**REGISTERED CHARITY NUMBER: 279393**

# CHARTERED SOCIETY OF DESIGNERS

## REPORT OF THE TRUSTEES AND

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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**CHARTERED SOCIETY OF DESIGNERS**

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**CHARTERED SOCIETY OF DESIGNERS**

**REPORT OF THE TRUSTEES**
**FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

## OBJECTIVES AND ACTIVITIES

### Objects

The objects of the Society are:

(i) For the benefit of the community to promote and advance a concern for sound principles of design in all those spheres to which design considerations may apply;

(ii) to further the practice of industrial design;

(iii) to secure for the benefit of industry, commerce and the public a defined and recognised profession of persons well qualified to be designers;

(iv) to regulate and control for the public benefit all matters of professional practice and conduct concerning the members of the Society; and

(v) to encourage and foster the study of design techniques.

### Main activities

The focus of our work is to create awareness amongst those studying to be designers of professional practice, to develop an understanding of that practice as they progress their career and to engage with them to develop their knowledge of practice by providing them with the means for their Continuing Professional Development.

To achieve this, our main activities during the year revolve around our strategy of supporting designers at all stages of their career. We do so by operating various programmes that have been developed to mirror a designer's Career Stage Development.

There are three key activities or programmes:

(i) Our membership programme which provides differing levels of membership for design practitioners and those practicing in design related disciplines.

(ii) Our Course Endorsement Programme which offers a programme of engagement with design education that not only supports those studying design but also those who are delivering the learning.

(iii) The Register of Chartered Designers which offers designers, whether CSD members or not, a Pathway to a chartered status based on self-analysis and development achieving harmony with other professionals in other fields with whom they will work as team members.

It is this holistic engagement that allows the Society to fulfil the 'objects' of its Royal Charter.

The current strategy for delivering our objects was first set in 2013, reviewed in 2015 and further reviewed in 2016 when changes were made. A planned review of the strategy in 2020 was postponed until 2021 due to the pandemic. This review is currently being considered and will now extend into 2022.

## OBJECTIVES AND ACTIVITIES

### Public benefit

The trustees have given due consideration to the Charity Commission's Guidance on Delivering Public Benefit under the Charities Act 2011 in both setting the current strategy and in the on-going reviews and any additional developments.

In particular, the Course Endorsement Programme has been designed to provide support to design students, those delivering design learning and the educational institutions they work for. Our support for those studying and delivering learning to promote best professional design practice benefits the community in that those becoming design practitioners will have developed a sound understanding of the principles of design practice including issues around sustainability, material resource, energy consideration, inclusivity and environmental concerns. Through our programme, those delivering design learning are obliged to ensure such issues are included within the curriculum.

Activities undertaken to deliver public benefit and to achieve the objects set out in our governance documents are further explained in reporting on our achievements and performance which include YES2020, YES2021 and the GEPN.

## ACHIEVEMENT AND PERFORMANCE

In keeping with recent changes, the Report of the Trustees reports on matters within the whole period up until the date of the report rather than focus on the financial year of the Financial Statements. Previous reports had focussed on the financial year only which by the date of publication had seen almost a further year of activity and it was felt reporting this as well would be of interest to members in keeping them fully up to date.

Despite the difficulties arising from the pandemic, the Society managed to exercise sound financial control whilst achieving the objects set out in its Royal Charter and charitable activities, and therefore the Trustees are pleased to present the Financial Statements for 2020 together with reporting on events to date.

The biggest achievement in 2020 and to date has been to maintain the financial wellbeing of the Society whilst focussing on supporting those members who were or are experiencing difficulties in terms of employment, their business, or their wellbeing. In addition, the Society has been able to maintain its support of design education through the Course Endorsement Programme (CEP) and the Year End Show initiative YES2020 and now YES2021.

The reserves built over the past years resulting from maintaining financial prudence have provided the Society with the means to achieve this support and the trustees are minded that it is the members who support the Society and therefore the Society must step in to support its members when called upon.

The Society's strategy of developing remote working in 2018/19 continued to pay dividends in 2020 and to date with almost every activity now being delivered online and from remote locations. Whilst this modus operandi has been a feature of the pandemic, the Society, in common with many organisations and businesses, envisages a combination of remote staff working, outsourcing and less reliance on physical premises in future.

Although a postponed strategic review was anticipated in 2021, the Trustees have decided that developing a long-term strategy when the country, the economy and our members are only just emerging from the pandemic and with still some uncertainty as to the recovery, would be unwise. Recently highlighted issues as to shortages, delivery and employment concerns are yet to be resolved and will impact our members and the sector in which we operate for the foreseeable future.

In a recent meeting with the Bank of England, where the Society represents the interests of designers and the design sector, issues arising from the pandemic were discussed along with responses from CSD members who had completed our regular Design Business Survey. It was clear that most sectors are not only having to negotiate issues around Covid-19 and the disruption but also issues arising from the Brexit decision that have yet to fully surface from under the canopy of the pandemic. As a result of comments from members, the Society was contacted by an MP requesting further information of problems being experienced and a report is currently being prepared. We would like to hear from any members experiencing problems in working within the EU post Brexit to compile the report. Such information, whilst informative for MPs, also informs the Society as to its activities and support for members thus influencing strategy.

