

THE SHEILA McKECHNIE FOUNDATION

**Charity Registration in England and Wales No. 1108210
Scotland Registration No. SC044207**

Company Registration No. (England and Wales) 05331412

(A COMPANY LIMITED BY GUARANTEE)

AUDITED TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

THE SHEILA McKECHNIE FOUNDATION

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THE SHEILA McKECHNIE FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Peter Moorey (interim Chair) Stuart Davis (Treasurer) Cecilie Hestbaek Rhea Stevens Bushra Ahmed Kimberly Garande Patrick Steen Zainab Ali Khan Deborah Doane Richard Lane (Appointed 7 April 2021)
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Registered Address	Crown Chambers Bridge Street Salisbury SP1 2LZ
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Auditor	Fletcher & Partners Crown Chambers Bridge Street Salisbury SP1 2LZ
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Bankers	Unity Trust Bank Nine Brindleyplace Birmingham B1 2HB
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TRUSTEES REPORT AND ACCOUNTS FOR FINANCIAL YEAR APRIL 2021 TO MARCH 2022

THE SHEILA MCKECHNIE FOUNDATION (SMK)

This trustees' report includes the Directors' report as required by company law.

Introduction

Part think-tank, trainer, convener, and champion, SMK is facilitating a new approach to civil society – the people and organisations outside of government and business.

Change often begins in civil society. We believe it has the potential to drive deeper and longer-lasting change – in one person's life or our entire society – if it works at its best and without unreasonable constraint.

We call this *Social Power*.

We unleash civil society's Social Power by being curious about how change happens, by building its confidence and effectiveness, and by championing campaigners and campaigning.

We are passionate, single-minded, and tenacious. We think like campaigners: we analyse problems, find ways to overcome them, and bring people with us. We use our independence to stand up against those who put barriers and constraints in the way.

Social justice drives our approach, and we are committed to using our own power to create greater equity. We work right across civil society, from those campaigning from their front rooms to those in the offices of global organisations.

Campaigners need someone to support and campaign for them too. And that's SMK.

Objectives of the charity

To promote the efficiency and effectiveness of charities and the effective application of resources for charitable purposes for the benefit of the public by raising the standard of, and promoting excellence in, campaigning on behalf of charitable purposes in particular by:

Recognising individuals who have conducted effective and lawful campaigns that further charitable purposes

Raising awareness of good practice in campaigning

Providing information and guidance to people who are campaigning in furtherance of charitable objectives

Public benefit statement

In setting our objectives and planning our objectives Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing citizenship and community development.

Activities and Review

In 2021/22, as the Covid pandemic continued, the world did not return to 'business as usual'. In common with many charities, the Sheila McKechnie Foundation has continued to explore the challenges and opportunities that hybrid working presents.

Our training and consultancy has recovered strongly since 2020-21, pulling in £144k across the year, with online provision continuing to be a strength. In 2021-22, we have trained 345 people from individual activists to professional campaigners.

The Reforming Civil Society (ARCS) group of charity chief executives expanded its membership in 2021-22, thanks to solidarity memberships funded by Barrow Cadbury and Paul Hamlyn Foundation. As well as meeting as a group to discuss issues of the day, charity chief executives met senior people from the worlds of politics, journalism, business, justice, and more, with a view to understanding better how charity voices are valued and, ultimately, participating more visibly in our national debate.

This year saw the culmination of the first phase of the Power Sharing Project, our inquiry into what would it look like if civil society in London was better at sharing power in pursuit of social change, supported by the Cornerstone Fund (in our case City Bridge Trust and Trust for London). Working closely with the project's 'Core Learning Group', a diverse group with a mix of lived and professional experience of poverty and inequality, we developed a range of practical tools and insights to support charities and other formal social sector organisations to develop a more nuanced understanding of power and participation. These tools were tested with our wider Community of Practice through participatory workshops, before launching our publication, *It's All About Power*, with accompanying digital resources, in March 2022.

Thanks to a further grant from Trust for London, SMK can move into the next phase of the Power Project in 2022-23, calling for a new way of thinking about power in the sector and encouraging strategic action to build greater solidarity in social change. The project also attracted attention from Oak Foundation, who have now granted SMK £1m over five years to run a capacity building programme for their UK grantees.

In May 2021, for the second year, we streamed the SMK National Campaigner Awards live via [YouTube](#). They have since been viewed over a thousand times. The calibre of entries was strong. Judges remarked that it was a real challenge to select overall winners in some categories. And, for the first time (and for the

next three years), SMK secured a title sponsor – Bates Wells, leading legal advisers to civil society. Thanks to Bates Wells and all our category sponsors.

In autumn 2021, we launched Social Power Scotland – a pilot network for change-makers in Scotland, supported by the Corra Foundation. The key ambition of Social Power Scotland is to explore whether there is value in creating a new space for change-makers to come together to pool knowledge, ideas and resources that could strengthen their ability to drive change – individually and collectively. The network currently stands at over 200 people, with around 20-30 attending regular meetings to share their experiences.

In early 2022, the headline finding of our annual Campaigner Survey for 2021 was that attacks on charities for being too ‘woke’ were actually backfiring. Once again, our results received coverage in both the nation and trade press. This also led to more in-depth opportunities to comment on the current campaigning environment for Third Sector and Leadership and Governance magazine.

SMK has maintained its interest in shrinking UK civic space and its impact on campaigners for years, but thus far our work has been unfunded. Following up on discussions with a group of independent funders, we made a bid in partnership with Civil Exchange for a project that would help funders determine how best to support and stimulate work to defend civic space in the UK. They in response funded research that kicked off in January 2022, with a series of one-to-one interviews with civil society leaders, politicians and commentators from across the political spectrum.

This work is significantly supported by our new colleague, Seth Farsides, who joined us in November 2021 as Policy and Research Officer. This took our head count in 2021/22 to eight members of staff (a mix of both full and part-time).

At the end of the financial year, we launched our [2022 Review Document](#). It looked back at what we’ve been up to and where we are headed. It also restructured our strategic framework into three areas: Capacity Builders; Champions; Think Tank.

For the purposes of this 2021-22 report, however, we have reported under our original four strategic objectives, which underpinned our work in this year.

