



# **ANNUAL REPORT OF THE TRUSTEES**

Period ended 31<sup>st</sup> March 2018



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## LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name:	Changing the Chemistry (hereinafter referred to as CtC)	
Legal structure:	Scottish Charitable Incorporated Organisation (SCIO)	
Governing Document:	Constitution (dated 27 March 2015 and last updated 8th November 2016)	
Charity Number:	SC045519	
Chief Executive Officer	Tanya Castell	
Trustees:	Tanya Castell	
	Roger Duerden (Treasurer)	
	Mary Duffy	
	Michelle Fairfax	RETIRED 12/6/17
	Yvonne Greeves	APPOINTED 12/6/17
	Julie-Anne Jamieson	RETIRED 12/6/17
	Amanda Millar (Chair)	
	Jane Richardson	
	Ian Roberts	APPOINTED 12/6/17
	David Robinson	APPOINTED 12/6/17
	Neil Stevenson (Vice Chair)	
	Karthik Subramanya	
	Janet Unsworth	RETIRED 12/6/17
	Martha Walsh	APPOINTED 12/6/17
	Helen Wright	
Company Secretary:	Linda Coe	
Principal Office:	3a Dublin Meuse, Edinburgh EH3 6NW	
Bankers:	Co-operative Bank plc	
Independent Examiner:	Stephen Williams ACA	



## TRUSTEES' REPORT

The Trustees present their Report and Accounts together with the independent examiner's report, for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018. The accounts have been prepared in accordance with the accounting policies set out on page 13 and comply with the CtC Constitution and applicable law.

### Structure, governance and management

#### Incorporation

The work of CtC began in August 2011, but it was incorporated as a Scottish Charitable Incorporated Organisation (SCIO), approved by the Office of the Scottish Charity Regulator (OSCR), on 27<sup>th</sup> March 2015.

#### Governing document

CtC was established by Constitution dated 27<sup>th</sup> March 2015 (amended 1st October 2015, 21<sup>st</sup> June 2016 and 8<sup>th</sup> November 2016).

#### Recruitment, appointment and training of trustees

Trustees are elected by the members or co-opted to the board in accordance with the Constitution. Trustees are experienced individuals and either have a good understanding of what is involved in being a trustee of a charity or have been provided with training on appointment.

CtC is committed to supporting the trustees to enhance their skills and knowledge further, to improve the effectiveness of the board and increase the collective expertise within the organisation. The new board members were provided with induction from the Chair and the CEO, and also received governance training in November 2017. CtC also provides training and knowledge-sharing events relating to the boardroom for its members, which trustees also attend.

#### Trustees' remuneration

The trustees receive no remuneration from CtC. However certain expenses are reimbursed in accordance with CtC's expenses policy.

#### Organisational structure

All strategic decisions affecting CtC are undertaken by the board of trustees. The board meets quarterly with an annual strategy session, which in February 2018 focused on developing CtC's vision statement. As the organisation has shifted to a more standard operational model, activities are being delivered by member working groups, reporting into the CEO. The *Broadening the Membership* and *Influencing Others* committees have been disbanded and replaced by executive teams. The operational management of the charity is led by the part-time voluntary CEO. CtC had no employees during the period and all activities are carried out by member volunteers.

The membership of the organisation grew from 266 to 347 over the period and the operational structure continues to evolve to meet the increasing demand to deliver CtC's charitable objectives and meet the needs of members with a new approach to support the larger network, with the introduction of CtC Cultivators, being developed for roll-out in 2018-19.

#### Risk management

CtC has implemented a risk management policy, and in accordance with that, have considered the major risks to which CtC is exposed. The board reviews those risks quarterly and ensures there are action plans or appropriate mitigation to address them where required.