Since the Trustees last reported in October 2020 much of the world, and indeed the UK, has experienced lockdown after lockdown making it impossible to hold regular events and meetings and to conduct much of the networking that fosters creativity and design and allows us to celebrate the work of designers. In the 'Future Plans' section of the 2019/20 report, the Trustees set out the focus for 2021and highlighted three initiatives that were under discussion.

The third of those initiatives was to find a way to celebrate 90 years since the founding of the Society in 1930 and so it considered postponing any celebration from 2020 to 2021 to be acceptable if rightly counting the first year of the Society as ending in 1931. The risk of organising a celebratory event which might be subject to cancellation was not only considered to be too great but also to be 'insensitive' during a period when so many members were having to struggle with financial concerns.

The Trustees considered that any cost of such a celebration should be seen to benefit all rather than those who may have been able to attend such a celebration. A numerical initiative, Minerva@90, was designed to offer every member the opportunity to pay just 90% (marking 90 years) of their annual professional fee during the year 2021 provided it was paid within 30 days (marking 1930). The Trustees felt comfortable in introducing this initiative which it knew would lead to a 10% drop in membership income during 2021 on the basis that sufficient reserves were in place due to the sound financial management over the past two decades. However, aware of the Society's charitable status, the Trustees decided that such an initiative should be open to all and not just members and so anyone becoming a professional member of CSD during 2021 has been able to take advantage of the Minerva@90 offer.

The initiative has been greatly appreciated by some members who have taken the time and trouble to write expressing their thanks and support; and the boost to Trustees and staff in receiving such messages cannot be overstated.

Very sadly, the first and second initiative on which the trustees wished to focus were not achieved.

The Prince Philip Designers Prize, founded in 1959 and awarded for a lifetime achievement in design, had been postponed from 2020 with the hope of awarding it in 2021. The Prize was reviewed to consider how it might best be awarded in a virtual environment and after due consideration several leading professional bodies and organisations within the design sector were invited to make nominations for the Prize. Nominations were required by the end of April with a virtual award ceremony scheduled for 10 June 2021 which would have also marked the 100th birthday of our Patron HRH The Duke of Edinburgh.

On the 9th April 2021 the Society learnt of the death of His Royal Highness.

HRH The Duke of Edinburgh became the Patron of the Society in 1969 and despite shedding many patronages in recent years, maintained that of the Society. He regularly attended Minerva Dinners, awarding the Minerva Medal to many of the great names in design and it was the Society's honour to award him with a special gold Minerva Medal in 2003 at St. James's Palace, a venue he graciously allowed the Society to use for the event over many years. On receiving the medal, he merrily quipped that for once he was receiving the medal rather than awarding it and that there was no one other than himself to thank.

He was a great and longstanding supporter of the Society, as was evidenced when in 2015 he responded positively to a request from the Society to take over the management of the Prince Philip Designers Prize following the Design Council's decision to end its management in 2011. His Royal Highness, ever eager to support young designers, was delighted by the Society's suggestion of a further award, the Prince Philip Student Design Awards, and willingly consented to lend his name to it. The student awards will be open to all with a strong emphasis on societal, inclusive and environmental issues reflecting our patron's interest in such matters.

It has been said that anyone who has ever met Prince Philip will never forget it. During the 52 years of his patronage, he met many members of the Society: visiting the Society's offices in the early years, at Minerva Dinners, at Buckingham Palace Garden Parties, during Prince Philip Designers Prize judging and awards, and at many events hosted by other professions related to design. Those members he met will treasure the memory and the Society will never forget his support.

Following discussion with his office the Society is pleased to report that both the Prince Philip Designers Prize and the Prince Philip Student Design Awards will continue bearing his name and we will continue to build on his legacy in support of design practice and design study.

During 2021 the Society also learnt of the death of Peter Lord PPCSD. In 1969, Peter became President of SIAD (the Society of Industrial Artists and Designers, now CSD) and did much to foster international engagement as General Secretary of ICSID (International Council of the Societies of Industrial Design, now known as WDO, the World Design Organisation).

It is also with deep sadness that we report that John Sermon PPCSD passed away on 10th July 2021. John became a student member of the Society of Industrial Artists (SIA) in 1953 after studying at Moseley School of Art, Birmingham, becoming a full member in 1957 and a Fellow of the Society of Industrial Artists and Designers (SIAD) in 1970.

He first served on Council in 1963 as the Chairman of the Chiltern Region of the SIA and was always proud to have been involved in organising the Chipping Camden Conference 'Outlook and Insight' in the summer of 1963. This was followed by service as the Chairman of the South East Region, Vice President of the Professional Practice Board and Committee membership of the Interiors and Furniture Group and the General Consultant Designers Group. Over the past two decades John served as an Elected Member of Council, Vice President, Honorary Secretary and Honorary Treasurer as well as President from 2005 until 2007.

John was the first person, and only one to date, to receive the CSD Service Award at the AGM in 2015 marking 52 years on the Councils of the SIA, SIAD and CSD of which he served until his death, a remarkable 58 years as a Council member and 68 years a member. His recall of past events has helped give context to many of the matters requiring the Society's attention, and his experience has proven invaluable to both trustees and staff. He will be sorely missed by many.

