	2,391
- Amortisation of intangible fixed assets	105,473	113,741
- Auditors' remuneration for audit services	17,030	14,550
- Auditors' remuneration for non-audit services	2,500	2,500
	<u>128,483</u>	<u>133,182</u>

**9. STAFF COSTS AND NUMBERS**

	2022 £	2021 £
Wages and salaries	1,015,440	975,577
Social security costs	90,393	77,981
Pension costs	25,044	24,648
	<u>1,130,877</u>	<u>1,078,206</u>

An amount of £200,838 (2021: £147,477) of the above was allocated to work in progress at the year end.

There were no redundancy payments made in the year (2021: none). There were no payments made in the year for agreed early termination notice period (2021: none).

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

	No.	No.
Training	12	12
Publications	13	13
Accounting and administrative support	8	8
	<u>33</u>	<u>33</u>
Full time equivalent	<u>30</u>	<u>31</u>

1 employee received remuneration of between £90,000 - £100,000 (2021: 1 employee between £90,000 - £100,000). The employer pension contributions for this employee were £1,321 (2021: £1,319).

The total employee remuneration of the key management personnel of the Charitable Company was £330,072 (2021: £346,104).

For the year ended 31 December 2022

---

## 10. PENSION COMMITMENTS

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the 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 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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. 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 2022 to 31 January 2025:	£3,312,000 per annum	(payable monthly)
---------------------------------------	----------------------	-------------------

---

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

### Deficit contributions

---

From 1 April 2019 to 30 September 2025:	£11,243,000 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 company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

For the year ended 31 December 2022

---

**10. PENSION COMMITMENTS (continued)**

**Present values of provision**

	<b>2022</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Present value of provision	5,864	10,071	31,463

**Reconciliation of opening and closing provisions**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Provision at start of period	10,071	31,463
Unwinding of the discount factor (interest expense)	88	75
Deficit contribution paid	(4,078)	(7,400)
Remeasurements - impact of any change in assumptions	(217)	(122)
Remeasurements - amendments to the contribution schedule	-	(13,945)
Provision at end of period	5,864	10,071

The Directory of Social Change  
Notes to the Financial Statements

For the year ended 31 December 2022

**11. TANGIBLE FIXED ASSETS**

	<b>Furniture &amp; Fittings £</b>	<b>Computer Equipment £</b>	<b>Total £</b>
<b>COST</b>			
At 1 January 2022	2,243	85,611	87,854
Additions	-	668	668
Disposals	-	-	-
At 31 December 2022	2,243	86,279	88,522
<b>DEPRECIATION</b>			
At 1 January 2022	2,243	71,925	74,168
Charge for the year	-	3,480	3,480
Disposals	-	-	-
At 31 December 2022	2,243	75,405	77,648
<b>NET BOOK VALUE</b>			
At 31 December 2022	-	10,874	10,874
At 31 December 2021	-	13,686	13,686

**12. INTANGIBLE FIXED ASSETS**

	<b>Total £</b>
<b>COST</b>	
At 1 January 2022	678,412
Additions	-
At 31 December 2022	678,412
<b>DEPRECIATION</b>	
At 1 January 2022	454,640
Charge for the year	105,473
At 31 December 2022	560,113
<b>NET BOOK VALUE</b>	
At 31 December 2022	118,299
At 31 December 2021	223,772

For the year ended 31 December 2022

<b>13. STOCKS AND WORK IN PROGRESS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Publications</b>		
Work in progress	151,168	98,067
Finished books	100,738	145,801
<b>Subscription websites</b>		
Work in progress	29,251	44,303
<b>Electronic</b>		
Work in progress	296,153	136,882
	<u>577,310</u>	<u>425,053</u>

<b>14. DEBTORS</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	43,888	67,500
Other debtors	2,852	2,703
Prepayments and accrued income	208,352	276,159
	<u>255,092</u>	<u>346,362</u>

Within other debtors is an amount of £nil (2021: £140,592) which is due after more than one year.

<b>15. CREDITORS: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	83,675	34,162
Other taxation and social security	128,986	147,933
Other creditors	18,889	18,835
Accruals	20,725	41,890
Deferred income (see note 16)	298,881	391,344
Pension provision	2,953	4,078
Bank loan	32,000	32,000
	<u>586,109</u>	<u>670,242</u>

**CREDITORS: amounts falling due after more than one year**

Bank loan	80,000	112,000
Pension provision	2,911	5,993
	<u>82,911</u>	<u>117,993</u>

Bank loans are repayable in instalments over the full term of 6 years, of which 4 years are remaining. Interest is payable at 1.90% over base rate.

For the year ended 31 December 2022

16. DEFERRED INCOME	2022 £	2021 £
Balance at the start of the year	391,344	322,099
Less: Amounts released to income	(391,344)	(322,099)
Add: Amounts deferred in the year		
- Subscriptions	265,663	356,369
- Training income	33,218	34,975
	298,881	391,344
	298,881	391,344

17. STATEMENT OF FUNDS 2022	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	13,686	-	-	(2,812)	10,874
General funds	89,233	1,480,689	(1,532,261)	102,357	140,018
	102,919	1,480,689	(1,532,261)	99,545	150,892
Restricted funds	206,960	157,208	(116,130)	(99,545)	148,493
Total funds	309,879	1,637,897	(1,648,391)	-	299,385

STATEMENT OF FUNDS 2021	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers In / (Out) £	Carried Forward £
Designated funds	3,185	-	-	10,501	13,686
General funds	150,337	1,551,063	(1,601,666)	(10,501)	89,233
	153,522	1,551,063	(1,601,666)	-	102,919
Restricted funds	-	296,191	(89,231)	-	206,960
Total funds	153,522	1,847,254	(1,690,897)	-	309,879

#### 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 £2,812 (2021: £10,501) was transferred out of this fund into general reserves to match the movement in net book value of these assets for the year.