Before doing so, our thanks too to our loyal and long-standing core funders: Paul Hamlyn; the Tudor Trust; John Ellerman and the Joseph Rowntree Charitable Trust. Our further thanks to Tudor Trust and Blagrove for the unexpected well-being ‘gifts’ given to help us navigate Covid.

1. WE CAPACITY BUILD

We strengthen our sector by developing its knowledge, skills and confidence in campaigning and social change. We do this by providing resources and supporting people and organisations directly through our training and consultancy services.

Training

'The workshop on Law was hugely inspiring, especially because the person who facilitated it is a working lawyer and she showed us examples from her work and very deeply moving stories of pursuing justice and accountability.'

Using the Legal System to Achieve Change workshop attendee

Last year we reported on the re-launch of SMK's campaign training as a fully digital service in response to the Coronavirus crisis. The new 'Campaign Carousel' didn't just take our existing training online, it involved a comprehensive review and revision of our offer to ensure it equips campaigners with the tools needed to create change. There are 13 individual workshops that together form the Campaign Carousel, covering the basics of planning for change, and a range of more specialist topics from Influencing Locally through to Digital Campaigning and Using the Law <https://smk.org.uk/what-we-do/training/campaign-carousel/>. All workshops can be accessed individually, or campaigners can build their own package of campaign training designed to be completed flexibly over a year. In 2021/22 we have trained 345 people from individual activists to professional campaigners in organisations as varied as Which? and Crisis.

Since launch we have continued to develop and improve the Carousel programme, under the supervision of Course Director Kath Christie. Over the last year we have reviewed and re-launched 5 out of 13 workshops including 'Using the Legal System to Achieve Change' with Shauneen Lambe founder of Just for Kids Law, and 'Power, Participation and Lived Experience' with Jo Ram one of the Stansted 15. Further improvements are planned, including strengthening the community aspect of the Carousel. The environment for campaigners is changing all the time, so the Carousel must continuously evolve to keep pace.

The Carousel has now been running for almost 18-months and has thoroughly bedded in. This is what we have learned so far:

- The online model works well, and has broadened access across the UK's nations and regions
- The flexibility, choice, and content of the Carousel model is valued by trainees, with 89% of post-workshop evaluation respondents rating their session 3 or 4 out of 4
- There is evidence that our training increases the capacity of campaigners. Our survey of those who have completed the full Carousel showed that 44% had increased their confidence to campaign effectively

by a lot or dramatically, 78% reported an improvement in their networks with other campaigners, and 100% reported an improvement in their ability to gain internal support for campaigning

- Demand is strong and growing with many workshops fully subscribed. We are looking at how we can grow the provision of workshops to better meet heavy demand

'I loved the Community Organising workshop - it was fantastic to get to work with the other campaigners and try things out together.'

Community Organising workshop attendee

SMK receives no funding for training, and it is now established as a trading operation. This means there are financial barriers to participation for smaller organisations and individual activists. Last year we outlined plans to address this unmet need through the development of a 'Centre for Campaigning Excellence' providing free resources and support. We haven't, as yet, been able to raise funds to develop this idea. It remains an SMK ambition and we will continue to look for ways to realise it. In the meantime, we have introduced a tiered pricing model to help those with less deep pockets to access the Carousel.

We also have plans over the next year to trial the expansion of our training and professional development offer beyond the Carousel. With a 'Masterclass' programme, providing more specialist skills development, and plans for a professional development offer for senior campaigners and Chief Executives of organisations with significant campaigning activity.

Commissioned training & Consultancy

Following a lull at the height of the Coronavirus crisis we have seen demand for in-house training and consultancy recover quite strongly, especially in the first quarter of 2022.

During the year SMK has provided in-house training for clients including the Institute of Physics, Clinks, Foyer Federation, and Wildlife Trusts.

We have also supported a number of organisations with the development of their campaigning strategies, including, for example, U3A, Z2K, and Equally Ours.

There are a couple of trends we have observed through our work with clients. The first is that our help has been sought by a couple of established charities, including the Institute of Physics and U3A, who wanted to shift their culture towards campaigning. Recognising that some of the issues they want to tackle require structural change, they have been looking at how they can strengthen the reforming aspect of their work. This is great news for SMK given that our own mission is to unleash the reforming potential of civil society, and it's a trend we hope continues.

Also noteworthy has been the context for our work supporting organisations to develop or renew their campaigning strategies. For many organisations the

environment for their work is very difficult, and they are having to deal with government policy that is regressive, and impacts those they are trying to help adversely. For many, but not all, access to Whitehall and government is also increasingly difficult. The challenge is how do you position yourself for long-term success, when the immediate future looks so difficult. These are challenges that we think the wider sector, and campaigning profession generally, are having to grapple with.

2. WE CHAMPION

We stand up for civil society's role and value, defending civic space and the right to campaign. We celebrate the very best campaigns and campaigners each year at the SMK National Campaigner Awards.

SMK Annual Campaigner Survey

Our Annual Campaigner Survey continues to provide the social sector with evidence and insight and is regularly quoted by other organisations. The headline finding of our sixth annual survey was that attacks on charities for being too 'woke' were actually backfiring.

Once again, our results received coverage in both the nation and trade press. This also led to more in-depth opportunities to comment on the current campaigning environment for Third Sector and Leadership and Governance magazine.

Campaigners in the UK are encountering a growing range of barriers. Some are concrete, such as legislation designed to restrict protest, while others are more insidious, like the so-called 'war on woke'. They add up to a trend of 'shrinking civic space' or, more plainly, people's ability to influence the decisions that shape their world. Despite this, campaigners are more likely to speak out now than a year ago.

Unfortunately, campaigners say that attitudes amongst politicians have become more negative in the past year (79%, up from 63% in 2020). Only 3% say they are becoming more positive. Around half say the media has become more negative.

A massive 96% say there are threats to the freedom to organise, speak out and protest. These include proposals to restrict protest and judicial review, and negative statements by politicians. There is also deep concern that legislation will 'chill' campaigning activity more broadly.

But campaigners say they will not be cowed. Recent attacks on charities such as the National Trust, RNLI and Runnymede Trust have made 30% more likely to speak out. Only 7% report they are now less willing.

This is mirrored in the surges of public support for the RNLI, which reported a spike in donations following criticism by some politicians, and the National Trust, which saw record-breaking membership rises last year.

Campaigners say they are more determined and are paying greater attention to risk and strategy.