The CSD Course Endorsement Programme (CEP) continues to be internationally recognised as the go-to accreditation for design and design related courses. The Trustees previously reported on the success of the programme and the increasing number of participating courses with other courses undergoing accreditation in China and the Middle East.

It has not been an easy task to carry out accreditations given the international travel restrictions, however the review and measures reported in 2020 have enabled the Society to successfully accredit four additional courses since the last report.

In March this year, Xi'an Jaotong - Liverpool University (XJTLU), in Suzhou Jiangsu Province, PR China, became the first Chinese university to have its programmes: 'BEng. Industrial Design' and 'MDes. Industrial Design' gain CSD Accredited Course status. The accreditations represent a milestone in the programme which has been achieved after many years of establishing CSD credibility in China through visits, collaborative initiatives, engagement and support of the Chinese design sector and its representative institutions and government departments. Discussions are already underway as to how further collaboration may occur which has resulted in numerous membership applications already being received.

Following this international success, on 1st of October, Bahrain Polytechnic became the first Middle East Higher Education Institution to have its programmes: 'Bachelor of Visual Design' and 'Bachelor of Web Media' gain CSD Accredited Course status. This is an additional milestone for the programme, and we are looking forward to developing our collaboration with the polytechnic.

Both institutions had rigorously researched potential international accrediting bodies and reached the conclusion that the CSD CEP, as offered by the international professional body for all designers, was the most appropriate and credible awarding body which would be recognised by their respective governments. This was important given that XJTLU were aligning their accreditation with the Peoples Republic of China's long term regional strategy and Bahrain Polytechnic with the region's Vision2030 strategy to ensure an innovative workforce capable of delivering on a global stage. The investment the Society makes in developing its accreditations is considerable, evidenced by the rigorous approach and time taken to achieve accreditation of the programmes at these institutions to ensure the principles and values of CEP can be embedded into the students' learning experience.

The reach and influence of the Society on the next generation of designers is being strongly advanced by CEP and it is comforting to note that so many who have completed CEP courses request Course Completion Certificates from the Society.

Once again, the Society wishes to express its thanks to those members who have so generously donated their time to sit on accreditation panels with all the reading and research entailed. Equally the Society is indebted to those who give their time to deliver talks and presentations to students on CEP courses. Such participation not only benefits the next generation of designers but also offers members the benefit of engaging with new designers, learning from their new approaches and discovering new thinking and creativity which they can bring to their own practice. And of course, it also offers valuable CPD for those members wishing to embark on the Pathway to Chartered Designer.

The past year has seen an increase in those wishing to undertake the Pathway and become Chartered Designers especially following the promotion of the use of descriptors to denote the field of chartered practice which includes: 'Engineering', 'Product', 'Architecture', etc. The differentiator this offers designers is proving attractive and will increasingly do so in what is likely to become a more competitive market during the anticipated global economic recovery.

The credibility of the Society in respect of its educational accreditation internationally is being replicated with applications for Chartered Designers status being received from countries other than the UK and chartered status being recently awarded to designers in the USA and Singapore. Our strategy or policy not to simply 'give' the status to long standing members is paying off and will maintain the integrity of this award.

International activities were further restricted in the past year due to the pandemic however communication channels with long standing partners across the globe have remained open and, in many ways the virtual networking world we now inhabit has enabled more two-way conversation and the exchange of ideas as has been the case with our newly accredited courses.

As previously reported, international activities were curtailed during 2020 due to travel restrictions and these continued to affect planned activities throughout 2021. However, as was also noted, the momentum in respect of ongoing projects was maintained with new possibilities being explored.

Following the Society's successful involvement in curating and organising the London Design Pavilion at Shenzhen Design Week in 2019, the Society was invited to participate in a new exposition in Liguria, Italy. The Tigullio Design District are launching a biennale to run alongside the Salone de Mobile dedicated to the design of the sea, nautical, outdoor and lifestyle and have appointed the Society's Chief Executive as the UK Ambassador for the exposition. Originally scheduled to launch in 2020 the initial event will now open in Spring 2022 with the Society being the main UK partner, promoting the event and engaging with UK marine and lifestyle designers and clients.

In 2020, the Society participated in the Global Education Policy Network (GEPN), an initiative between Prince Sultan University (PSU), Saudi Arabia and the University at Buffalo, New York (UBNY), and supported by UNESCO. GEPN was set up to bring together experts in all educational fields to develop policies in support of educational institutions and students at all levels to support them during the pandemic and in its aftermath. The pandemic has had a devastating effect on the lives of students across the globe and monitoring and researching their progress and developing policies to support them over the coming years is essential to enable both economic and social recovery.

At the beginning of 2021 the Society's Chief Executive was appointed as the UK Ambassador for GEPN and now sits on several of its internal committees. His efforts have resulted in the Society being identified as one of the strategic partners alongside PSU, UBNY and UNESCO.

Both the above international initiatives demonstrate commercial and charitable engagement in aligning CSD resources to our strategic goals of international development.

