



ANNUAL REPORT OF THE TRUSTEES

Period ended 31st March 2019



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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 MBE
Trustees:	Tanya Castell MBE Roger Duerden (Treasurer) RE-ELECTED 11/06/18 Mary Duffy Yvonne Greeves Maria Hamilton APPOINTED 11/06/18 Wendy Lamin APPOINTED 11/06/18 Amanda Millar (Chair) Jane Richardson RETIRED 11/06/18 Ian Roberts RETIRED 09/09/18 David Robinson Neil Stevenson (Vice Chair) Karthik Subramanya Martha Walsh Helen Wright RETIRED 11/06/18
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 1st April 2018 to 31st March 2019. 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 27th March 2015.

Governing document

CtC was established by Constitution dated 27th March 2015 (amended 1st October 2015, 21st June 2016 and 8th 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 September 2018. 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, usually taking place in February. This year the session was deferred to April 2019 and focused on reviewing CtC's membership diversity. CtC's activities are focused on developing members who want board roles or wish to enhance their board skills, broadening the membership to support a wider range of diverse individuals, and influencing others to promote the message of greater diversity of thought in the boardroom. CtC had no employees during the period and all activities are carried out by member volunteers, led by the part-time voluntary CEO, with volunteers asked to provide updates on a regular basis. Team calls are held three times a week at various times of day to enable members to call in as appropriate. Over sixty volunteers are generally contributing to the running of CtC in Scotland at any one time, in addition to all members being asked to help on specific projects. Furthermore, a London chapter of CtC was launched in October 2018, which is being operated by local members using CtC principles and core approach.

The membership of the organisation grew from 347 to 438 over the period (of which 5% are based outside Scotland) and the operational structure continues to evolve to meet the increasing demand to deliver CtC's charitable objectives and meet the needs of members. The introduction in 2018-19 of CtC Cultivators – experienced members with board experience who are available to provide one to one support on a selective basis – has increased CtC's effectiveness in supporting the larger network.



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.

Following the refresh of CtC's three-year strategy in 2017, the charity continues 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 sixty 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) is essential in enabling CtC to undertake its activities. In addition to giving their time to assist with administration, event organisation, member support and recruitment, members 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 1,250 for the year.

The membership platform supports CtC's peer support network though there is still more work to be done to ensure that members extract maximum benefit from the platform. A CtC community 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-nine (40 in 2017-18) board roles were filled by CtC members across all sectors and a dedicated person has been appointed to encourage members to report their appointments to the team to ensure that the data is complete. There have been fourteen *Target Group* meetings (for those seeking NED roles) of which three were in London and nine *Graduate Group* meetings (for those with board roles). This is further supported by regular communications to the membership, which are now issued at least quarterly with supplementary events communications. 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 "Consensus Building", "Finance for the Boardroom", "Charity boards" and "Public Sector Boards". In all, there have been eight such events in the Central Belt of Scotland. There was only one event



in the Highlands, though dial-in options are available for many sessions. 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 nine social networking events (four in the Central Belt and five in London) to enable members to meet others and share their experiences.

Broadening the Membership

Progress stalled during the year due to lack of volunteers to progress CtC's ambitions. Although an event is planned for June 2019. The board has focused on increasing the number of men and people of colour in the membership. The former has increased from 13% to 14% during the year and the latter from 4.7% to 6.4% (which is higher than the percentage in the Scottish population according to the 2011 census data), particularly following the growth of our membership in London.

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, 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 continued to work in partnership with the office of the Commissioner for Ethnical Standards in Public Life (who mentioned CtC in their annual report) and provided speakers for several College Development Network events. The good news is that given the results CtC can demonstrate from helping organisations make their boards more diverse, the charity is now earning more from the services it delivers.