Lobbying Act

On 20 July 2021, SMK were invited to give oral evidence to the Public Administration and Constitutional Affairs Committee (PCAC) on the work of the Electoral Commission. Our focus was its regulation of third-party campaigners under the Lobbying Act and proposals to expand registration. We gave evidence alongside Friends of the Earth, Bond and the NASUWT.

'The [Lobbying Act] and further changes the Government are now seeking feel like a very blunt solution to a very vague problem. We know that it is important that the cost of the solution does not outweigh its benefits, because one of the biggest costs is to the quality of our democratic debate.'

Chloe Hardy, Director of Policy & Comms – evidence to PCAC

Defending UK civic space

For more than a decade, civil society in the UK has faced a series of threats to the environment it operates in – sometimes referred to as the 'civic space'. These threats affect the rights, freedoms and protections that allow people and institutions to organise: to speak out, press for change, hold decision-makers to account, or build our common culture. Despite efforts to push back and defend civic space, it is shrinking.

The Sheila McKechnie Foundation, committed to unleashing civil society's capacity to create profound, long-term change, began to track those threats and quickly become seriously concerned that the totality of these shifts might amount to an existential crisis for the sector. The magnitude and multitude of these threats were directly hindering many parts of civil society's ability to create and shape social change.

In recent times, organisations and individuals in this space have had to navigate the Lobbying Act, anti-advocacy clauses in funding conditions, the Elections Act, Police Bill, anti-terror policies cast too widely, additional surveillance, attacks by politicians on charities deemed too 'woke' and contend with political appointments to independent bodies - and this list is far from exhaustive. At the same time, a lack of understanding around the role of charities and the social sector has made it increasingly easy to marginalise and even attack its efforts to contribute to our national conversation.

In autumn 2021, global civil society alliance CIVICUS declared that UK civic space had 'narrowed', adding it to its human rights watchlist.

A new project, supported by a group of five funders, set out to determine the current health of our civic space, map threats and identify trends, consider what future interventions might be most effective in defending civic space, and where additional resources might best be invested to support them.

In the final quarter of 2021-22, working with independent think-tank Civil Exchange, we kicked off the research with a series of interviews with people within civil society and beyond. A final report is due in summer/autumn 2022.

A Reforming Civil Society (ARCS)

The ARCS group of charity chief executives expanded its membership in 2021-22, thanks to solidarity memberships funded by Barrow Cadbury and Paul Hamlyn Foundation.

SMK organised a programme of conversations with external opinion-formers from the worlds of politics, journalism, business, justice, and more, with a view to understanding better how charity voices are valued and, ultimately, participating more visibly in our national debate.

We are hopeful that, on top of the valuable insight and solidarity building, the ARCS group will also, eventually, develop into a source of income that supports SMK's core work.

SMK National Campaigner Awards 2021

The purpose of the Awards is to celebrate campaigners and change-makers:

- *so that* change makers feel supported and encouraged to campaign
- AND the legitimacy and value of civil society in driving social change is made more visible
- *so that* civil Society achieves change because it feels strong and faces no unreasonable constraints to campaigning
- *so that* we can achieve **a more confident and powerful civil society where people work together to drive social change.**

The 2021 National Campaigner Awards shortlist was of a high calibre, with judges remarking that, in a number of categories, this was a real challenge for them. Winners were exceptional in the breadth of issues they addressed, which included women's rights, domestic abuse, clean air for Londoners, climate change, and pregnancy discrimination.

For the first time, SMK has secured a title sponsor for the Awards – Bates Wells, leading legal advisers to civil society – who have signed up to be partners on the Awards for the next three years.

Alongside this, we had a further seven single category sponsors including some extended support from The Blgrave Trust, sponsors of the Young Campaigner Award category. The support of our dedicated sponsors is what makes these Awards possible so we are incredibly grateful.

In 2021, for the second year, we streamed the SMK National Campaigner Awards live online via [YouTube](#). Since then, they have been viewed over **1000** times.

We worked with video production company [Voytek](#) for the second year in a row to deliver an exceptionally high-quality online event and benefitted from in-kind support from Brand Ethos for this year's stand-out Awards visuals and assets. These partnerships are a real testament to how much our partners believe in the work we are doing and the quality of our relationships with them.

This year, we had a social media engagement strategy in place in the run up to the Awards and afterwards. In this period, social media engagement increased over last year's and included:

- Twitter: 200 more followers Tweet impressions = 588K
- Profile visits = 24.2K Mentions = 424
- Facebook: Post reach: 40,428 Post engagement: 754

The Awards team continues to work on improving the Awards year on year. We aim to offer our audiences an engaging experience, celebrate and champion change-making, and convene civil society campaigners so that they have the knowledge and power to drive social change. We are working with our partners and colleagues to ensure that the Awards are delivered to a high standard and continue to inspire and empower.

Feedback from the event includes:

"What a fantastic watch! I say these were better than the Academy Awards themselves."

"Well done SMK - this is the very best virtual event/ceremony I have been to...twice now!"

"The award ceremony was great, and our whole team enjoyed it!"

"Can SMK please put on awards each month?! This has been great for the soul, so inspired and fired up!"

"One of the highest quality online events I have seen. Well done for what must have been a huge amount of work to pull off."

3. WE ARE CURIOUS

Making social change happen is always complex, often messy and rarely, if ever, easy. The world around us is constantly changing. Tools and tactics evolve. Attitudes in society and in our own organisations change. We bring together change-makers from all parts of civil society and create spaces where we can explore change-making together. We listen and share our evolving understanding of social change, as well as our unique tools, freely.

Power Sharing Project (now the Power Project)

This period saw the culmination of the first phase of the Power Sharing Project, our inquiry into what would it look like if civil society in London was better at sharing power in pursuit of social change.

Working closely with the project's 'Core Learning Group', a diverse group with a mix of lived and professional experience of poverty and inequality, we

developed a range of practical tools and insights to support charities and other formal social sector organisations to develop a more nuanced understanding of power and participation. These tools were tested with our wider Community of Practice through participatory workshops, before launching our publication, *It's All About Power*, with accompanying digital resources, in March 2022.

For more information, see:

It's All About Power: https://smk.org.uk/wp-content/uploads/2022/03/SMK_ItsAllAboutPower_Digital.pdf
Power Project webpages: <https://smk.org.uk/what-we-do/power-project/>

The launch was a resounding success, featured in sector press (Civil Society News and Third Sector magazine) and generated an extremely positive response on social media from campaigners, funders and academics alike.