Intellectual Property abuses continue apace and the Society, as previously reported, has adopted a zero tolerance policy when it comes to infringement. Whilst there have always been past and non-members infringing our trademarks and passing-off, there have been recent infringements from commercial entities and more worryingly from educational institutions delivering design courses.

The Society has invested an enormous amount of time, effort, and money, not least since the decision of the UK to leave the EU and the higher cost of renewing such IP, in registering and protecting its IP Portfolio, and as such will come down heavily on those who chose to steal it, whoever they are.

Our continuing Observer Status of WIPO and our ongoing collaboration with the UK IPO is of great value in informing and supporting our members in all IP matters and we will continue to do so through, Knowledge Bank, CPSK™, CPD and our CEP initiative for education.

The development of the Year End Show website in 2020 to provide courses and students with a showcase to display their final year projects should have achieved more success had promised funding been received earlier enabling an earlier launch, and great efforts were made by the Society's staff to promote the site in just a short space of time when many students were distanced from their universities. Virtual learning provided further challenges resulting in less engagement between course staff and students which in turn hampered them in registering their courses and communicating this to students -and this year proved no different.

A review of the site has been undertaken and the functionality amended to remove the need for the engagement of course staff. Therefore, the Society has now registered a great majority of UK design course enabling students to directly access their course and upload case studies. During this initiative, the Society has noticed a reluctance in courses to engage with platforms offering a vehicle for the promotion of their students work, whether it be YES or other media platforms that have been developed, preferring instead to focus on their own individual showcase events. However, the Society will continue to promote YES to as wide an audience as possible to support all courses internationally whilst monitoring the Return on Investment.

The Society has always focussed on 'the Designer' as opposed to 'the Design', fostering good design practice and professionalism, supporting designers in practice, and acknowledging the outcomes of a designer's work as opposed to just the output. It is reassuring to read articles this year as to the increasing value clients place on understanding the designer and their process as opposed to simply considering the 'portfolio' as the be all and end all of design. This chimes with many recent articles as to the value, or lack of it, in the plethora of design awards now being touted which appear to have more to do with entry fees and dinner tickets than understanding the true value of design.

For this very reason the Society has commissioned a monthly series of Designer Talks which are aimed at understanding the designer: what makes them tick, their fears, hopes, frustrations, inspirations, how they started and how they progressed in their career. As well as being filmed and available to view, the talks are also produced as podcasts. The plan is to develop a social library of talks with designers in all disciplines, all career stages, all countries, and cultures, to inform and educate designers, clients, and the public.

The talks form part of a new communications strategy devised earlier this year which will see much more engagement across social media.

Once more and as usual in closing such a report the Society is minded that its performance and achievements are those of the many groups that make up the Society. Many of the challenges noted in the last report may have eased over the past year but are certainly not yet fully vanquished. It is important therefore to once again, acknowledge the support of all those maintaining their membership in ensuring the survival of the Society and its ability to continue its work for them and the design profession.

Sincere thanks are also due to the numerous members who devote time and effort in overseeing the accreditation of courses, give talks to universities, and engage with students. It is their professionalism and expertise that sets the Society apart.

And as always, the Society is grateful for the dedication of its staff in devising, developing, and delivering a surprising amount in what remains a difficult working environment whilst at the same time ensuring the Society remains viable, financially resilient and able to support members and the profession of design.

## FINANCIAL REVIEW

### Financial position

The details of the financial activities can be seen in pages 11 to 21 of this report.

The overall income for 2020 fell by just 4% (7.6%) whilst membership income showed a fall 12% (6%). Much of the fall in income can be attributed to the larger number of long-standing members resigning or retiring during Q1 2020 which saw the start of the pandemic and great uncertainty in the economy and business.

However, income from all other charitable activities which includes the Course Endorsement Programme (CEP) increased by 19% on the 2019 figure which had seen a 12% fall on the previous year. Income from CEP itself was down just 0.05% to £60,080 with some application costs being deferred as a result of postponed visits until 2021 and which have now been realised. The importance of this programme in both financial and educational terms cannot be overstated.

Once again, the Society's dynamic financial strategy of keeping things lean and flexible, allowed measures to be taken to adjust expenditure accordingly to balance finances whilst delivering existing and new initiates.

Overall expenditure was managed to achieve a reduction of almost 18% for the year ending 31 December 2020 increasing the balance sheet by just over 15%, ten times more than in the previous year.

The Trustees have reviewed the financial situation in respect of the property which has a new book value of £371,000 and expect to reach a decision this year on how to best manage this asset.

During the year the Society took advantage of the UK Government's Bounce Back Loan Scheme, receiving an advance of £50,000 which is guaranteed by the UK Government. Given the low rate of interest on the loan and with no requirement to commence repayments until April 2022, the Society will consider how best to use this facility.

The Trustees consider the Society's finances and reserves to be sound and well managed.

### Reserves policy

The Trustees consider it necessary to build reserves capable of funding six months expenditure to enable the charity to continue with its stated objectives. At the current and future anticipated levels of expenditure this would amount to a reserve in the region of £200,000. The reserves policy was due to be reviewed in 2020, however it has been decided to postpone any review until there is a greater degree of certainty as to the outcome of the pandemic, Brexit and matters relating to the property.

