

Design Council
Annual report and accounts 2014–2015
For the year ended 31 March 2015

We improve people's lives through the
use of design.

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Design Council Trustees' report for the year ended 31 March 2015

The trustees submit this Annual report along with the consolidated financial statements for the year ended 31 March 2015, which comply with the current statutory requirements, the memorandum and articles of association, the Statement of Recommended Practice, and Accounting and Reporting by Charities 2005 (SORP).

About Design Council

Established in 1944 to demonstrate the value of industrial design in reviving post-war Britain, Design Council is now an enterprising charity which works to improve people's lives through the use of design.

Currently celebrating our seventieth birthday, our mandate has evolved over the last seven decades and responded to changing social and economic trends and needs. We are passionate about using design to improve people's lives and we believe that design-led innovation can stimulate business growth, transform public services and enhance places and cities.

Working with designers and other disciplines, we tackle major issues like economic growth, health, ageing and community cohesion. We advance new design thinking, encourage debate and inform government policy. Our vision is to create a better world by design.

Introduction

Britain has world-renowned design capabilities that deliver real value to the UK economy. Design Council believes that design has the power to add value to the economy, tackle challenging social issues, as well as transform and improve public services and the places we live in.

During its 70-year history, Design Council has made a significant and tangible contribution to solving some of the UK's most complex challenges by providing design support and the advice, tools and expertise to bring about positive change. We continue to build on this legacy, to stimulate business growth, transform our public services and improve the communities we live in.

Over the last year, we delivered a wide range of services, including a £4.7m programme of work for the Department for Business, Innovation and Skills (BIS), to stimulate innovation in business and public services and to inform design policy. Going forwards from 2015/16 we will deliver the majority of our design services for small businesses as part of the government's *Business Growth Service*.

We have grown our activities outside of the BIS programme and launched some major new initiatives in the year, including: *Design Council Spark*, a product innovation fund to uncover the UK's next great inventors and inventions; *Design for Europe*, an EU-funded project to help people use design to accelerate innovation across Europe, boosting economic growth and job creation; *Design for Care*, a long-term initiative to invent and develop new ways to increase wellbeing and to help older people stay in their own homes; and, our *Cities* offer, packages of design support and training to help cities develop infrastructure, deliver affordable new homes and stimulate local economic growth.

We continued to generate new evidence on the value of design. This year we published *Leading Business by Design*, which showcases the value of design at board level in businesses. Another report, *Innovation by Design*, highlights how design can increase the impact of science and technology research. We grew our knowledge base and resources in specific areas of design such as *Active by Design* and *Inclusive Environments*. We use this new evidence, as well as insights from our programmes, to persuade more organisations and businesses to use design in a strategic way, particularly in parts of the economy where it is underused. We refreshed our digital presence, designcouncil.org.uk, during the year which is a key means of engaging with our audiences.

It has been an exciting and busy year and the future holds much promise, but it also holds challenges for us. We have made some good progress, notably in establishing and growing our *Design Council Cabe services* in the wider marketplace, and in delivering new initiatives like *Design Council Spark* and the *Design for Europe* programme. However, our charity continues to go through a period of business change. In order to retain our position as a leader in the world of design, we must continue to grow and diversify our programmes and revenue streams, and consolidate our position in the market place as a thought leader and advisor to government. Funding from government beyond 2015/16 is uncertain and subject to the government's forthcoming spending review likely to be concluded towards the end of 2015.

We continue to work to re-shape the organisation and shift the culture to establish ourselves as a self-sustaining enterprising charity. In 2015/16 the priority areas we will focus on are as follows:

- Driving innovation in businesses, public services, and universities by delivering design coaching to build confidence and new skills and capabilities
- Addressing pressing economic and societal challenges, particularly in health, by supporting innovators and entrepreneurs to design products and services with real social impact
- Enhancing cities and places by providing design support, advice, training on well-designed buildings, spaces and places for people. This approach should enable cities to in turn transform public services and stimulate economic growth
- Persuading more organisations and businesses to use design in a strategic way, in parts of the economy where it is underused.

Design Council is focussed firmly on the future. After 70 years, we remain engaged in the development of policy, programmes and initiatives which demonstrate the power of design to improve people's lives.

Charitable objects, structure and governance

Charitable objects

As a Royal Charter charity, we work in the public interest, generating funds by charging for our charitable activities. Our mission is to improve people's lives through the use of design.

Our charitable objects are:

- *The advancement of British industry and public services by the improvement of design in their products and services*
- *The protection, enhancement, improvement and revitalisation of the natural and built environment (including architecture)*
- *The advancement of the education of the public in such subjects and in subjects relating to sustainable development and sustainable living. To promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large. Sustainable development means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs".*

Structure

We're a think-do organisation, which means we combine research, thought leadership and knowledge-sharing with practical demonstration, advice, coaching and mentoring. We want to demonstrate how great design improves the world, drives innovation and changes lives. We have a core staff team of around 60 and we draw on a network of 300 design, architecture and built environment experts, based across the country, who together deliver our services locally and nationally.

As a small organisation, the best way for us to operate is by working with a broad spectrum of like-minded people and organisations. Our network of partnerships encompasses the public, private and third sectors, from our home in the UK and around the world.