Comments included:

Fantastic resource – and call to action for all those seeking to create social change... ‘Change begins in the conversations and relationships you have everyday’ @MrJoeJenkins [joe Jenkins](#) Exec Director Social Impact @childrensociety; ViceChair & [#ProudTrustee](#) @RefugeeAction

What a challenging, timely and practical report this is! In the tried and tested @SMKcampaigners fashion it takes the complex issue of power and gives us useful tools and practical solutions to look at how we can think and work differently and better. @BarrowCadbury

Thank you, this looks fantastic. I've just shared it with our social change students @InnovAndSkills. @harshaPatel_ (Leeds Beckett Uni, MD at @Doing_Social)

Covid-19 had forced us to redesign our approach, bringing workshops and conversations online. However, the positive relationship developed with our funders at Cornerstone Fund (Trust for London and City Bridge Trust) allowed us to reallocate funds to ensure we could do justice to the quality and complexity of our research in the final publication. The initial grant was extended by three months, then a successful application to Trust for London will enable us to continue with a second phase of 'The Power Project' for two years (2022-23). This grant means SMK can continue to call for a new way of thinking about power in the sector, and encourage strategic action to build greater solidarity in social change.

Finally, our work on the Power Project attracted attention from Oak Foundation, who have now granted SMK £1million over five years to run a capacity building programme for their UK grantees, all working to tackle housing injustice and homelessness, building on SMK's analysis of power, campaigning and social change. This is a game-changing grant for SMK, allowing us expand the team from eight to eleven in Summer 2022, and placing our work on power and participation at the centre of our work for the next five years, at an important time for the sector.

Social Power Scotland launch

The Social Power Scotland network held exploratory discussions with Scottish changemakers and launched publicly in November 2021. Its goal is to explore whether there is value in creating a new space for change-makers to come together to pool knowledge, ideas and resources that could strengthen their ability to drive change – individually and collectively.

220 people expressed an interest in the pilot programme, supported by the Corra Foundation, which will host six monthly network sessions. We held the first three discussions on 2021-22, attended by 20-30 participants, on the following topics:

Is civil society too close to government in Scotland?

Contributors: Annika Joy – CEO, Safe in Scotland; Derek Young – Policy Manager, Institute of Physics

Making progress when the people you need aren't on board.

Contributors: Alex Fleming – Chief Officer, 4 The Benefit of All; Derek Harper – Board Director, The Food Life; Alison Reeves – Scotland Manager, Making Music

What can we learn from what goes wrong as well as what goes right?

Contributors: Jonathan Christie – CEO, The Cabrach Trust; Pauline Lunn – Director, In Control Scotland

Campaign trends & drivers

We continue to hold an ambition to continue to track and capture what's new, what's working and the emerging challenges in change-making. We continued to struggle to find the capacity to do this consistently in 2021-22 (though the We Are the Change-Makers events series was a way to stay connected to our audiences and hear from some ground-breaking campaigners). We remain committed to doing more of this work in 2022-23 and our fundraising and financial planning strategies include this as a priority.

4. ORGANISATIONAL INFRASTRUCTURE

Comms, brand and marketing

After the success of SMK's re-brand at the end of 2020, we have continued to grow the brand and develop the positioning and visual identity across all of our platforms.

SMK continued work on SMK's digital infrastructure development in particular Salesforce that included some further investment in customisation and database management. This work is on-going and will require on-going resource and capacity across the project teams.

A new digital strategy for 2021-2022 was presented and signed off by the Board of Trustees and included:

- Improvement of social media and digital marketing channels and dissemination methods, using best practice in stakeholder engagement.
- Implementation of digital tools and digital training on platforms such as Canva, Lumen 5, Google Ads, SEO tools and analytics.
- A commission of Pilao Labs to complete an accessibility audit of SMK's website (technical and content). The first half began in March 2022 with second half to be completed in Autumn 2022.

Our analysis and comment pieces, newsletters and social media posts do not stop. We use these to share news from across the campaign community, as well as our own.

Events programme

We create spaces for change-makers to come together and share their experiences and ideas. And we are constantly tracking the emerging trends and tactics that shape today's campaigning. Our events have explored examples of change, challenged the status quo of what it means to be an activist, and our end-of-year 'shakedowns' offer a chance to reflect on and celebrate some tough times.

In 2021-22, we launched the first year of the *We are change-makers* events programme, a series of conversations with change-makers, commentators and campaigners who can share significant insights into change-making and who have something new or interesting to say about social change. Events have included author of the *Entangled Activist*, Anthea Lawson, and feminist and women's rights activist, Selma James.

Following the successful Shakedown of 2020, we hosted another review of the year in December 2021. We had around 30 attendees and some good discussions about campaign challenges and opportunities this year. However, it was clear that appetite for this kind of event, though high in the first year of the pandemic, was now waning and we will be planning 2022/23 events differently to respond to this.

Staff and other organisational changes

In this year, SMK had a core team of four full-time staff and four part-time staff all on permanent contracts. Seth Farsides is the new member of staff this year who joined in September 2021 as Policy & Research Officer (F/T).

Other core members of the team are Sue Tibballs, CEO (F/T); Rob Abercrombie, Deputy CEO (3 days p/w); Chloe Hardy, Director of Policy & Comms (4 days p/w); Sarah Thomas, Head of Power & Participation (3 days p/w); Emma Boyd, Head of Marketing & Comms (F/T); Megan Poyiadzis, Events & Programmes Manager F/T); Rummena Begum (Digital Marketing & Projects Officer F/T).

Financial Review

Total income for the year was £554,241 (£434,043 in 2020-21), a 28% increase compared with the previous year. We continued to receive income from a diverse range of sources. 23% of our income was restricted to funding specific projects. These funders and projects are listed in the accounts (Note 3).

Expenditure

Total expenditure amounted to £535,552 (£478,158 in 2020-21) a 12% increase compared with the previous year.

Funds at year-end were £80,512 (2020-21 £61,824).

The Future

SMK continues to make progress in establishing itself as a valuable think tank and capacity-builder focused on campaigning, social change and civil society's reforming power.

We are asking questions about social change and how it happens that people recognise are important and want to discuss.