## FUTURE PLANS

'Future Plans' that were set out in the 2020 Financial Statements have been discussed in the section Performance and Achievements above focussing on three initiatives.

Trustees still consider there to be some degree of uncertainty with regards to any return to pre-pandemic levels of activity. Discussions with the Bank of England, and subsequent figures, indicate possible price inflation which may be further fuelled by the shortages of labour, materials, and logistical shortcomings. Wage inflation due to labour shortages and newly required skills in the workforce could affect both Society members and their clients either negatively or positively. Factors such as these will affect various groups within the membership depending on their design discipline sector.

Education has undergone major necessary changes to learning delivery due to the pandemic, and these are likely to have accelerated new models of hybrid virtual and physical teaching both in the UK and internationally. The Society will monitor and react to this new paradigm in its Course Endorsement Programme proposition.

Key now to the future development of the Society will be the expansion of its international remit and influence and as well as progressing with initiatives such as GEPN and TDD, the Society will seek to establish a stronger presence in Asia via its CEP initiative.

The gradual return to 'normality' will be monitored using data from our Business Design Survey which will be re-introduced in Q1 2022 and which will be used to further inform the Bank of England at regular meetings.

With the increasing numbers of those undertaking the Pathway to Chartered Designer, the Society will further develop its 'Knowledge Bank' to ensure a wide range of Continuous Professional Development activities which are mandatory to retain chartered status.

All that the Society offers is now underpinned by CPSK™ and the Trustees will seek to establish ways in which this framework can be further exploited to the benefit of the design sector, both designers and their clients.

The expansion of the Society in terms of initiatives requires that a review of the Bye-Laws and governance is undertaken by the Trustees during 2022 to ensure they are fit for purpose in what will be a changing environment.

There is no shortage of enthusiasm within the Society and by the Trustees for meaningful change aligned to the dynamics of the design and business sector and to ensure this enthusiasm delivers benefit the Society will maintain its financial strategy of prudence which has served us well for two decades.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The registered name of the charity is The Chartered Society of Designers.

The Chartered Society of Designers was founded in 1930 and is governed by a Royal Charter granted on 19 May 1976 and amended on 13 July 2011.

### Council members

The persons who were Council members at 31 December 2020 or who served during that year or to the date of signing these financial statements were as follows:

| | | |
|---|---|---|
| Officers: | | |
| President | Christopher Ramsden PPCSD | From 2019 AGM until 2020 AGM |
| | Jake Leith PCSD | From 2020 AGM |
| Immediate Past President | Maggie Law PPCSD | From 2019 AGM until 2020 AGM |
| | Christopher Ramsden PPCSD | From 2020 AGM |
| President Elect | Dean Johnson FCSD | From 2019 AGM |
| Honorary Secretary | David Callcott PPCSD | From 2019 AGM |
| Honorary Treasurer | Jake Leith PPCSD | From 2017 AGM until 2020 AGM |
| | Maggie Law PPCSD | From 2020 AGM |
| Elected Member | David Hopwood MCSD | From 2020 AGM |
| | John Sermon PPCSD | From 2020 AGM until 10 July 2020 |
| Appointed Member | Metin Demiray FCSD | From 16 February 2021 |

## STRUCTURE, GOVERNANCE AND MANAGEMENT

**Recruitment and appointment of new trustees**

Trustees are elected by the Society's members at the Annual General Meeting in accordance with the Society's Bye-Laws.

## REFERENCE AND ADMINISTRATIVE DETAILS

**Registered Charity number**

279393

**Principal address**

1 Cedar Court
Royal Oak Yard
Bermondsey Street
London
SE1 3GA

**Trustees**

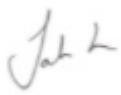
David Callcott PPCSD
Metin Demiray FCSD
David Hopwood MCSD
Dean Johnson FCSD
Maggie Law PPCSD
Jake Leith PPCSD
Christopher Ramsden PPCSD

**Independent Examiner**

Clive Shedd FCA
Institute of Chartered Accountants in England and Wales
Clive Shedd & Co
Chartered Accountants
232 Sladepool Farm Road
Birmingham
B14 5EE

31 October 2021

Approved by order of the board of trustees on ..... and signed on its behalf by:



.....
Jake Leith PCSD - Trustee

## INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF CHARTERED SOCIETY OF DESIGNERS

**Independent examiner's report to the trustees of Chartered Society of Designers**
I report to the charity trustees on my examination of the accounts of Chartered Society of Designers (the Trust) for the year ended 31 December 2020.

**Responsibilities and basis of report**
As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

**Independent examiner's statement**
Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of Institute of Chartered Accountants in England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Clive Shedd FCA
Institute of Chartered Accountants in England and Wales
Clive Shedd & Co
232 Sladepool Farm Road
Birmingham
B14 5EE

Date: .....

