

Charity Registration No. 1126555

Company Registration No. 06532815 (England and Wales)

THE SOCIAL AFFAIRS UNIT
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

THE SOCIAL AFFAIRS UNIT

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Professor Simon Green Professor David Womersley Mr Mark Fisher, CBE
Charity number	1126555
Company number	06532815
Registered office	85 Great Portland Street First Floor London England W1W 7LT
Accountants	Kirk Rice LLP Zeeta House 200 Upper Richmond Road Putney London SW15 2SH
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

THE SOCIAL AFFAIRS UNIT

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THE SOCIAL AFFAIRS UNIT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 30 JUNE 2023

The Trustees present their annual report and financial statements for the year ended 30 June 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with The Social Affairs Unit's Memorandum and Articles of Association, the Companies Act 2006 and "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

The objects of The Social Affairs Unit charity are to advance education and learning and to promote research for educational purposes in social, cultural and economic affairs, both in the United Kingdom and elsewhere.

The Trustees pay due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Achievements and performance

The Social Affairs Unit ('SAU' or the 'Charity') was originally established by Dr. Digby Anderson, a professional sociologist, in 1980 as a charitable think tank, specialising in public education in social, cultural and economic affairs. It has fulfilled its purposes by holding conferences and publishing books and reports in these fields. In 2008, the SAU Trustees resolved to extend the scope, but not the purposes, of the Charity by publishing a magazine devoted to public education about current affairs and culture, more broadly. A trading subsidiary of the SAU governed by Directors was established for this purpose, Social Affairs Unit Magazines Ltd. ('SAUM'). This magazine, entitled *Standpoint*, was published up to end FY2020-21.

In June 2019, the SAU reviewed and updated its governance policies. At the same time it conducted a financial review that has resulted, *inter alia*, in the implementation of strict new financial controls and a formal expenses policy. A review of operating expenses has substantially reduced net costs.

Financial review

The Trustees have reviewed the reserves of the Charity. The Trustees' policy is to maintain reserves at the minimum level needed to meet known expenditure commitments, in order to maximise the grants made. While working to increase the level of reserves, the Trustees consider that the Charity is able to meet its commitments as they fall due. All reserves are unrestricted and the total amount is found in the balance sheet.

All funds received are currently used to achieve the objectives of the Charity. Any surplus funds are used for the same purpose. Although the SAU does not at present have a formal reserves policy, its intended minimum reserves represent at least 3 months of operating and related costs. Its level of reserves is kept under periodic review by the Trustees and will be adjusted as perceptions of risk and other factors change. At 30 June 2023, the Charity had an unrestricted surplus of £ 89,201 (2022: £89,018).

The Trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. A review of all financial arrangements was undertaken starting in June 2019 and completed in FY 2020-21. As a result, strict new financial controls were put in place.

The Charity and its subsidiary have low price risk, credit risk or liquidity risk. There is some cash flow risk due to reliance on donations for continued working capital.

Structure, governance and management

The Charity, registered charity number 1126555, is a company limited by guarantee, registered company number 06532815 (England and Wales), and is governed by its Memorandum and Articles of Association. The guarantee of individual members is limited to £1.

The address of its principal and registered office can be found on the Reference and Administrative Details page.

THE SOCIAL AFFAIRS UNIT

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 30 JUNE 2023*

The Directors of the charitable company are its Trustees for the purpose of charity law. The Trustees who have served during the year and since the year end were as follows:

Professor Simon Green
Professor David Womersley
Mr Mark Fisher, CBE

Recruitment, appointment and training of Trustees

The Trustees are entitled to appoint new Trustees subject to approval of the Members.

Approved by the Board and signed on its behalf:

Professor Simon Green
Trustee

Dated: 19 February 2024

THE SOCIAL AFFAIRS UNIT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 2023

The Trustees, who are also the Directors of The Social Affairs Unit for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees and key management personnel to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the The Social Affairs Unit and of its incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees and key management personnel are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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

THE SOCIAL AFFAIRS UNIT

CHARTERED ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE SOCIAL AFFAIRS UNIT FOR THE YEAR ENDED 30 JUNE 2023

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Social Affairs Unit for the year ended 30 June 2023, which comprise the statement of financial activities and the related notes from the charity's accounting records and from information and explanations you have given us.

This report is made to the charity's Trustees, as a body. Our work has been undertaken solely to prepare for your approval the financial statements of The Social Affairs Unit and state those matters that we have agreed to state to the charity's Trustees, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Social Affairs Unit and the charity's Trustees as a body, for our work or for this report.

It is your duty to ensure that The Social Affairs Unit has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and surplus of The Social Affairs Unit. You consider that The Social Affairs Unit is exempt from the statutory audit requirement for the year, and is not required to obtain an independent examiner's report.

We have not been instructed to carry out an audit or a review of the financial statements of The Social Affairs Unit. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kirk Rice LLP

19 February 2024

Zeeta House
200 Upper Richmond Road
Putney
London
SW15 2SH

THE SOCIAL AFFAIRS UNIT

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2023

		Unrestricted funds 2023 £	Unrestricted funds 2022 £
	Notes		
Income from:			
Donations and legacies	4	-	10,000
Charitable activities	3	1,406	2,956
Investments	5	174	8
Total income		1,580	12,964
Charitable activities	6	1,397	15,985
Net income/(expenditure) and movement in funds		183	(3,021)
Reconciliation of funds:			
Fund balances at 1 July 2022		89,018	92,039
Fund balances at 30 June 2023		89,201	89,018

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE SOCIAL AFFAIRS UNIT

BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investments	11		1		1
Current assets					
Cash at bank and in hand		94,600		94,717	
Creditors: amounts falling due within one year	12	5,400		5,700	
Net current assets			89,200		89,017
Total assets less current liabilities			89,201		89,018
The funds of the Charity					
Unrestricted funds			89,201		89,018
			89,201		89,018

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2023.