We are trusted to host significant projects that ask big and complex questions, and produce insights and tools designed that help others think and behave differently.

A very wide range of organisations working across a raft of issues are asking for our help to guide strategy and build capacity.

We have shown that with high quality IP, we can generate significant earned income.

We are helping not just protect civic space but also build a new narrative and engagement with the importance of civic space and civil society's reforming role.

We speak up for the campaign community and produce valuable evidence as to their experiences and attitudes.

High profile and well-regarded charities trust us and want to work with us to build a new understanding of charities' reforming role in society.

Our annual SMK National Campaigner Awards celebrate people and organisations whose achievements might otherwise be unsung.

We use our network to provide a platform to others, and work with partners and Associates to make their expertise more widely available.

Our reports are making national news, we are regularly asked to give comment, and our evidence is cited widely.

SMK – set up in memory of the brilliant Sheila McKechnie – is, we think, doing her proud. But we want to do more.

We think civil society and the social sector in the UK could be doing so much more – driving even more transformational change – if they were working without constraint and with the right support. What we call Social Power. Our role is to unleash it.

It remains the case that, where there is a sizeable industry in the US, there is very little provision for this kind of infrastructure and capacity building in the UK. SMK is working very hard to fill that gap but to meet need and demand, we need to be bigger ourselves.

We have set out a clear vision for our future in the hope we can grow our capacity and impact. We feel hopeful of securing sufficient support to keep growing this valuable organisation.

Reserves Policy

The charity's reserves policy is set out in the note 1.7 to the accounts.

Structure, governance and management

Sheila McKechnie Foundation is a charitable company limited by guarantee governed by its Memorandum of Association as adopted at the extraordinary general meeting on 21st February 2005. It is registered as a charity with the Charity Commission and as a Company with Companies House.

Pay and remuneration of staff is determined in accordance with SMK's pay & remuneration policy. As a very small employer, there are some key principles that underpin SMK's approach to pay and remuneration:

It must be simple and straightforward to administer

It should be flexible, recognising that SMK's income can fluctuate, and that organisational needs can change

It must reflect the values of the organisation

It must be in line with best practice in the sector

Pay levels are reviewed annually, taking into account evidence of pay levels across the sector more widely, and SMK reviews cost of living annually, and makes an award accordingly. SMK is a London Living Wage employer.

Appointment of Trustees

Our Articles of Association provide that SMK may have no less than three trustees but it is not subject to any maximum.

SMK uses a transparent and fair method when recruiting new trustees. We advertise all trustee vacancies and they are open to anyone who wishes to be a trustee. From time to time the Board may call for trustees with specialist skills and experience that it identifies is needed for the effective governance of the organisation.

The process is led by the Resource Committee, and applicants for trusteeship are asked to make their application in writing and to attend an interview. During this time, each applicant and interviewee goes through the same process. We also apply our equal opportunities policy to trustee recruitment.

Each new trustee received an introduction pack and an induction to the organisation, and support is readily available from the Officers of the organisation.

The board of Trustees meets regularly and there were 5 meetings held during the year (2020/21: 5).

The present members are listed in this report.

The following changes in trustees occurred during this financial year:

- Sarah Wootton and Moira Fraser Pearce retired formally.
- Cecile Hestbæk stood down and has been reappointed to the board.
- Richard Lane has been appointed to the board.

List of Trustees is in Page 2 Legal and Administrative Information.

Members of the Trust guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total amount of such guarantees at 31st March 2022 was 10 (2021: 10).

Risk statement

The trustees and staff jointly reviewed the possible risks facing the organisation during the year. Therefore, they were aware of the major risks facing the charity and are taking adequate steps to protect the charity. The major risks are related to the nature of the work within which the charity supports through grants and awards and the use of appropriate volunteers and people who support the charity.

Auditors

Fletcher & Partners were appointed as the charitable company's auditors.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Accounting and Reporting Responsibilities

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts.

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue to operate.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the group and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the charitable company's trustees, we certify that so far as we are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and as trustees of the charitable company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the trustees on 7th December 2022

and signed on their behalf by



Pete Moorey
Interim Chair



Stuart Davis
Treasurer

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE SHEILA MCKECHNIE FOUNDATION

Opinion

We have audited the consolidated financial statements of The Sheila McKechnie Foundation and its subsidiary for the year ended 31 March 2022, which comprise of the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash flows and the related notes. 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 group's and the parent charitable company's affairs as at 31 March 2022, and of the group's 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;
- have been properly prepared in accordance with the Companies Act 2006 and Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing(UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRCs 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 directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatements of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE SHEILA MCKECHNIE FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company's and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees report.

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

- adequate accounting records have not been kept by the parent charitable company, or return adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records or returns: or
- certain disclosure of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the trustees report and from the requirement to prepare a strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' Responsibility Statement, 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 controls as the trustees determine is necessary to enable the preparation of the 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 group's and the parent 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 directors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF THE SHEILA MCKECHNIE FOUNDATION

We ensured that the engagement team collectively had the appropriate competence and capabilities to recognise non-compliance with applicable laws and regulations;

We identified the laws applicable to the company through discussions with trustees and management, and from our knowledge and experience of the company and the sector; and

We ensured that the laws and regulations which we identified were communicated to the engagement team and that they remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material mis-statement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to their assessment of the risk of fraud and their knowledge of actual or alleged fraud; and
- considering the effectiveness of internal controls to mitigate the risks of fraud and non-compliance with laws and regulations.

We addressed the risk of fraud through management bias and the over-ride of controls by assessing whether judgements and assumptions made by management were indicative of potential bias and by investigating the rationale behind significant or unusual transactions. In order to address the risk of irregularities we carried out procedures which included agreeing the financial statements to underlying documentation and enquiring of management as to actual and potential litigation and instances of non-compliance.

There are however inherent limitations in these audit procedures. The more removed that laws and regulations are from financial transactions, the less likely it is that we would be aware of non-compliance. Auditing standards also limit the procedures required to identify non-compliance to enquiry of management and inspection of relevant correspondence. Furthermore misstatements due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC website (www.frc.org.uk/auditorsresponsibilities) This description forms part of our auditors report.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Fletcher (Senior Statutory Auditor)
for and on behalf of Fletcher & Partners
Chartered Accountants and Statutory Auditors.