**CHARTERED SOCIETY OF DESIGNERS**

**STATEMENT OF FINANCIAL ACTIVITIES**
**FOR THE YEAR ENDED 31 DECEMBER 2020**

| | Notes | 2020 Unrestricted funds £ | 2019 Total funds £ |
|---|---|---|---|
| **INCOME AND ENDOWMENTS FROM** | | | |
| Donations and legacies | 2 | 175,593 | 198,865 |
| **Charitable activities** | | | |
| Charitable activities in furtherance of the objects as set out in the Society's Royal Charter | | 60,301 | 66,639 |
| Other trading activities | 3 | 19,000 | - |
| Investment income | 4 | 216 | 350 |
| **Total** | | 255,110 | 265,854 |
| **EXPENDITURE ON** | | | |
| **Raising funds** | | | |
| Raising donations and legacies | | 57,663 | 63,497 |
| | | 57,663 | 63,497 |
| **Charitable activities** | | | |
| Charitable activities in furtherance of the objects as set out in the Society's Royal Charter | | 61,907 | 75,265 |
| Other | 5 | 95,527 | 123,111 |
| **Total** | | 215,097 | 261,873 |
| **NET INCOME** | | 40,013 | 3,981 |
| **RECONCILIATION OF FUNDS** | | | |
| **Total funds brought forward** | | 262,878 | 258,897 |
| **TOTAL FUNDS CARRIED FORWARD** | | 302,891 | 262,878 |

The notes form part of these financial statements

## BALANCE SHEET
## 31 DECEMBER 2020

| | Notes | 2020 Unrestricted funds £ | 2019 Total funds £ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Intangible assets | 10 | 8,544 | 4,797 |
| Tangible assets | 11 | 372,817 | 383,038 |
| | | 381,361 | 387,835 |
| **CURRENT ASSETS** | | | |
| Debtors: amounts falling due within one year | 12 | 28,864 | 39,617 |
| Cash at bank and in hand | | 237,784 | 138,695 |
| | | 266,648 | 178,312 |
| **CREDITORS** | | | |
| Amounts falling due within one year | 13 | (60,819) | (59,427) |
| **NET CURRENT ASSETS** | | 205,829 | 118,885 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 587,190 | 506,720 |
| **CREDITORS** | | | |
| Amounts falling due after more than one year | 14 | (284,299) | (243,842) |
| **NET ASSETS** | | 302,891 | 262,878 |
| **FUNDS** | 16 | | |
| Unrestricted funds | | 302,891 | 262,878 |
| **TOTAL FUNDS** | | 302,891 | 262,878 |

The financial statements were approved by the Board of Trustees and authorised for issue on ..... and were signed on its behalf by:

.....
Maggie Law PPCSD - Trustee

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The financial statements were prepared in accordance with applicable charity law in the jurisdiction of registration. The charity's functional and presentation currency is the pound sterling, rounded to the nearest £.

**Going concern**
There are no material uncertainties about the charity's ability to continue as a going concern.

**Significant judgements and estimates**
In preparing these financial statements the charity's management make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported in the statement of financial activities for the reporting period under review.

The nature of estimates means that the actual outcome could differ and the charity's management consider there are no estimates or assumptions that have a significant risk of causing a material adjustment to the amounts reported for assets and liabilities within the next financial year.

**Financial reporting standard 102 - reduced disclosure exemptions**
The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

**Income**
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Intangible assets**
Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

| | |
|---|---|
| Patents and licences | - 10% on cost |

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|---|---|
| Long leasehold | - 2% on cost |
| Equipment, fixtures and fittings | - 25% on cost |


continued...

## 1. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

| | | |
|---|---|---|
| Website | - | 25% on cost |

Tangible fixed assets are initially recorded at cost.

**Cash at bank**

Due to the uncertain nature of the charity's income and expenditure no long term investments are made and all funds are held in readily accessible bank accounts.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the amount expected to be paid in exchange for that service.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Financial instruments**

Basic financial assets and liabilities are initially recognised at transaction price and are subsequently measured at amortised cost.

## 2. DONATIONS AND LEGACIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Donations | 62 | - |
| Subscriptions | 175,531 | 198,865 |
| | 175,593 | 198,865 |

## 3. OTHER TRADING ACTIVITIES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Website content writing | 19,000 | - |



continued...

## 4. INVESTMENT INCOME

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Deposit account interest | 216 | 350 |

## 5. OTHER

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Support costs | 95,527 | 123,111 |

Included in support costs are interest costs on financial liabilities of £9,906 (2019: £12,706).

## 6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**Trustees' expenses**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trustees' expenses | 197 | 1,230 |

The number of trustees reimbursed for travel expenses was 1 (2019: 2).

## 7. STAFF COSTS

The average number of employees during the reporting period was 2 (2019: 2).

The number of employees receiving total employment benefits (excluding employer pension costs) in the band range of £80,000 to £89,999 was 1 (2019: in the band range of £80,000 to £89,999 - 1).

The total of employee benefits received by key management personnel for their services to the charity during the reporting period was £146,404 (2019: £140,127).

## 8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds |
|---|---|
| | £ |
| **INCOME AND ENDOWMENTS FROM** | |
| Donations and legacies | 198,865 |
| **Charitable activities** | |
| Charitable activities in furtherance of the objects as set out in the Society's Royal Charter | 66,639 |
| Investment income | 350 |
| **Total** | 265,854 |
| **EXPENDITURE ON** | |
| **Raising funds** | |
| Raising donations and legacies | 63,497 |
| | 63,497 |



continued...