The Directors acknowledge their responsibilities for ensuring that the Charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The Members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 19 February 2024

Professor Simon Green
Trustee

Company registration number 06532815 (England and Wales)

THE SOCIAL AFFAIRS UNIT

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2023

1 Critical accounting estimates and judgements

In the application of The Social Affairs Unit's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Charity information

The Social Affairs Unit is a charitable company in the United Kingdom (England and Wales). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on the Legal and Administrative Information page of these financial statements. The nature of the charity's operations and principal activities are within the Trustees' Report, on page 1 and 2.

2.1 Accounting convention

The financial statements have been prepared in accordance with The Social Affairs Unit's Memorandum and Articles of Association, the Companies Act 2006 and "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)". The Social Affairs Unit is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of The Social Affairs Unit. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure along with strategies to deal with variances in demand and funding for 12 months from the date of approval of these financial statements. The expected income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

2.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

2.4 Income

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies are recognised in the financial statements when the charity is convinced that there is entitlement to the income, there is certainty of receipt and the amount in question is measurable.

THE SOCIAL AFFAIRS UNIT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

2 Accounting policies

(Continued)

Interest income is included when receivable.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include governance costs, administrative office function costs and premises costs. They are incurred directly in support of expenditure on the objects of the charitable company.

Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to the independent examination, statutory audit and legal fees.

Support and Governance costs have been allocated across the charitable activities using various percentage allocation.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes research grants.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such as awards being recognised as expenditure when the conditions attached to the grants are fulfilled. Grants offered subject to conditions that have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.6 Fixed asset investments

The Charity controls 100% of the issued share capital of Social Affairs Unit Magazine Limited. The investment is recognised at cost less provision for impairment.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Debtors

Trade debtors and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

THE SOCIAL AFFAIRS UNIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

2 Accounting policies

(Continued)

Creditors

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Other creditors and accruals are recognised at their settlement amount due.

2.8 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

3 Charitable activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Other income	1,406	2,956

4 Donations and legacies

	Total	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	-	10,000

5 Income from investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	174	8

THE SOCIAL AFFAIRS UNIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

6 Charitable activities

	Advance education and learning 2023 £	Advance education and learning 2022 £
Direct costs	-	(1)
Rent and rates	(99)	-
IT costs	-	40
Other charitable expenditure	276	14,229
	<u>176</u>	<u>14,269</u>
Support costs (see note 8)	63	96
Governance costs (see note 8)	1,158	1,620
	<u>1,397</u>	<u>15,985</u>

7 Grants made to trading subsidiary from parent

	2023 £	2022 £
Grants to Social Affairs Unit Magazines Limited	-	14,000

8 Support costs

	Support costs £	Governance costs £	2023 £	2022 £	Support costs £	Governance costs £	2022 £
Bank charges	63	-	63	96	-	96	96
Accountancy	-	1,158	1,158	-	1,620	1,620	1,620
	<u>63</u>	<u>1,158</u>	<u>1,221</u>	<u>96</u>	<u>1,620</u>	<u>1,716</u>	<u>1,716</u>
Analysed between Charitable activities	63	1,158	1,221	96	1,620	1,716	1,716

THE SOCIAL AFFAIRS UNIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

9 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Total	-	-

There were no employees whose annual remuneration was more than £60,000.

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Fixed asset investments

	2022 £	2021 £
At 30 June 2023		
Shares in group undertaking	1	1

The Charity's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Social Affairs Unit Magazines Limited

Registered Office: 85 Portland Street, First Floor, London, England, W1W 7LT

Company Number: 06510185 (England and Wales)

100% Ordinary Shares held

The results for this subsidiary were as follows:

	2023 £	2022 £
Turnover	-	27,780
Expenditure	(1,401)	(27,531)
Net (loss)/profit prior to gift aid to the Charity	(1,401)	249
Aggregate capital and reserves	5,897	7,298

THE SOCIAL AFFAIRS UNIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

11 Fixed asset investments (Continued)

Aggregate assets	6,891	8,310
Aggregates liabilities	994	1,012

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts owed to subsidiary undertakings	4,080	4,080
Accruals and deferred income	1,320	1,620
	<u>5,400</u>	<u>5,700</u>

13 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 July 2022 £	Incoming resources £	Resources expended £	At 30 June 2023 £
General funds	89,018	1,580	(1,397)	89,201

Previous year:

	At 1 July 2021 £	Incoming resources £	Resources expended £	At 30 June 2022 £
General funds	92,039	12,964	(15,985)	89,018

14 Related party transactions

The Social Affairs Unit is the parent charitable company of Social Affairs Magazines Limited.

During the year, total grants of £nil (2022: £14,000) were given to Social Affairs Magazines Limited. As at the balance sheet date the Charity owed £4,080 to its subsidiary (2022: £4,080 was due from its subsidiary).

During the year, donations of £nil (2022: £nil) were made to the Charity by the Trustees.

15 Other matters

Following a thorough internal and external review, it has come to light that the Charity is owed a minimum of £127,991, which it is currently taking steps to recover. These amounts outstanding have not been provided for in the financial statements for the year ended 30 June 2023. Updates will be provided in future statements.

THE SOCIAL AFFAIRS UNIT

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

15 Other matters

(Continued)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.