Through this network, we help connect business leaders, national and local policy makers, thought leaders, social impact organisations and design professionals, to deliver real change through design. In this way, our partnerships give us both focus for our work, and a platform to extend the impact of design-led solutions.

Governance

We are governed by a board of a maximum of fifteen unpaid trustees. They help us to set out our strategic direction, monitor the delivery of our objectives, uphold our values and governance and take into consideration the Charity Commission's guidance on public benefit. They also guide, advise and support the Chief Executive who leads the senior management team in achieving the mission and strategic aims. The board of trustees met eight times during the year under review. The chair of the board of trustees is Martin Temple.

New trustees are recruited through an open process and are appointed by the board of trustees. Trustees may serve up to two consecutive three-year terms although in exceptional circumstances a third term may be approved. On appointment, new trustees are provided with an induction on the activities of Design Council and their responsibilities as a trustee. No new trustees were appointed during the year. Further details on trustees who served during 2014/15 are listed below:

	Date appointed	Date reappointed for second term	Date resigned
Martin Temple (Chair)	01.04.11	31.12.14	n/a
Paul Finch (Deputy Chair)	01.06.11	n/a	31.12.14
Pam Alexander	01.06.11	31.12.14	n/a
Rab Bennetts	01.06.11	n/a	n/a
Sandeep Dwesar	01.06.11	31.12.14	n/a
Jim Eyre	01.06.11	n/a	n/a
Wayne Hemingway	01.06.11	31.12.13	n/a
Steve Pearce	31.01.14	n/a	n/a
Marek Reichman	09.06.11	31.12.14	n/a
Annika Small	31.01.14	n/a	n/a
Terry Tyrrell	31.01.14	n/a	n/a
Peter Williams	01.06.11	n/a	n/a

Any expenses reclaimed from the charity by trustees are set out in note 6 to the accounts.

Three committees assist the board of trustees in overseeing the financial and administrative aspects of our activities as set out below. Each committee has adopted terms of reference approved by the board of trustees and reports back at each meeting of the board of trustees.

Finance, Audit and General Purposes Committee: meets three times a year to monitor financial performance and review the management accounts, budgets and cash flow. It also reviews the annual financial statements, internal controls and risk management, and receives reports from the external auditors.

Chair: Peter Williams. Members: Sandeep Dwesar, Jim Eyre.

HR and Remuneration Committee: meets once a year to review the performance and remuneration of the Chief Executive and to provide general oversight on staffing structures and remuneration, including pensions.

Chair: Pam Alexander. Members: Sandeep Dwesar, Martin Temple.

Design Council Cabe Committee: meets quarterly to keep an oversight on this area and review performance.

Chair: Pam Alexander. Members: Rab Bennetts, Jim Eyre, Wayne Hemingway.

We reach out to networks and engage with the design industry through quarterly sounding board and design industry roundtable meetings. This enables us to engage more directly with the design

industry to discuss topical design issues and opportunities and for us to receive fresh ideas, insights and feedback.

Risk

The trustees identify and manage potential risks and ensure that activities undertaken do not jeopardise the reputation of Design Council. Trustees regularly review potential risks and ensure that necessary steps are taken to either minimise or eliminate them.

The Finance, Audit and General Purposes Committee and board of trustees have responsibility for risk management which is reflected in their terms of reference. Design Council maintains a risk register that is reviewed by the Finance, Audit and General Purposes Committee and board of trustees at each meeting. Separate individual risk registers are maintained for individual projects or programmes, as appropriate.

The board of trustees commissions expert advisers to provide independent assessments and assurance on a case by case to address specific business needs. During the year we commissioned assessments, for example, on data protection and IT security.

Trustees consider that the key risk facing Design Council is in growing and developing new income streams to maintain our future as a self-sustaining enterprising charity.

Subsidiary and related parties

Design Council Enterprises Limited (Design Council Enterprises) is a trading subsidiary used for fundraising activities that are not primary-purpose charitable activity.

The assets and liabilities of the charity's subsidiary Design Council Commission for Architecture and the Built Environment (CABE) were transferred into the charity with effect from 1 April 2014. The activities of Design Council CabE have continued within the charity from 1 April 2014. See note 13 to the financial statements for more details.

Related Party Transactions are disclosed as note 22.

Objectives and outcomes in 2014/15

Objectives

Design Council is an independent, enterprising charity. Our vision is to create a better world by design. We will achieve this by improving people's lives through the use of design; our mission.

We apply design methodologies to a wide set of challenges in the public and private sectors in order to ensure a sustainable future for everyone. Our priorities reflect the objectives of the charity to place design at the heart of stimulating business growth, transforming public services, and enhancing our places and cities.

We work in three main ways, we:

- **Demonstrate:** leading by doing, delivering innovative design solutions
- **Enable:** by coaching, mentoring and educating
- **Advocate:** through thought leadership and new thinking, promoting design's role in keeping the UK at the forefront of innovation.

Our values demonstrate what we believe in and how we will behave:

- Being design-led underpins everything that we do. We practice what we preach, championing design in all of our activities
- Being principled, we are prepared to take a stand for what we believe. We speak out for what is right – and celebrate it – and campaign against what we believe to be wrong
- Working in partnership and collaboration with people and organisations who share our values and aspirations
- Acting in an agile and entrepreneurial way, our future is in our hands and our hands alone.