For the year ended 31 December 2022

**17. STATEMENT OF FUNDS 2022 (continued)**

**Restricted funds**

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

The restricted funds held at the year end of £148,493 related to Forces in Mind Trust (FiMT) of £140,592 and the National Lottery Community Fund of £7,901. The FiMT funding was granted in 2021 to cover the continued operation of the Armed Forces Charities Website ([www.armedforcescharities.org.uk](http://www.armedforcescharities.org.uk)) for 2021 - 2023, and expenditure in the year amounted to £66,368.

During the year, a grant was received from the National Lottery Community Fund towards the development of the governance app, for an amount of £107,446. Of this, £99,545 was spent, and is held on the balance sheet as work in progress, pending completion of the project. A transfer was undertaken to move this value to unrestricted funds as at the year end, as a reflection that the asset itself is held for general purpose rather than restricted purpose.

During the year, a grant was received from Forces in Mind Trust (FiMT) of £49,762 to fund a scoping exercise to help enhance supporting Service children's educational success and progression. This was fully expended in the year.

**18. ANALYSIS OF NET ASSETS  
BETWEEN FUNDS 2022**

	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	-	10,874	10,874
Intangible fixed assets	-	118,299	118,299
Stock	-	577,310	577,310
Debtors	166,149	88,943	255,092
Cash at bank	-	6,830	6,830
Creditors: amounts falling due within one year	-	(586,109)	(586,109)
Creditors: amounts falling due after more than one year	-	(82,911)	(82,911)
Amounts spent in advance of monies received on restricted funds	(17,656)	17,656	-
	<u>148,493</u>	<u>150,892</u>	<u>299,385</u>

**ANALYSIS OF NET ASSETS  
BETWEEN FUNDS 2021**

	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	-	13,686	13,686
Intangible fixed assets	-	223,772	223,772
Stock	-	425,053	425,053
Debtors	206,960	139,402	346,362
Cash at bank	-	89,241	89,241
Creditors: amounts falling due within one year	-	(670,242)	(670,242)
Creditors: amounts falling due after more than one year	-	(117,993)	(117,993)
	<u>206,960</u>	<u>102,919</u>	<u>309,879</u>

For the year ended 31 December 2022

**19. OPERATING LEASE COMMITMENTS**

	Land and buildings		Other	
	2022	2021	2022	2021
	£	£	£	£
Less than 1 year	14,984	22,470	-	2,647
Between 2 and 5 years	-	15,144	-	2,083
	<u>14,984</u>	<u>37,614</u>	<u>-</u>	<u>4,730</u>

Committed rent and service charges payable for 2022 under the lease of the offices at One Old Hall Road, Liverpool (which expires on 3 September 2023) amounted to £14,984 (2021 - £22,470).

**20. TAXATION**

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

**21. RELATED PARTY TRANSACTIONS**

Lizzie Kenyon, a Trustee of the Charitable Company, is also Director of Services, Centre for Social Innovation, Keep Britain Tidy, which organisation purchased a subscription for Funds Online for £395. In 2021 purchased two in-house Ethnicity, Diversity and Inclusiveness workshops paying £1,000 and £800 respectively, and purchased a book "What have charities done for us" at £17.74 during the year.

Emily Hughes, a Trustee of the Charitable Company, is also Head of Volunteer Experience Girlguiding, purchased books at £51.49 during the year. A close family member, who is a Director of Detention Action, which organisation sent two delegates to attend a training course at a cost of £518.00. There was no equivalent activity in 2021.

Lesley Thornley, a Trustee of the Charitable Company, Ex Chief Executive, Hull and East Riding Citizens Advice Bureau, whose organisation purchased a training course for one delegate to attend. There was no equivalent activity in 2021.

Lesley Thornley, a Trustee of the Charitable Company, Ex Chief Executive, Hull and East Riding Citizens Advice Bureau, whose organisation paid for research work for DSC to complete an evaluation of a 5-year Lottery project (specification was shared widely within the Sector for a competitive selection process). There was no equivalent activity in 2021.

Other than as stated above there were no transactions between the Charitable Company in the year and any entity with which any of the Trustees was connected.

In 2021 the following activity took place with no equivalent in 2022.

Phyllida Perrett, a Trustee of the Charitable Company, attended a free Funds Online Event, and also purchased books "Fundraising Handbook, Storytelling" at £61.70 during the year.

For the year ended 31 December 2022

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2021)

	Restricted Funds 2021 £	Unrestricted Funds 2021 £	Total Funds 2021 £
<b>INCOME FROM</b>			
Donations and legacies	-	14,000	14,000
Charitable activities			
- Training and events	-	492,021	492,021
- Publications	296,191	925,613	1,221,804
Other income	-	119,421	119,421
Investments	-	8	8
<b>Total income</b>	<b>296,191</b>	<b>1,551,063</b>	<b>1,847,254</b>
<b>EXPENDITURE ON</b>			
Charitable activities			
- Training and events	-	456,040	456,040
- Publications	89,231	1,145,626	1,234,857
	<b>89,231</b>	<b>1,601,666</b>	<b>1,690,897</b>
<b>Net expenditure</b>	<b>206,960</b>	<b>(50,603)</b>	<b>156,357</b>
<b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>	<b>206,960</b>	<b>(50,603)</b>	<b>156,357</b>