Crown Chambers, Bridge Street,
Salisbury, SP1 2LZ

Fletcher & Partners is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE SHEILA McKECHNIE FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Group Total			Group
		2022			2021
		Unrestricted funds £	Restricted funds £	Total £	Total £
<u>Incoming resources</u>					
Voluntary income	2	6,543	-	6,543	2,395
Charitable activities	3	279,110	124,500	403,610	431,648
Other trading activities	3	144,087	-	144,087	-
Total Incoming resources		429,741	124,500	554,241	434,043
<u>Resources expended</u>					
Raising funds		-	-	-	-
Charitable activities	6, 7, 8, 9	298,242	115,433	413,675	478,158
Other trading activities	6	121,877	-	121,877	-
Total resources expended		420,119	115,433	535,552	478,158
Net movement in funds	13	9,622	9,067	18,689	(44,115)
Balances at 1 April 2021		46,420	15,403	61,824	105,939
Fund Transfers		-	-	-	-
Balances at 31 March 2022		56,042	24,471	80,512	61,824

All income and expenditure derive from continuing activities. The Statement of Financial Activities includes all gains and losses recognised during the year.

**THE SHEILA McKECHNIE FOUNDATION
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Group		Charity	
		2022	2021	2022	2021
		Total	Total	Total	Total
		£		£	
Fixed assets					
Tangible assets	10	716	3,554	716	3,554
Investment	10	-	1	1	1
		<u>716</u>	<u>3,555</u>	<u>717</u>	<u>3,555</u>
Current assets					
Debtors	11	62,235	86,988	76,844	86,988
Cash at bank and in hand		<u>79,334</u>	<u>97,997</u>	<u>44,547</u>	<u>97,997</u>
		<u>141,569</u>	<u>184,985</u>	<u>121,391</u>	<u>184,985</u>
Liabilities					
Creditors falling due within one year	12	(61,773)	(126,717)	(41,596)	(126,717)
Net current assets		<u>79,796</u>	<u>58,269</u>	<u>79,795</u>	<u>58,269</u>
Net assets		<u>80,512</u>	<u>61,824</u>	<u>80,512</u>	<u>61,824</u>
Representing:					
Restricted Funds	13	24,470	15,404	24,470	15,404
Unrestricted Funds	13	56,042	46,420	56,042	46,420
Total Funds		<u>80,512</u>	<u>61,824</u>	<u>80,512</u>	<u>61,824</u>

These accounts have been prepared with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006.

The accounts were approved by the Board on: 7th December 2022



Peter Moorey
Interim Chair of Trustees

**THE SHEILA McKECHNIE FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022
COMPANY REGISTRATION NO. (ENGLAND AND WALES) 5331412**

	Group Period Ending 31 Mar 2022 £	Group Period Ending 31 Mar 2021 £
<i>Cashflows from Operating Activities</i>		
Net Cash provided by Operating Activities	(18,663)	(64,722)
<i>Cashflows from Investing Activities</i>		
Purchase of property, plant and equipment	-	-
Net Cash provided by Investing Activities	-	-
 Net Change in cash and cash equivalents in the period	 (18,663)	 (64,722)
Cash and cash equivalents at the beginning of the period	97,997	162,720
Cash and cash equivalents at the end of the period	79,334	97,997

Notes to Cashflow Statement

Reconciliation of net income to net cash flows from operating activities

	Period Ending 31 Mar 2022 £	Period Ending 31 Mar 2021 £
Net income for the reporting period	18,689	(44,115)
Adjustments for:		
Depreciation	2,838	3,434
(increase)/decrease in debtors	(9,136)	(51,313)
Increase/(decrease) in creditors	(31,055)	27,274
Net cash provided by operating activities	(18,663)	(64,721)

Analysis of cash and cash equivalents

	Period Ending 31 Mar 2022 £	Period Ending 31 Mar 2021 £
Cash in hand and at bank	79,334	97,997
Total cash and cash equivalents	79,334	97,997

THE SHEILA McKECHNIE FOUNDATION

NOTES TO THE CONSOLIDATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Company status

The Sheila McKechnie Foundation is a private company limited by guarantee and has no share capital. The liability of each member does not exceed £10. It is a charity registered in England and Wales (registration No. 1108210), Scotland (Registration No. SC044207). Its company registration number is 05331412 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ

Sheila McKechnie Trading Ltd is a private limited company with a nominal share capital of £1. Its company registration number is 13248880 (England and Wales). Its registered address is Crown Chambers, Bridge Street, Salisbury SP1 2LZ

Note

1 Accounting policies

1.1 Basis of preparation

The Sheila McKechnie Foundation 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 notes. These accounts have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity. Balances within the accounts have been rounded to the nearest £1. The accounts are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice 2019: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006. In preparing the accounts, the Trustees have assessed the Charity's ability to continue as a going concern. The principle financial risk facing the Charity is its ability to generate sufficient income to cover expenditure incurred in fulfilling its objectives. The Trustees have reviewed the cash position of the Foundation and cash forecasts at the date of signing the accounts, including grants and donations secured or pledged, together with unavoidable financial commitments, and are satisfied that the Foundation will be able to meet all of its financial commitments. As a consequence the Trustees believe that the Foundation is well placed to manage its financial risks successfully, including the impact of Covid-19, and that the Foundation has adequate reserves to continue in operational existence for the foreseeable future and at least, but not limited to, 12 months from the date of approval of these accounts. Accordingly the Trustees continue to adopt the going concern basis in preparing the accounts and are satisfied that there are no material uncertainties related to events or conditions that cast significant doubt on The Sheila McKechnie Foundation's ability to continue as a going concern.

1.2 Fund accounting

The charity's accounts are defined as follows:

Unrestricted Funds comprise accumulated surpluses and deficits on general funds; they are available for use at the discretion of the Trustees in furtherance of the general charitable objectives. Restricted Funds are funds subject to specific restricted conditions imposed by the donors.

1.3 Incoming resources

All incoming resources are accounted for when the charity has entitlement, there is certainty of receipt and the amount is measurable. Income is deferred when it is in respect of work to be carried out in the following year.

Voluntary income comprises all incoming resources from donations and gift aid. Charitable activities comprises incoming resources from grants and charitable trading. Investment income is Bank interest accounted for on a receivable basis. Other income comprises income from non-charitable trading.