During the year we operated with four delivery teams that generated income from a mix of government grants, fees, sponsorship and other sources as set out below:

Design Support: offering design coaching to businesses, public services, and universities to help them innovate and grow.

Challenges: demonstrating the power of design in addressing complex economic and social challenges. We support innovators and entrepreneurs and those running public services to design products and services with real social impact.

Design Council Cabs: offering design services to ensure that places, spaces and buildings are well-designed for people and communities.

Insight: providing information and new evidence on the value of design. We also stimulate debate, influence policy and build networks to promote the benefits of design for everyone.

Outcomes

Key activities and impact during 2014/15 within the four business units are set out in the following pages. More information on our activities can be found on our website designcouncil.org.uk.

Design Support

We offer design coaching to businesses, public services, and universities to help them innovate and grow.

In 2014/15, Design Support met its targets and delivered the following:

Driving business growth

Over the last ten years we have worked with more than 4,000 businesses, many of them small and medium-sized businesses (SMEs), to help them to innovate and grow. For these businesses, every £1 invested in a design project leads to more than £4 net operating profit and £20 net turnover. During the year, we enrolled more than 70 SMEs on our BIS grant funded coaching programme (66 in 2013/14) to use design to transform their commercial prospects and we ran short clinics and workshops to 650 business people. From 2015/16, BIS funding for design mentoring for SMEs flows directly to the government's *Business Growth Service (BGS)*; Design Council is a key delivery partner for design coaching for BGS.

In 2014/15 we ran an ambitious pilot programme on supply chain innovation with Rolls Royce aerospace suppliers. We developed other programmes, including one to explore how design can support businesses export needs and a training programme on design in public sector innovation for the Chilean government.

Transforming public services

In the last five years we have worked with more than 40 UK public bodies on frontline service challenges to help them understand their customers and transform critical services. During the past year we delivered intensive design coaching to seven public services organisations and training events and workshops to over 200 people working in public services, subsidised by BIS. We also delivered our new cohort programme to local government, working with Capita and AHRC to ensure that local authorities are equipped with the design methods they need to apply to deliver services for the future. In 2015/16 we are delighted that we will also be working in partnership with the Local Government Association to transform local services through this training programme.

Commercialising science and technology research

Our research demonstrates that design accelerates commercialisation and increases value. In the last five years we have worked with over half of the Technology Transfer Offices in British universities, supporting research teams to commercialise their research. Our partners include Innovate UK and NCUB. Working with BIS, during the year we delivered three training workshops and coached over 40 clients from universities and startups. A new research report, *Innovation by Design*, showed how design can increase the impact of science and technology research. It includes a number of case studies of research bodies supported by Design Council.

Future opportunities

We continue to innovate and develop our coaching services for a variety of applications, eg high growth businesses, technology start-ups, universities and education, and public services. There continues to be overseas interest in our work and approach as well. Increasingly we aim to deliver services on a fully funded basis where historically services have been wholly or partly subsidised by BIS.

Design Associates

We train and manage a group of Design Associates, our network of independent design management experts. They work with businesses, universities and public service management teams to encourage these clients to be better users and buyers of design, and harness the value of design as a strategic tool.

Challenges

We demonstrate the power of design in addressing complex economic and social challenges. We support innovators and entrepreneurs and those running public services to design products and services with real social impact.

In 2014/15, Challenges met its targets and delivered the following:

Design Council Spark: supporting the next generation of inventors

We launched a pilot phase of our new accelerator programme, focused on bringing new physical product innovations to market. We selected eight innovations from over 300 applicants to receive bespoke mentoring and specialist advice for rapid acceleration of their products over a 20 week period, culminating in a pitch to investors. We are aiming to complete the pilot and run further cohorts in 2015/16 and beyond.

Design for Care: transforming adult social care

We launched this ambitious initiative to support the challenge of ageing better, to invent better ways to enable wellbeing for those in later life and to reduce the burden on the state. We aim to demonstrate how design methods are crucial if we are to create care and support that is more personalised, more connected and more preventative. We are currently working on ideas to increase the contribution of informal care and ways to enable people and their families to make better choices, with a variety of organisations such as Philips, Which?, Southwark and Lambeth Integrated Care and the Big Lottery Fund.

Knee High: raising the health and wellbeing of under-fives

In partnership with Guys & St Thomas' Charity and the London boroughs of Lambeth and Southwark, we continued our innovation challenge to improve the health and well-being of children under five. From the original 190 applicants, six teams received a year of design mentoring and investment to help them develop their products and services. Three of those teams received further support and investment to help embed them into Lambeth and Southwark and measure their impact. The three finalists feature a web application showing free activities in their local area, pop up parks that aim to encourage outdoor play, and a service that brings artists into families' homes to help them solve day-to-day issues that cause stress.