## Our values

**Courage** (encompassing: truth, challenge, honesty, authenticity)

We will be courageous in all we do – for ourselves, for each other and for the greater good of organisations. Challenging the status quo, having BIG conversations, stretching conventional beliefs and boundaries, daring to introduce difference

**Tenacity** (encompassing: persistence, individuality, making a difference, proactive collaboration)

We will make a difference and do this by holding on to what we believe - encouraging and influencing organisational change. We will do this through building a robust infrastructure promoting personal development and growth, based on an ethos of peer-to-peer support, sharing our experience, knowledge and insight for the benefit of all.

**Credibility** (encompassing: wisdom, integrity, trustworthiness, diversity, professionalism, influence, respect)

We will build a reputation as change agents influencing organisational shifts in recruitment policy offering real, developed, talent demonstrating the power of diversity.

## Objectives and activities

CtC is established for charitable purposes only and, in particular, the promotion of equality and diversity by:

- promoting diversity on governing bodies of all organisations in the public, private and third sectors;
- supporting people from under-represented populations in obtaining positions on governing bodies;
- supporting governing bodies in recruiting members from underrepresented groups;
- supporting members of governing bodies in the performance of their duties; and
- supporting governing bodies in the quality of decision making.

For as long as CtC is entered on the Scottish Charity Register, its purposes may only be altered with the prior consent of the Office of the Scottish Charity Register (OSCR) and in accordance with any conditions attached to such consent.

CtC works to meet these objectives by operating as a voluntary peer support network, headquartered in Scotland, that seeks to improve board effectiveness by increasing diversity of thought on boards of organisations operating in all sectors of the economy. This is done by helping those from diverse backgrounds secure board roles, by supporting those on boards to perform in those positions and providing advice and guidance to those organisations who want to improve their board's diversity.

The activity of CtC is to further these objectives and to apply capital or income for such charitable purposes as the trustees in their absolute discretion think fit. The trustees confirm that they have referred to the information contained in the Charity Commission's general guidance on public benefit when reviewing CtC's aims and objectives and in planning future activities.

During 2017, with input from the members gathered primarily through a members' survey, the strategy of CtC was reviewed by the board and a revised strategy for 2017-20 was approved in May 2017. CtC will continue to deliver its objectives through three strategic areas of focus:



1. to develop CtC's members (to help members into board roles and to perform once appointed to a board position);
2. to broaden CtC's membership (to ensure that CtC has a truly diverse membership);
3. to influence others (to spread the messages about the benefit of having diverse boards and the barriers to a truly meritocratic recruitment process eg. unconscious bias and helping boards become more diverse).

Whilst the three core strategic aims have not changed, it was recognised that the organisational model needed to continue to be developed to ensure it delivers a strong peer support network that is sustainable and enables CtC to achieve our objectives and future goals.

There are three key elements:

1. to strengthen connections between members to enable the peer support network both online and in person;
2. to ensure members are engaging and contributing to the charity on a regular basis to enable CtC to leverage the talent of its members;
3. to secure funding to enable cover CtC's costs and potentially pay for administrative support to assist in the running of the charity.

## **Achievements and performance**

CtC has continued to make great progress in delivering its strategy, through the three strands of focus outlined above. The other ongoing focus of the year was to continue to evolve the charity's operating model to involve more members in the delivery of CtC's activities. There are now over fifty members involved in some way in helping to deliver CtC's activities, all on a voluntary basis. The contribution made by volunteers (mostly CtC members but also many others) was essential in enabling CtC to undertake its activities. In addition to giving their time to assist with administration, event organisation, member support and recruitment, they also freely gave their professional expertise and provided venues for CtC meetings and events. The number of volunteer hours contributed by the Trustees alone exceeded 1,200 for the year.

The infrastructure implemented in the previous year is now fully operational though there is still more work to be done to ensure that members extract maximum benefit from the platform. A CtC communities manager is now in place to encourage members to complete their profile to enable the network to operate effectively online.

CtC has also introduced a suite of KPIs against the strategic aims to enable the executive and the board to track progress on a quarterly basis.