1.4 Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grant are recognised as services are supplied. Costs of generating funds are those costs incurred in attracting voluntary income. Charitable activities comprise those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

1.5 Debtors, Cash and Creditors

Debtors - short term debtors are measured at transaction price.

Cash and cash equivalents - comprise cash at bank and in hand.

Creditors - short term creditors are measured at the transaction price or when a constructive obligation arises to transfer economic benefits to a third party

1.6 Fixed Assets and Depreciation

All fixed assets are initially recorded at cost. Depreciation is calculated so as to write off the cost of an asset over the useful economic life. The rate adopted is as follows:

Fixtures and Fittings	-	33% straight-line
Computer Equipment	-	33% straight-line

1.7 Reserves policy

The Directors of SMK take the view that a reserve should be held sufficient to pay notice periods for all staff plus any other liabilities re. rent or other suppliers in the event the charity has to wind up. Based on SMK's current head count and notice periods, this means a figure of £88K would ideally be held in Reserve. Recognising that it is very unlikely the charity will have to wind up at no notice, and that some wind down costs could potentially be covered from other sources, the Board has agreed that the more moderate figure of £60K is reasonable to hold in reserve and is proportionate to the Charity's income. The Directors of SM Trading do not believe it necessary to maintain a Reserve beyond working capital necessary to meet current liabilities.

1.8 Pension

Pension costs represent payments to individual personal pension schemes of employees. Pension costs are charged to the Statement of Financial Activities in the period in which they are paid.

1.9 VAT

SMK is not registered for VAT; income and expenditure is stated gross of VAT as it is not recoverable. SM Trading is registered for VAT; income and expenditure is stated net of VAT.

1.10 Governance Costs

The Auditor's remuneration for 2022 was £4,000. In 2021, the Independent Examiner's remuneration was £3,600

THE SHEILA McKECHNIE FOUNDATION
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

Note	Group Total			Group
	2022			2021
2	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Donations	5,845	-	5,845	959
Miscellaneous Voluntary Income	698	-	698	1,435
SM Trading Cross-Charges	-	-	-	-
SM Trading Charitable Donations	-	-	-	-
	6,543	-	6,543	2,395
3	2022			2021
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Grants	231,900	124,500	356,400	273,250
Consultancy	59,184	-	59,184	-
Events and Training	84,757	-	84,757	-
Miscellaneous Commercial Income	146	-	146	-
Charitable Activity income	47,210	-	47,210	158,398
Total resources	423,197	124,500	547,697	431,648
Grants	£			
Shelter	5,000	(Deferred from 2020-21)		
Crisis	5,000	(Deferred from 2020-21)		
RSPCA	5,000	(Deferred from 2020-21)		
RNID	5,000	(Deferred from 2020-21)		
The Wildlife Trusts	5,000	(Deferred from 2020-21)		
John Ellerman Foundation	37,500	(Deferred from 2020-21)		
AB Charitable Trust	3,500			
Barings	10,000			
Barrow Cadbury	15,000	(£7500 accrued to 2020-21)		
The National Deaf Children's Society	2,000			
MENCAP	5,000			
MIND	5,000			
Refugee Action	2,000			
City Bridge	25,000	(£4000 accrued to 2020-21)		
Trust for London	25,000			
Corra Foundation	22,500			
Global Dialogue/FICS	10,000			
Joseph Rowntree Charitable Trust	40,000			
Lloyds Bank Foundation	10,000			
Paul Hamlyn Foundation	60,000			
Blagrove Trust	400			
Tudor Trust	30,000			
Unbound Philanthropy	10,000			
Add Accrual from 22-23	30,000	(£7,500 Barrow Cadbury, £10,000 John Ellerman, £12,500 Trust for London)		
Less Accrual to 2020-21	(11,500)	(£4000 City Bridge, £7,500 Barrow Cadbury)		
	356,400			

Deferred Income refers to cash grants received before the Balance Sheet date but relating to activities commencing thereafter

Accrued Income refers to cash grants received after the Balance Sheet date but relating to activities conducted beforehand

THE SHEILA McKECHNIE FOUNDATION
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

Note

4 Comparator for Prior Year SoFA/P&L Values

	Group Total		
	2021		
	Unrestricted funds	Restricted funds	Total
	£	£	£
<u>Incoming resources</u>			
Voluntary income	2,395	-	2,395
Charitable/Trading activities	332,148	99,500	431,648
Total Incoming resources	334,543	99,500	434,043
<u>Resources expended</u>			
Raising funds	-	-	-
Charitable/Trading activities	385,797	92,361	478,158
Total resources expended	385,797	92,361	478,158
Net movement in funds	(51,255)	7,139	(44,115)
Fund balances at 1 April 2020	97,675	8,264	105,939
Fund Transfers	-	-	-
Fund balances at 31 March 2021	46,420	15,403	61,824

5 Grant-Making Activities

The total of grants paid was £Nil (2021: £Nil).

6 Cost of Charitable/Trading activities:

	Group Total			Group
	2022			2021
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Staff Cost	338,921	88,687	427,607	350,379
Projects expenditure	24,147	26,746	50,893	57,406
SMK/SM Trading Cross Charge Costs	-	-	-	-
SM Trading Donation to SMK	-	-	-	-
Office overheads	57,052	-	57,052	70,373
	420,119	115,433	535,552	478,158

7 Number of employees

The average monthly number of Full Time Equivalent employees of SMK during the year was 7 (2021: 6).

The average monthly number of Full Time Equivalent employees of SM Trading during the year was 1 (2021: Nil)

8	Employment costs	Group Total	Group
		2022	2021
		£	£
	Wages and salaries	324,052	289,297
	Social security	28,860	27,380
	Pension costs	17,687	14,477
	Consultancy/Professional services	55,008	19,225
	Staff Wellbeing	2,000	-
		<u>427,607</u>	<u>350,379</u>

One employee had emoluments for the year (not including employer pension contributions nor employer National Insurance contribution costs) that fell between £70,000 and £80,000 (2021:1)

The CEO is considered to be the Key Management Person of both SMK and SM Trading. The total remuneration of the CEO during the year was £93,321 (2021: £92,396) including Employer's NIC and Employers Pension contributions.