## 8. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

| | Unrestricted funds £ |
|---|---|
| **Charitable activities** | |
| Charitable activities in furtherance of the objects as set out in the Society's Royal Charter | 75,265 |
| Other | 123,111 |
| **Total** | 261,873 |
| **NET INCOME** | 3,981 |
| **RECONCILIATION OF FUNDS** | |
| **Total funds brought forward** | 258,897 |
| **TOTAL FUNDS CARRIED FORWARD** | 262,878 |

## 9. INDEPENDENT EXAMINER

A provision has been made for fees payable for the independent examination of £2,580 (2019: £2,503). A provision has also been made for accountancy services provided by the accountancy practice of which the independent examiner is the principal of £3,070 (2019: £2,971).

## 10. INTANGIBLE FIXED ASSETS

| | Patents and licences £ |
|---|---|
| **COST** | |
| At 1 January 2020 | 5,336 |
| Additions | 4,592 |
| At 31 December 2020 | 9,928 |
| **AMORTISATION** | |
| At 1 January 2020 | 539 |
| Charge for year | 845 |
| At 31 December 2020 | 1,384 |
| **NET BOOK VALUE** | |
| At 31 December 2020 | 8,544 |
| At 31 December 2019 | 4,797 |



continued...

## 11. TANGIBLE FIXED ASSETS

| | Long leasehold £ | Equipment, fixtures and fittings £ | Website £ | Totals £ |
|---|---|---|---|---|
| **COST** | | | | |
| At 1 January 2020 and 31 December 2020 | 466,066 | 4,976 | 40,141 | 511,183 |
| **DEPRECIATION** | | | | |
| At 1 January 2020 | 85,676 | 2,328 | 40,141 | 128,145 |
| Charge for year | 9,321 | 900 | - | 10,221 |
| At 31 December 2020 | 94,997 | 3,228 | 40,141 | 138,366 |
| **NET BOOK VALUE** | | | | |
| At 31 December 2020 | 371,069 | 1,748 | - | 372,817 |
| At 31 December 2019 | 380,390 | 2,648 | - | 383,038 |

The long leasehold property was valued on an open market basis at £460,000 by Stevens Scanlan LLP, Chartered Surveyors, on 5 July 2007.

If the long leasehold property had been recognised at historical cost the net book value at the end of the reporting period would have been £311,410 (2019: £319,074).

The long leasehold property with a net book value at the reporting date of £371,069 (2019: £380,390) has been pledged as security for the bank loan.

## 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|---|---|---|
| Trade debtors | 21,605 | 27,166 |
| Other debtors | 120 | 120 |
| Prepayments and accrued income | 7,139 | 12,331 |
| | 28,864 | 39,617 |



continued...

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts (see note 15) | 11,377 | 5,058 |
| Trade creditors | 1,424 | 3,585 |
| Taxation and social security | 10,359 | 6,603 |
| Other creditors | 26,258 | 32,697 |
| Accruals and deferred income | 11,401 | 11,484 |
| | 60,819 | 59,427 |

## 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Bank loans (see note 15) | 284,299 | 243,842 |

## 15. LOANS

Two bank loans are in existence for the Society. A commercial mortgage is secured by a legal charge over the long leasehold property and at 31 December 2020 was outstanding in the sum of £245,676. The interest rate applicable to this loan is 4.28% per annum over bank base rate.

The other bank loan outstanding at 31 December 2020 in the sum of £50,000 represents a Bounce Back Loan that was advanced to the Society during the year under review. This loan is guaranteed by the UK Government and no repayments are scheduled to commence until April 2022.

## 16. MOVEMENT IN FUNDS

| | At 1.1.20 | Net movement in funds | At 31.12.20 |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 131,951 | 39,951 | 171,902 |
| Anice Alexander fund | 104,778 | - | 104,778 |
| British Institute of Interior Design fund | 4,184 | - | 4,184 |
| Life fund | 6,439 | 62 | 6,501 |
| Other Donation fund | 15,526 | - | 15,526 |
| | 262,878 | 40,013 | 302,891 |
| **TOTAL FUNDS** | 262,878 | 40,013 | 302,891 |

Net movement in funds, included in the above are as follows:

| | Incoming resources | Resources expended | Movement in funds |
|---|---|---|---|
| | £ | £ | £ |
| **Unrestricted funds** | | | |
| General fund | 255,048 | (215,097) | 39,951 |
| Life fund | 62 | - | 62 |
| | 255,110 | (215,097) | 40,013 |
| **TOTAL FUNDS** | 255,110 | (215,097) | 40,013 |



continued...