Design supporting social priorities

We worked with a number of organisations to provide design input and expertise on matters of social interest. We published a Cabinet Office-funded report on Social finance in the UK to outline the needs of social ventures when accessing funding. We supported a start-up online sexual health service (SH:24) founded by Lambeth and Southwark NHS clinicians and phase one has now launched. We worked with the Royal College of Midwives on research and advice on the role design can play in creating better birthing experiences. Design advice was given to a number of initiatives run by organisations such as the Future Cities Catapult, The Portman Group, NHS England, government office for Science and the Prime Ministers Challenge Group for Dementia.

Behavioural design

Our collaboration with Warwick Business School, the Behavioural Design Lab, links behavioural science with design-thinking and uses a scientific understanding of people to design better products, services and places that change behaviour and improve lives.

Ongoing impact

We continue to evaluate our current and past work and measure impact on the ground. Ventures created through the Challenges continue to be successful. The evaluation of our project to reduce violence and aggression in A&E departments showed significant improvement in customer experience and a significant return on investment for those trusts that implemented the system.

Design Council Cabe

We provide a range of services to ensure that places, spaces and buildings are well-designed for people and communities.

In 2014/15, Design Council Cabe met its targets and delivered the following:

Enhancing cities and places

Our packages of design support and training can help places and cities to develop infrastructure, deliver affordable new homes and stimulate local economic growth. We celebrated a year of our work in Oxford, with positive feedback on the work of the Oxford Design Review Panel from the local authority, developers/investors, design professionals and key stakeholder groups. In the year, the London Borough of Greenwich signed up for a package of support and we continue to target cities, LEPs and local authorities across England.

We provide a significant number of standalone Design Reviews. These are independent evaluations on the design quality of significant schemes. 85% of local authorities have used Design Review with high levels of satisfaction. We delivered a significant number of design support commissions for authorities and public and private sector clients across the country to assist in bringing forward well designed buildings and places.

Campaigning for inclusive and healthy places, quality housing and better communities

We have successfully developed an Inclusive Environments hub, an online resource for multi disciplinary design professionals, commissioned by the Department for Communities and Local Government (DCLG) and consulting with the key built environment institutes, stakeholders and organisations engaged in inclusive design. As part of the hub, we are developing an online Inclusive design training package, due to be launched in 2015/16. This training will be available to an estimated 600,000 built environment design professionals across the country.

We held our first Active by Design summit which brought together 150 experts from the UK and internationally to discuss the latest design and public health thinking and practice. We are currently building case studies and training packages to increase understanding of healthy place-making to support authorities, commissioning clients and design and public health professionals.

We are delivering a DCLG commissioned programme providing coaching and support for Tenant Management Organisations, to bring forward Community Led Development. We are also working with Good Homes Alliance to develop the *Voicebox* online tool to support community engagement in housing following design and construction industry feedback.

Advising government and influencing policy

We support government on key policy challenges. For example, we worked with the Cabinet Office Cities Unit and local growth teams across government to show how design can help cities to deliver their local ambitions. We presented an Action Plan for Inclusive Environments to government, consulted with English Heritage on Tall Buildings Guidance and provided policy inputs on design in housing and the built environment.

Future opportunities

We continue to develop our unique content and approach to find new opportunities for our services. We are scoping a housing offer intended for local authorities, registered social landlords and communities and are also looking into developing design principles which will promote the consideration of public health in new housing developments. We are piloting services to support organisations requiring strategic design support for larger development sites or portfolios of sites. There continues to be a high level of overseas interest in our work and approach, and we are exploring these opportunities. We are currently delivering design support in Oman.

Built Environment Experts

We continued to work with our network of 250 Built Environment Experts (BEEs) who support the Cabe team in delivering high-quality designed places throughout England. BEEs are a network of highly respected specialists, drawn from a range of sectors. We will be expanding our network during 2015 to reflect our increasing workload and the diversity of our fields of interest.

Insight

We provide information and new evidence on the value of design. And we stimulate debate, influence policy and promote the benefits of design for everyone.

In 2014/15, Insight met its targets and delivered the following:

Design for Europe

We completed the first year of the *Design for Europe* programme, funded by the European Commission (EC) and BIS. Design Council is leading a consortium of 14 partners across Europe to help people use design to accelerate innovation, boost economic growth and create jobs. The website, designforeurope.eu, is up and running with over 10,000 subscribers and rapidly growing content. A [design summit held in May 2015](#) in Brussels was a success with 230 delegates from the key target audiences.

Influencing policy and research

Providing advocacy and advice to government is a key part of our work. We have been supporting the government's [Creative Industries Strategy](#) which includes some challenging targets including doubling exports in the design industry by 2020. We are planning some new research in 2015/16 on the economic value of design with contributions from others, to support this work. We were pleased that design featured in the government's [Science and Innovation Strategy](#) and [Supply Chains Action Plan](#). We expanded our research series, [Leading Business by Design](#), into three new Industrial Strategy sectors: automotive, aerospace and housing construction, which generated new, compelling evidence on the value of design. These will be completed and published in 2015.

Promoting great design and stimulating debate

We delivered a programme of activities to celebrate British design as part of our 70th anniversary. Key to this were our [70 Ones to Watch](#) and four [Future Pioneers](#) - young designers that we think will help to transform the future for the better. Improvements to our digital platform are continuing to bear fruit, particularly around championing good design through social media where our following doubled over the course of the year. We launched over 30 fresh case studies and commissioned a thought leadership series on the [Design Economy](#) to reach out to new audiences. Our [fourth annual design summit](#) was held in June 2015 showcasing our *Leading Business by Design* research.