9 Trustees

During the year, one trustee received remuneration of £1,000 (2021: £2,565). This related to participation in Power Project workshops and the relationship existed before the appointment of the trustee. Trustees reimbursed expenses were £Nil (2021: £Nil)

THE SHEILA McKECHNIE FOUNDATION
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

Notes

10	Tangible Fixed Assets	SMK	Group
	COST	£	£
	B/F at 31 Mar 20	11,789	11,789
	Additions	-	-
	C/F	11,789	11,789
	Depreciation		
	B/F	8,235	8,235
	Charge for year	2,838	2,838
	C/F	11,073	11,073
	NET BOOK VALUE		
	B/F at 31/3/2020	3,554	3,554
	C/F at 31/3/2021	716	716

Investment in Subsidiary

	£	£
B/F at 31 Mar 21	1	1
Additions	-	-
C/F	1	1

The investment in subsidiary consists of 1 ordinary share (100% of the share capital) in Sheila McKechnie Trading Limited

Debtors

	Group		Charity	
11	2022	2021	2022	2021
	Total	Total	Total	Total
	£	£	£	£
Trade debtors	24,190	62,192	5,410	62,192
Provision for Doubtful Debt	(1,690)	(1,240)	(1,690)	(1,240)
Accrued Donation from SM Trading	-	-	33,179	-
Other Accrued Income	37,000	23,500	37,210	23,500
Prepayments & Deposits	2,735	2,536	2,735	2,536
	62,235	86,988	76,844	86,988

12 Creditors: amount falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	Total	Total	Total	Total
	£	£	£	£
Trade creditors	3,696	11,116	1,601	11,116
Deferred income	21,998	92,412	12,345	92,412
Payroll Liabilities	9,517	10,569	8,879	10,569
Unpaid Share Capital	-	1	-	1
VAT	7,501	-	-	-
Accrued Donation to SMK	-	-	-	-
Other Accruals	19,061	12,619	18,771	12,619
	61,773	126,717	41,596	126,717

**THE SHEILA McKECHNIE FOUNDATION
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022**

Operating Lease

Minimum lease payments under the non-cancellable operating lease for the office space are:

	Group Total	
	2022	2021
Not later than one year	12,675	10,140
Later than one year and not later than five years	-	-
Later than five years	-	-
Lease payments recognised as an expense.	30,288	25,372

THE SHEILA McKECHNIE FOUNDATION
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

Notes

Sheila McKechnie Foundation

13	Movement in funds 2021-22	At start of the year	Incoming Resources	Outgoing Resources	Fund Transfers	At end of the year
	Restricted funds					
	Civic Space	-	43,500	30,750	-	12,750
	Social Change Scotland	-	22,500	22,500	-	-
	Power Project	13,403	58,500	60,183	-	11,720
	Restricted Core	2,000	-	2,000	-	-
	Total Restricted Funds	15,403	124,500	115,433	-	24,470
	Unrestricted funds					
	Reforming Civil Society	-	74,000	74,000	-	-
	Awards	-	47,000	14,833	(32,167)	-
	Miscellaneous Events	-	441	441	-	-
	Core	-	234,891	257,436	22,545	-
	Reserves	46,420	-	-	9,622	56,042
	Total Unrestricted Funds	46,420	356,332	346,710	-	56,042
	Total Funds	61,824	480,832	462,142	-	80,512
	Movement in funds 2020-21	At start of the year	Incoming Resources	Outgoing Resources	Fund Transfers	At end of the year
	Restricted funds					
	Power Sharing	8,264	80,000	74,861	-	13,403
	Restricted Core	-	19,500	17,500	-	2,000
	Total Restricted Funds	8,264	99,500	92,361	-	15,403
	Unrestricted funds					
	Campaigner Carousel	-	59,259	13,962	(45,297)	-
	Consultancy	-	72,057	13,546	(58,511)	-
	Awards	-	46,000	18,108	(27,892)	-
	Core	-	157,227	340,182	182,955	-
	Reserves	97,675	-	-	(51,255)	46,420
	Total Unrestricted Funds	97,675	334,543	385,797	-	46,420
	Total Funds	105,939	434,043	478,158	-	61,824

Restricted projects:

Civic Space: SMK has been commissioned by a group of funders to examine the growing threats to civic space in the UK, and consider how civil society could be strengthened to better resist.

Social Change Scotland: SMK is piloting a new network bringing people together from right across civil society in Scotland to consider common challenges and opportunities.

The Power Sharing Project is a Cornerstone funded two-year project that is exploring what it would look like if civil society in London was better at sharing power in pursuit of social change, with a focus on lived experience, poverty and socio-economic inequality.

Restricted Core Tudor Trust generously awarded a grant of £2,000 for staff wellbeing in Feb 2021 which was unspent at the end of the 20-21 year and was fully expended during 21-22..

Transfer of funds

At 31 March 2022 all Unrestricted funds were consolidated into Reserves. There were no transfers between Restricted and Unrestricted Funds during the year

THE SHEILA McKECHNIE FOUNDATION
NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2022

14 Investment in trading subsidiary

The wholly-owned subsidiary, Sheila McKechnie Trading Limited, which is incorporated in England and Wales, pays its profits to the charity by gift aid. Sheila McKechnie Trading Limited operates the consultancy and events and training income functions of the group. The charity owns the entire issued share capital of 1 ordinary share of £1 each. A summary of the trading results is shown below

Trading	2022 £	2021 £
Turnover	144,087	-
Cost of sales and administrative expenses	(96,120)	-
Net profit / (loss)	47,967	-
Gift aid donation	(47,967)	-
Retained in the subsidiary	-	-
The assets and liabilities of the subsidiary were		
Current Assets	53,567	-
Creditors: amounts falling due within 1 year	(53,566)	-
Total net assets	1	-

15 Analysis of Net Assets between Funds

Analysis of net assets between funds - current year

	Unrestricted	Restricted	Total
Tangible Fixed Assets	716	-	716
Fixed Asset Investments	-	-	-
Current Assets	104,753	36,816	141,569
Creditors due within one year	(49,428)	(12,345)	(61,773)
	56,041	24,471	80,512

Analysis of net assets between funds - prior year

	Unrestricted	Restricted	Total
Tangible Fixed Assets	3,554	-	3,554
Fixed Asset Investments	1	-	1
Current Assets	169,582	15,403	184,985
Creditors due within one year	(126,717)	-	(126,717)
	46,420	15,403	61,824