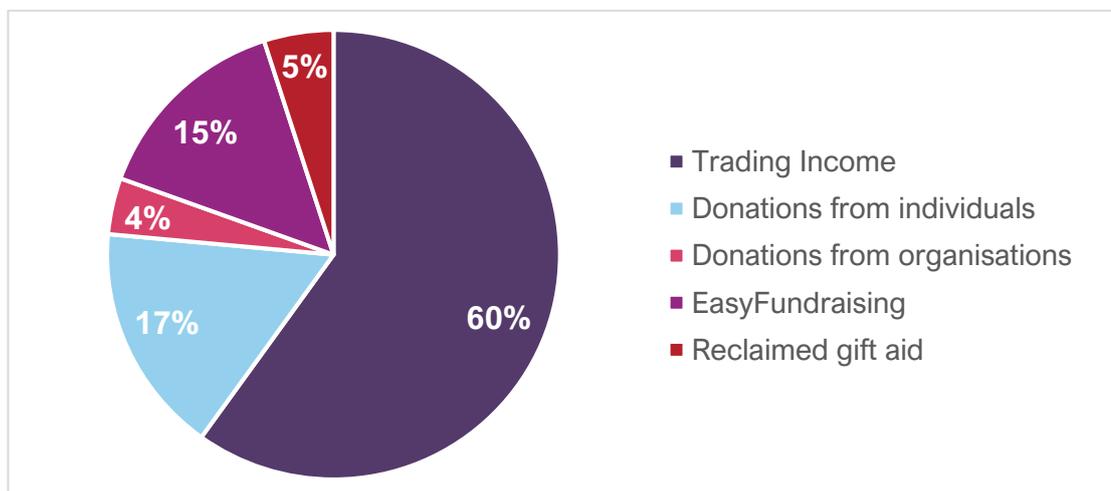
Financial review

The Trustees consider that the net outgoing resources for the period of £1,452 was reasonable in view of the operation and nature of CtC. This amount is significantly less than the equivalent figure for the previous period, reflecting the fact that CtC did not hold an off-site board strategy session during the year.

CtC's total receipts for the period represent a significant increase on the previous period, reflecting, in large part, payments from other organisations whom CtC has advised or supported in recruiting new board members and achieving greater board diversity.

CtC manages its accounts on a receipts and payments basis. At 31st March 2019, CtC had unrestricted funds of £5,026 and restricted funds of £524; 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 £1,301 in voluntary donations during the period, of which £538 was collected via EasyFundraising and £150 given by other organisations. Of the £613 received in individual donations, £555 was eligible for gift aid. £184 was received during the period in payment of reclaimed 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 in the previous period 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)

16th July 2019



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 1st April 2018 to 31st March 2019, 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

15th July 2019



STATEMENT OF RECEIPTS AND PAYMENTS

(Period 1st April 2018 to 31st March 2019)

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
RECEIPTS					
Voluntary income (donations)		1,301	-	1,301	2,517
Trading income		2,220	-	2,220	250
Grants		-	-	-	-
Investment income		-	-	-	-
Reclaimed Gift Aid		184	-	184	175
TOTAL RECEIPTS	4			3,705	2,942
PAYMENTS					
Operational costs	2	967	-	967	2,457
Governance costs	3	485	-	485	363
TOTAL PAYMENTS	4			1,452	2,820
SURPLUS FOR THE PERIOD				2,253	122
Fund balances brought forward				3,297	3,175
Fund balances carried forward	4			5,550	3,297

All the above results derive from continuing operations.



STATEMENT OF BALANCES

(as at 31st March 2019)

	Note	31 March 2019 £	31 March 2018 £
FIXED ASSETS			
Tangible fixed assets		-	-
		-	-
CURRENT ASSETS			
Bank accounts		5,550	3,297
NET CURRENT ASSETS		5,550	3,297
FUNDS			
Unrestricted funds	4	5,026	1,835
Restricted funds	4	524	1,462
TOTAL FUNDS	4	5,550	3,297

These financial statements of Changing the Chemistry SCIO, registered no. SC045519, were approved by the board of trustees and authorised for issue on 10th July 2019

Roger Duerden (Treasurer)

10th July 2019



NOTES TO THE FINANCIAL STATEMENTS

Period ended 31st March 2019

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 undertakes 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. No trading activity took place during the period

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

	2019	2018
	£	£
IT charges	427	372
Telephone charges	511	623
Marketing and PR	-	68
Vehicle costs	29	-
Professional fees	-	250
Office consumables	-	62
Venue hire	-	1,082
	<u>967</u>	<u>2,457</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 and made no claims for expenses during the period.

4. Statement of funds

	Balance			Balance
	31st March	Income	Expenditure	31st March
	2018	£	£	2019
	£	£	£	£
Restricted funds	1,462	-	938	524
Unrestricted funds	1,835	3,705	514	1,835
Total funds	<u>3,297</u>	<u>3,705</u>	<u>1,452</u>	<u>3,297</u>

Expenditure from the restricted funds related to money spent on internet hosting and telephone conference service costs.