### **Developing the Members**

In the last year, members reported that forty board roles were filled by CtC members across all sectors and more work is planned to encourage members to report their appointments to the team to ensure that the data is complete. There have been nine *Target Group* meetings (for those seeking NED roles) and six *Graduate Group* meetings (for those with board roles). CtC also ran three sessions for new members on "How CtC Works". This is further supported by regular communications to the membership which are now issued regularly. More formal education in board-related matters has been organised by the Events Team, which has run a successful event programme including Board Journeys, and "The Board's Role in Culture and Values", "Building Effective Networks" and "Risk and The Board". In all, there have been fourteen such events in the Central Belt. The Highlands group has not been active this year and work is ongoing to restart activities in the region. This was in addition to two large events for all members (run after the AGM in June in Edinburgh and in November in Glasgow). There were also six social networking events to enable members to meet others and share their experiences.



### **Broadening the Membership**

Yvonne Greeves has now taken the lead of the working group to develop this further and, the board has focused on increasing the number of men and people of colour in the membership. The former has increased from 11% to 13% during the year and the latter from 3.4% to 4.7% (which is higher than the percentage in the Scottish population according to the 2011 census data). However more work needs to be done to build links to other groups that can help with improving this further.

### **Influencing Others**

The CtC trustees and other members continue to spread the word on the benefits of board diversity and the barriers to achieving this. In addition to both the CEO and other trustees speaking at a range of external events and the board providing feedback on consultations relating to board diversity (eg. the revised UK Governance Code), CtC members have been involved in a variety of activities including delivering workshops at conferences, speaking on diversity panels and advising boards on how to become more diverse. CtC was also asked to give evidence at the Scottish Government Equality & Human Rights Committee in relation to the gender quota on public sector boards bill.

Whilst CtC has worked for some time with the Scottish Government Public Appointments team, this year the CEO also delivered workshops for Scottish colleges in partnership with the office of the Commissioner for Ethnical Standards in Public Life and ran its first event in collaboration with the UK Cabinet Office's Public Appointments team to promote UK public sector boards to people living in Scotland.

CtC's CEO, Tanya Castell received an MBE from Her Majesty The Queen at Holyrood in July 2017 for services to diversity in business.