## 16. MOVEMENT IN FUNDS - continued

**Comparatives for movement in funds**

| | At 1.1.19 £ | Net movement in funds £ | At 31.12.19 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 127,970 | 3,981 | 131,951 |
| Anice Alexander fund | 104,778 | - | 104,778 |
| British Institute of Interior Design fund | 4,184 | - | 4,184 |
| Life fund | 6,439 | - | 6,439 |
| Other Donation fund | 15,526 | - | 15,526 |
| | 258,897 | 3,981 | 262,878 |
| **TOTAL FUNDS** | 258,897 | 3,981 | 262,878 |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 265,854 | (261,873) | 3,981 |
| **TOTAL FUNDS** | 265,854 | (261,873) | 3,981 |

A current year 12 months and prior year 12 months combined position is as follows:

| | At 1.1.19 £ | Net movement in funds £ | At 31.12.20 £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 127,970 | 43,932 | 171,902 |
| Anice Alexander fund | 104,778 | - | 104,778 |
| British Institute of Interior Design fund | 4,184 | - | 4,184 |
| Life fund | 6,439 | 62 | 6,501 |
| Other Donation fund | 15,526 | - | 15,526 |
| | 258,897 | 43,994 | 302,891 |
| **TOTAL FUNDS** | 258,897 | 43,994 | 302,891 |



continued...

## 16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|---|---|---|---|
| **Unrestricted funds** | | | |
| General fund | 520,902 | (476,970) | 43,932 |
| Life fund | 62 | - | 62 |
| | 520,964 | (476,970) | 43,994 |
| **TOTAL FUNDS** | 520,964 | (476,970) | 43,994 |

The Anice Alexander fund has been designated to support women to study or research areas of design.

The British Institute of Interior Design fund has been designated for the advancement of study in interior design.

The Life fund has been designated to support members suffering financial hardship.

The Other Donation fund has been designated as a special purpose fund as this was a large anonymous donation, with the use of this fund to be determined by the trustees.

## 17. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020.

## 18. GENERAL INFORMATION

The Chartered Society of Designers was founded in 1930 and is governed by a Royal Charter granted on 19 May 1976 and amended on 13 July 2011. The Chartered Society of Designers is based at 1 Cedar Court, Royal Oak Yard, Bermondsey Street, London SE1 3GA.

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **INCOME AND ENDOWMENTS** | | |
| **Donations and legacies** | | |
| Donations | 62 | - |
| Subscriptions | 175,531 | 198,865 |
| | 175,593 | 198,865 |
| **Other trading activities** | | |
| Website content writing | 19,000 | - |
| **Investment income** | | |
| Deposit account interest | 216 | 350 |
| **Charitable activities** | | |
| CEP income | 60,080 | 60,109 |
| Other income | 221 | 6,530 |
| | 60,301 | 66,639 |
| **Total incoming resources** | 255,110 | 265,854 |
| **EXPENDITURE** | | |
| **Raising donations and legacies** | | |
| Salaries | 44,762 | 46,709 |
| Social security | 4,039 | 4,527 |
| Pensions | - | 37 |
| Rent and related services | 4,715 | 5,095 |
| Light and heat | 190 | 378 |
| Telephone | 1,068 | 1,446 |
| Postage and stationery | 124 | 296 |
| Sundries | 214 | 234 |
| Travelling | 150 | 1,072 |
| Computer systems and website support | 2,170 | 2,406 |
| Repairs and renewals | 231 | 729 |
| Advertising and promotions | - | 568 |
| | 57,663 | 63,497 |
| **Charitable activities** | | |
| Salaries | 44,762 | 46,709 |
| Social security | 4,039 | 4,527 |
| Pensions | - | 37 |
| Rent and related services | 4,715 | 5,095 |
| Light and heat | 190 | 378 |
| Telephone | 1,068 | 1,446 |
| Postage and stationery | 124 | 296 |
| Sundries | 229 | 234 |
| Carried forward | 55,127 | 58,722 |

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| **Charitable activities** | | |
| Brought forward | 55,127 | 58,722 |
| Travelling | 150 | 1,072 |
| Computer systems and website support | 2,170 | 2,406 |
| Repairs and renewals | 231 | 729 |
| Staff training costs | 18 | - |
| Advertising and promotions | - | 568 |
| CEP miscellaneous expenses | 3,620 | 4,502 |
| Miscellaneous event expenses | 591 | 7,266 |
| | 61,907 | 75,265 |
| **Support costs** | | |
| **Governance costs** | | |
| Trustees' expenses | 197 | 1,230 |
| Salaries | 44,762 | 46,709 |
| Social security | 4,039 | 4,527 |
| Pensions | - | 37 |
| Rent and related services | 4,715 | 5,095 |
| Insurance | 2,460 | 3,162 |
| Light and heat | 190 | 378 |
| Telephone | 1,068 | 1,446 |
| Postage and stationery | 124 | 296 |
| Sundries | 214 | 428 |
| Accountancy | 6,363 | 5,474 |
| Professional | - | 5,192 |
| Computer systems and website support | 2,170 | 2,406 |
| Loss on exchange differences | 107 | - |
| Repairs and renewals | 231 | 729 |
| Subscriptions | 1,672 | 7,193 |
| Irrecoverable VAT | 3,168 | 4,369 |
| Bank charges | 1,866 | 1,921 |
| Patents and licences amortisation | 845 | 450 |
| Long leasehold depreciation | 9,321 | 9,320 |
| Equipment, fixtures and fittings depreciation | 900 | 843 |
| Website depreciation | - | 9,200 |
| Bank loan interest | 11,115 | 12,706 |
| | 95,527 | 123,111 |
| Total resources expended | 215,097 | 261,873 |
| **Net income** | 40,013 | 3,981 |