Growing world-renowned design expertise

We have been developing plans for a [Design Academy](#) for UK design schools to support them in strengthening students strategic design capabilities. We aim to pilot the scheme during 2015/16. Creative & Cultural Skills had co-funded this work but their direct funding ceased at the end of March 2015. The Design Academy programme links to our work in Design Support to bring our coaching services to new audiences in universities and education.

Building partnerships and networks

We reached out to networks and engaged with the design industry via quarterly sounding board and design industry roundtable meetings. We continue to grow our partnerships to extend our knowledge and reach, such as those in the 'innovation infrastructure'.

Operations and people

We evolved our strategy and business plan, *A Better World by Design*, which sets out our key priorities for 2015/16. Our team, culture, values and working environment play a key part in helping us become a thriving, enterprising charity. We undertook a number of initiatives during the year to develop ourselves into a more agile and entrepreneurial organisation, to evolve the shape of the business, and to invest in people's skills.

Staff play an active role at Design Council. We seek their views and keep them informed through regular team meetings and through a weekly intranet update, which also goes out to our business network. We had a rolling programme of training and development to support our move to becoming more commercially-minded. This included skills-building in relationship agility and personal impact.

We re-appointed three new trustees in the year and one trustee resigned. We aim to recruit new trustees in 2015/16 as part of our ongoing governance cycle.

Our wider network of design advisers, Design Associates and Built Environment Experts, play an important role in shaping and delivering our programmes. During the year we ran training and induction sessions to inform them of changes to programmes and new initiatives which are coming on track.

We undertook a review of our pension arrangements and implemented a more competitive pension scheme under our current provider from 1 September 2014. In conjunction with this, we merged the two existing pension schemes, for Design Council and for Design Council Cabe, into one scheme. We implemented Pension Salary Exchange scheme in the year. We have seen positive increase in staff joining the pension scheme and a higher level of contributions being made as staff save for their future. We are working with advisers to ensure that we comply with Pension Auto Enrolment regulations; our staging date is 1 August 2015.

A number of process improvements were instigated across the business. A new online timesheet system went live at the beginning of the year. This has bedded in well and supported our drive to be more enterprising by more accurately tracking resource requirements and enabling us to effectively plan for future work and bids. We have also improved our management information which has helped us make decisions in a more agile and informed way.

In March 2014, we appointed a new IT managed service provider to help us innovate in this area and meet our changing business needs. We made a number of improvements in the year, including enhanced IT security and new devices for all staff, which has already had a positive impact. We commissioned a specialist data protection review and are implementing an action plan, including training for all staff. We also enhanced our health and safety practices. These initiatives are already starting to deliver real benefits.

Plans for 2015/16

The mission of Design Council is to improve people's lives through the use of design. Our priorities reflect the charitable objects to place design at the heart of stimulating business growth, transforming public services, and enhancing places and cities. Our plan for 2015/16, *A Better World by Design*, sets out how we will continue to work to demonstrate, enable and advocate the value of design.

Our charity continues to go through a period of business change. In order to retain our position as a leader in the world of design, we must continue to grow and diversify our programmes and revenue streams, and consolidate our position in the market place as a thought leader and advisor to government.

In 2015/16 and for the first time, government grant funding from BIS will be less than half of total income, an indicator that we are diversifying our sources of income. In this regard the future holds much promise but it also holds challenges for us. We are deepening our understanding of the markets in which we plan to operate and building our products and services to meet market demand. We are seeing new income streams coming through, particularly in Design Council Caba and more recently in our Design Coaching offers, but we will need to continue to grow further to make even greater impact.

Our priorities are to demonstrate, enable and advocate the role of design in:

- Driving innovation in businesses, public services, and universities by delivering design coaching to build confidence and new skills and capabilities
- Addressing pressing economic and societal challenges, particularly in health, by supporting innovators and entrepreneurs to design products and services with real social impact
- Enhancing cities and places by providing design support, advice, training on well-designed buildings, spaces and places for people. This approach should enable cities to in turn transform public services and stimulate economic growth
- Persuading more organisations and businesses to use design in a strategic way, in parts of the economy where it is underused.

We continue to work to re-shape the organisation and shift the culture to establish ourselves as a self-sustaining enterprising charity. Key current objectives include streamlining our programmes – delivering fewer, bigger, better - and bringing together our delivery teams to make the most of cross-team synergies and to rationalise ways of working. Alongside this we plan to embed business development resource into our programme delivery teams, who are in the best position to judge key market opportunities to grow income. We hope that these activities will provide more focus and better alignment with our strategic goals

Beyond 2015/16 we face significant uncertainty with future government funding subject to what we believe will be a tough government spending review due in 2015. As outlined earlier in this report, work is underway to bring new services to market but we recognise it takes time to establish these fully.