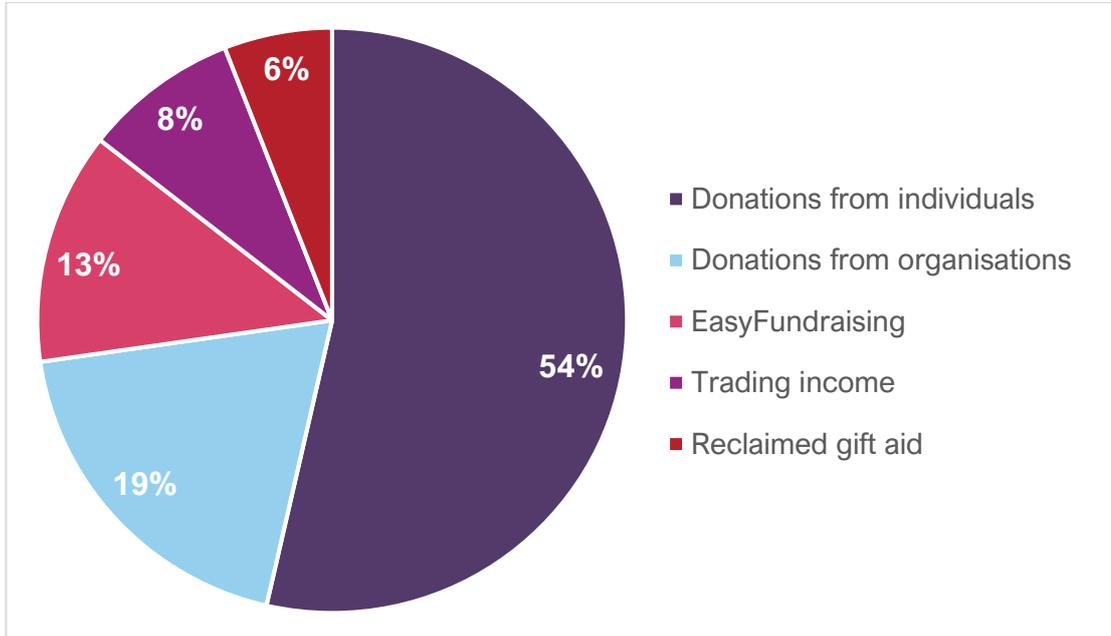
### **Financial review**

The Trustees consider that the net outgoing resources for the period of £2,942.16 was reasonable in view of the operation and nature of CtC. This amount is significantly less than the equivalent figure for the previous two periods, reflecting the completion of the project to establish governance systems and communications (including developing the website and membership platform).

CtC manages its accounts on a receipts and payments basis. At 31<sup>st</sup> March 2018, CtC had unrestricted funds of £1,835.10 and restricted funds of £1,462.17; there were no outstanding debtors, creditors or pending financial commitments.



The chart below summarises the principal sources of income during the period.



### Donations

CtC received a total of £2,517 in voluntary donations during the period, of which £377 was collected via EasyFundraising and £563 given by other organisations. Of the £1,576 received in individual donations, £874 was given by trustees of CtC. £175 was received in reclaimed in gift aid.

### Reserves policy

The Trustees have considered the purpose and size of retained income and have set a policy of maintaining reserves equivalent to three months' normal operating costs. In view of the future expenditure commitments and the anticipated further commitments to be entered into shortly, the current level of reserves is considered to be appropriate. In reaching this conclusion the Trustees had regard to expected future income.

### Restricted Fund

CtC was awarded a grant of £10,000 by the Scottish Government from the Equality Fund in September 2015 to enable it to establish governance systems and communications. This money, together with donations from Visit Scotland and Highland and Islands Enterprise totalling £750, has been held in a restricted fund. Following completion of the project, a residual balance remained, and the trustees considered how these remaining funds could be spent in a manner that ensured compliance with the conditions set out in the original Offer of Grant. A decision was taken to use the remaining sum to pay for ongoing internet hosting and telephone conference service costs.

Approved by the Board of Trustees and signed on its behalf by

Amanda Millar (Chair)

16<sup>th</sup> May 2018



## TRUSTEES' STATEMENT OF RESPONSIBILITIES

The trustees are responsible for preparing and approving the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in Scotland 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of CtC's Constitution. They are also responsible for safeguarding the assets of the charity 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHANGING THE CHEMISTRY

I report on the accounts of CtC for the period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018, comprising the statement of receipts and payments, the statement of balances and the related notes 1 to 4.

This report is made solely to the trustees of CtC, as a body, in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than CtC and its trustees as a body, for my work, for this report, or for the opinions I have formed.

### Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that the audit requirement of regulation 10 (1)(d) of the 2006 Regulations does not apply and that an independent examination is needed. The charity is preparing accounts on a Receipts and Payments basis and I am qualified to undertake the examination by being a qualified member of ICAEW.

It is my responsibility to examine the accounts as required under section 44 (1)(c) of the 2005 Act and to state whether particular matters have come to my attention.

### Basis of independent examiner's report

My examination was carried out in accordance with regulation 11 of the Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with section 44 (1)(c) of the 2005 Act and regulation 4 of the 2006 Regulations
  - to prepare accounts which accord with the accounting records and to comply with regulation 8 of the 2006 Regulationshave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Stephen Williams, ACA

16<sup>th</sup> May 2018



## STATEMENT OF RECEIPTS AND PAYMENTS

(Period 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018)

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>RECEIPTS</b>					
Voluntary income (donations)		2,517	-	2,517	1,026
Trading income		250	-	250	-
Grants		-	-	-	-
Investment income		-	-	-	-
Reclaimed Gift Aid		175	-	175	75
<b>TOTAL RECEIPTS</b>	4	<u>2,942</u>	<u>-</u>	<u>2,942</u>	<u>1,101</u>
<b>PAYMENTS</b>					
Operational costs	2	1,440	1,017	2,457	4,070
Governance costs	3	363	-	363	346
<b>TOTAL PAYMENTS</b>	4			<u>2,820</u>	<u>4,416</u>
<b>SURPLUS FOR THE PERIOD</b>				<u>122</u>	<u>(3,315)</u>
<b>Fund balances brought forward</b>				<u>3,175</u>	<u>6,490</u>
<b>Fund balances carried forward</b>	4			<u>3,297</u>	<u>3,175</u>

All the above results derive from continuing operations.



## STATEMENT OF BALANCES

(as at 31st March 2018)

	Note	31 March 2018 £	31 March 2017 £
<b>FIXED ASSETS</b>			
Tangible fixed assets		-	-
		-	-
<b>CURRENT ASSETS</b>			
Bank accounts		3,297	3,175
<b>NET CURRENT ASSETS</b>		3,297	3,175
<b>FUNDS</b>			
Unrestricted funds	4	1,835	696
Restricted funds	4	1,462	2,479
<b>TOTAL FUNDS</b>	4	3,297	3,175

These financial statements of Changing the Chemistry SCIO, registered no. SC045519, were approved by the board of trustees and authorised for issue on 14<sup>th</sup> May 2018.

Roger Duerden (Treasurer)

16<sup>th</sup> May 2018



## NOTES TO THE FINANCIAL STATEMENTS

Period ended 31<sup>st</sup> March 2018

### 1. Accounting policies

#### **Basis of preparation**

The financial statements have been prepared on the Receipts and Payments basis in accordance with the Charities & Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006 (as amended).

CtC has sufficient liquid assets and only commits to expenditure that is within its financial resources. The Trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that CtC will be able to meet all its financial commitments. After making enquiries, the Trustees have a reasonable expectation that CtC has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, the trustees continue to adopt the going concern basis in the preparation of these financial statements.

#### **Unrestricted funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of CtC without a specified purpose, and which are available for use at the discretion of the trustees.

#### **Restricted funds**

Restricted funds represent donations or grants received which are allocated by the donor or grant body for specific purposes.

#### **Incoming resources**

All income is recognised in the statement of financial activities when received.

#### **Resources expended**

Resources expended are recognised in the period in which they are paid.

Governance costs comprise administration costs and legal and professional fees for the running of CtC itself as an organisation.

#### **Taxation**

The entity is a registered charity and the only trading activity CtC has undertaken is primary purpose trading (providing advice and training to encourage diverse candidates to consider board roles) which contributes to CtC's charitable purposes and is therefore exempt from taxation.

#### **Cash flow statement**

The Charity is exempt from the requirement to include a cash flow statement as part of its financial statements.



## 2. Operational costs

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
IT charges	372	489
Telephone charges	623	176
Marketing and PR	68	120
Vehicle costs	-	85
Professional fees	250	3,200
Office consumables	62	-
Venue hire	1,082	-
	<u>2,457</u>	<u>4,070</u>

## 3. Governance and employee costs

Public liability and trustee indemnity insurance was purchased during the period.

CtC had no employees throughout the period. The trustees received no remuneration during the period, although expenses totalling £129.35 were refunded to trustees.

## 4. Statement of funds

	<b>Balance</b>			<b>Balance</b>
	<b>31<sup>st</sup> March</b>	<b>Income</b>	<b>Expenditure</b>	<b>31<sup>st</sup> March</b>
	<b>2017</b>	<b>£</b>	<b>£</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted funds	2,479	-	1,017	1,462
Unrestricted funds	696	2,942	1,803	1,835
Total funds	<u>3,175</u>	<u>2,942</u>	<u>2,820</u>	<u>3,297</u>

Expenditure from the restricted funds related to money spent on internet hosting and telephone conference service costs, and payments made to an external consultant for the provision of training workshops for the membership platform.