In 2015/16 the priority areas we will focus on to deliver our mission, vision and values are as follows:

- *Delivering major design programmes*: we will continue to deliver our programme of work for BIS, to stimulate innovation in business and public services and to inform design policy. We will also provide design coaching as part of government's *Business Growth Service*. Other activity includes the Design Council *Spark* product innovation fund, *Design for Europe* EU-funded project, *Design for Care*, and our city and infrastructure packages of design support
- *Growing and diversifying income*: we will fast track our charitable activities linked to income streams with the maximum potential to be repeatable, scalable and profitable; a focussed approach to business development reducing reliance on BIS grant funding
- *Maintaining and building our reputation*: we will enhance our reputation as a think-do organisation, demonstrating the power of design and building our evidence base. We will maintain our independence and quality
- *Developing our business model and strengthening the team*: we will support and develop a team of passionate, motivated and skilled people, underpinned by effective structures and processes, and equipped with the right tools.

Public Benefit

The charity trustees consider that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to Public Benefit guidance published by the Charity Commission and that the benefits that the charity provides are not unreasonably restricted.

We will continue to grow our business to diversify our income streams and enhance our reputation. We believe that this in turn will support us as a self-sustaining enterprising charity that aims to improve people's lives through the use of design.

Financial Review 2014/15

The consolidated results for Design Council for the year ended 31 March 2015 are set out in the financial statements on pages 25-40.

In the fourth year as an independent charity the financial results showed a surplus of £0.4m compared to a deficit of £0.3m in 2013/14.

Total income for the year amounted to £7.9m (£6.3m in 2013/14) of which £4.7m was in the form of government grants from BIS (£4.7m in 2013/14). The remaining income of £3.2m (£1.6m in 2013/14) was raised from a variety of external sources including the *Knee High* programme funded by the Guys & St Thomas' Charity Trust (£0.8m), the European Design Innovation Platform (EDIP) programme, now called *Design for Europe*, funded by the European Commission (£0.6m) and various activities within the built environment (£0.7m).

Total costs for the year were £7.5m (£6.6m in 2013/14). Cash balances remain healthy. At March 2015 the total of cash at bank and money invested in short term deposits was £2.1m (£2.3m in 2013/14).

The average number of staff employed during the year was 61 compared with 56 in 2013/14.

Going Concern

The trustees have reviewed the financial position of Design Council and its subsidiary, its forecast cash flows, liquidity position and potential funding commitments up to March 2017. Design Council operates as an independent enterprising charity and there is a level of uncertainty regarding the charity's ability to grow and diversify its income streams. As a consequence, the trustees have used prudent assumptions in assessing the likely size and scale of income opportunities and will only commit funds to charitable activities when they are certain that obligations can be met. The trustees therefore believe that the charity has adequate resources to continue in operational existence for the foreseeable future. As a result, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

Reserves Policy

The Trustees have reviewed the level of reserves required by Design Council to sustain on-going operations. Accordingly Design Council has adopted a reserves policy whereby the unrestricted funds not committed or invested in fixed assets (the "free reserves") should be between three and six months of ongoing overhead and committed salary costs not funded by the BIS grant and probable levels of income. At March 2015 free reserves were £0.7m against a target level of £0.3m to £0.6m.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for the year. In preparing those 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 accounting estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and regulations made thereunder. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

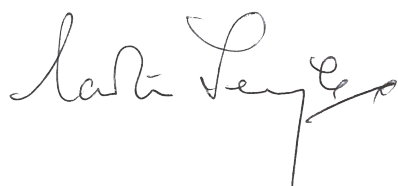
Each of the trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2015 was 12 (2014 - 16). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the group or the charity.

Auditors

BDO LLP offer themselves for reappointment as auditors at the Annual General Meeting.

Approved by the trustees on 23 July 2015 and signed on their behalf on 27 July 2015 by



Martin Temple
27 July 2015

Independent Auditor's Report to the Trustees of Design Council

We have audited the financial statements of Design Council for the year ended 31 March 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at frc.org.uk/auditscopeukprivate.

Opinion on financial statements

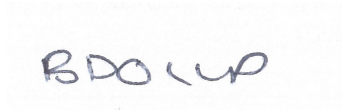
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2015, and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

A rectangular box containing the handwritten signature 'BDO LLP' in blue ink.

BDO LLP
Statutory Auditor
London
United Kingdom

Date:

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Design Council Consolidated Statement of Financial Activities

For the year ended 31 March 2015

		Unrestricted	Restricted	2015	2014
	Note	£000	£000	Total	Restated
				£000	Total
					£000
Incoming resources					
Incoming resources from generated funds	2				
Voluntary income		-	-	-	-
Activities for generating funds		1	-	1	-
Investment income		9	-	9	4
Incoming resources from charitable activities	3	1,152	6,766	7,918	6,308
Total incoming resources		1,162	6,766	7,928	6,312
Resources expended					
Charitable activities		1,217	6,180	7,397	6,537
Governance costs		83	-	83	88
Total resources expended	4	1,300	6,180	7,480	6,625
Net incoming resources before transfers		(138)	586	448	(313)
Gross transfers between funds	8	-	-	-	-
Net movement in funds		(138)	586	448	(313)
Reconciliation of funds					
Total funds brought forward		1,256	141	1,397	1,710
Total funds carried forward	8	1,118	727	1,845	1,397

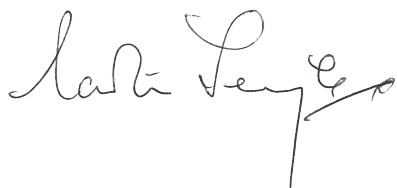
Notes:

- All operations of Design Council are continuing
- There were no recognised gains and losses in the year other than those shown above
- The notes, numbered 1 - 22, form part of these accounts
- 2014 figures have been restated to show £384k of Design Council Caba turnover within 'Incoming resources from charitable activities' (previously included within 'Activities for generating funds').

Design Council Balance Sheets as at 31 March 2015

	Note	Group		Charity	
		2015 £000	2014 £000	2015 £000	2014 £000
Fixed assets					
Tangible fixed assets	10	450	522	450	522
Investment in subsidiaries	11	-	-	-	-
Total fixed assets		450	522	450	522
Current assets					
Debtors	15	1,100	1,225	1,101	1,192
Short term deposits	16	1,100	500	1,100	500
Cash at bank and in hand	17	967	1,756	966	1,723
Total current assets		3,167	3,481	3,167	3,415
Current liabilities					
Creditors: amounts falling due within one year	18	1,700	2,558	1,700	2,492
Net current assets		1,467	923	1,467	923
Provisions for liabilities and charges	19	72	48	72	48
Net assets	9	1,845	1,397	1,845	1,397
Funds					
Restricted funds	8	727	141	727	141
Unrestricted funds		1,118	1,256	1,118	1,256
Total funds		1,845	1,397	1,845	1,397

Approved and authorised by the trustees on 23 July 2015 and signed on their behalf on 27 July 2015 by



Martin Temple
27 July 2015

Consolidated Cash Flow Statement
For the year ended 31 March 2015

	Note	2015		2014	
		£000	£000	£000	£000
Net cash (outflow)/inflow from operating activities	a		(197)		153
Returns on investments & servicing of finance					
Interest received		<u>9</u>	9	<u>4</u>	4
Capital expenditure & financial investment					
Acquisition of tangible fixed assets		<u>(1)</u>	(1)	<u>(18)</u>	(18)
Management of liquid resources					
Increase in short term deposits			(600)		(500)
Net cash (outflow) / inflow			<u>(789)</u>		<u>(361)</u>
At end of year			<u>967</u>		<u>1,756</u>
At start of year			<u>1,756</u>		<u>2,117</u>

Notes to the cashflow statement

Note:

a. Reconciliation of net incoming/(outgoing) resources to net cash flow from operating activities.

	2015	2014
	£000	£000
Net incoming/(outgoing) resources for the year	448	(313)
Interest received	(9)	(4)
Depreciation	73	83
Provision for liabilities and charges	24	24
(Increase)/decrease in debtors	125	(122)
Increase/(decrease) in creditors	<u>(858)</u>	485
Net cash (outflow)/inflow from operating activities	<u>(197)</u>	153

Notes to the Design Council Financial Statements

For the year ended 31 March 2015

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, the Companies Act 2006, and the Statement of Recommended Practice "Accounting and Reporting by Charities" 2005 (SORP 2005).

These financial statements consolidate the results of the charity and its wholly-owned subsidiary, Design Council Enterprises Limited, on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. A separate "Statement of Financial Activities" (SOFA), or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by paragraph 397 of SORP 2005.

b) Incoming resources

All incoming resources are recognised within the SOFA where:

- The organisation is entitled to the income.
- It is certain that the resource will be received.
- The resource can be quantified with reasonable accuracy.

Where entitlement to incoming resources requires a specific performance to be achieved (a contract or performance related grant) then incoming resources are recognised only to the extent that the performance has taken place. Where monies are received in advance of entitlement they are deferred and only recognised when the activity providing an entitlement to this income has taken place.

c) Resources expended

Expenditure is accounted for on an accruals basis, and allocated to the appropriate heading in the Financial Statements. Charitable activities' expenditures enable the Design Council to meet its charitable aims and objectives, consistent with good governance. In Note 4 costs are attributable to the categories of charitable expenditure on an actual basis with the exception of support costs which are allocated as a proportion of total directly attributable costs.

d) Governance costs

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

- e) Liquid resources
Design Council's liquid resources are a combination of cash, and short term deposits.
- f) Funds accounting
Funds held by the Design Council are either:
- **Restricted Funds:** These are the grant funds received from government, charities, and other public bodies where the use of the funds is restricted to a specific purpose.
 - **Unrestricted Funds:** These are funds which have been received from all other programmes.
- g) Fixed assets and depreciation
Tangible Fixed Assets costing less than £1k are not capitalised and are written off in the year of purchase. Assets are capitalised at cost and are kept under review for any impairment. All fixed assets are written off on a straight line basis over the assets' expected useful lives as follows:
- | | |
|--|--|
| <i>Leasehold fixtures and fittings</i> | <i>10 years, or over the period of the lease</i> |
| <i>Furniture and equipment</i> | <i>5 years</i> |
| <i>Computer hardware and software</i> | <i>2 - 5 years</i> |
- h) Pension costs
Design Council provides a defined contribution pension scheme. Pension costs associated with the scheme are charged to the accounts as incurred.
- i) Leases
All leases are accounted for as operating leases and rentals are charged to the income and expenditure account on a straight line basis over the life of the lease.
- j) Value Added Tax (VAT)
Design Council reclaims from HMRC VAT incurred on goods and services in line with the standard method of partial exemption. Irrecoverable VAT is treated as a central cost and allocated with other support costs to the relevant activities on the SOFA.
- k) Provisions
Provisions are made when Design Council has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made. The obligation is recognised as a liability once the obligation has crystallised.
- l) Grant making
Grants are paid to approved beneficiaries. Grant expenditure is recognised in the period in which eligible activity creates an entitlement in line with the terms and conditions of the grant. Accrued grants are charged to the SOFA and included as part of accruals within the balance sheet.

2. Incoming resources from generated sources

	Unrestricted £000	Restricted £000	2015 Total £000	2014 Restated Total £000
Donations	-	-	-	-
Total voluntary income	-	-	-	-
Turnover from Design Council Enterprises	1	-	1	-
Investment income - bank interest	9	-	9	4
Incoming resources from generated sources a	10	-	10	4

3. Incoming resources from charitable activities

	Unrestricted £000	Restricted £000	2015 Total £000	2014 Restated Total £000
Grants from BIS	-	4,650	4,650	4,650
Other grants from government and public bodies	-	2,116	2,116	611
Programme fees	1,152	-	1,152	1,047
Total incoming resources from charitable activities	1,152	6,766	7,918	6,308
Total incoming resources a	1,162	6,766	7,928	6,312

- a. 2014 figures have been restated to show £384k of Design Council Cabe turnover within 'Incoming resources from charitable activities' (previously included within 'Activities for generating funds').

4. Resources expended

	Grants payable	Staff costs	Other direct costs	Total direct costs	Support Costs	2015 Total	2014 Total
	£000	£000	£000	£000	£000	£000	£000
Charitable Activities							
Insight	261	1,217	759	2,237	846	3,083	2,481
Challenges	532	418	360	1,310	334	1,644	1,154
Design Support	-	374	535	909	390	1,299	2,117
Design Council Caba	-	579	381	960	411	1,371	785
	793	2,588	2,035	5,416	1,981	7,397	6,537
Governance costs	-	83	-	83	-	83	88
2015	793	2,671	2,035	5,499	1,981	7,480	6,625
2014	259	2,234	1,929	4,422	2,203	6,625	

Notes:

a. Grants payable

Design Council makes grant payments to selected partners in support of programmes within Insight and Challenges as shown.

(i) Insight £261k

The grant payments for the EDIP (Design for Europe) programme were as follows:

Recipient:	Amount £000
Politecnico di Milano	56
Danish Design Centre	45
University of Lancaster	40
NESTA	30
Birmingham City University	19
La 27e Région	14
KEPA	12
Estonian Design Centre	11
Invest Northern Ireland	10
Dšola	8
Enoll IVZW	6
ARC Fund	5
Luxinnovation GIE	5
Total EDIP (Design for Europe)	261

4. Resources expended (continued)

(ii) Challenges £532k

The grant payments for the Challenges programme were as follows:

Recipient:	Amount £000
Body Talking Ltd	145
Kidsconnect Ltd	123
Pop up Parks Ltd	94
Character Counts Ltd	41
Explorer HQ Ltd	41
Good Enough Productions	41
Intelligent Space Education Ltd	41
Other	6
Total Knee High	532

5. Staff costs and numbers

Staff costs were as follows:

	2015 £000	2014 £000
Salaries and wages	2,581	2,327
Social security costs	290	263
Pension contributions	218	108
Staff benefits	30	23
Redundancy costs	3	63
Total payroll staff costs	3,122	2,784
Total temporary and contract staff costs	189	217
Total staff costs	3,311	3,001

Employees' Emoluments

The number of employees whose emoluments were over £60k (including salary and taxable benefit in kind costs) falls within the ranges shown below.

Band	2015	2014
60,000 - 69,999	1	1
70,000 - 79,999	1	1
80,000 - 89,999	3	-
90,000 - 99,999	-	1
120,000 - 129,999	-	1
130,000 - 139,999	1	-
150,000 - 159,999	1	1

The average number of employees (full-time equivalent) during the year was as follows:

	2015	2014
	No	No
Permanent (payroll)	55	52
Other staff (other)	6	4
	61	56

6. Net incoming resources for the year

This is stated after charging:

	Note	2015 £000	2014 £000
Depreciation		73	83
Trustees' reimbursed expenses	a	5	7
Staff reimbursed expenses		29	29
Auditors' remuneration:			
Audit		25	26
Other services		20	69
Operating lease rentals:			
Plant and machinery		42	42
Other	b	394	544

Note:

- Expenses were reimbursed to two trustees (three trustees in 2013/14).
- Other operating lease rentals are the rental payments for Design Council office premises within the Angel Building.

7. Support costs

Support costs are allocated to activities as follows:

	Note	2015 Staff Costs £000	2015 Other costs £000	2015 Total £000	2014 Total £000
Executive		298	44	342	426
Facilities		35	690	725	786
Human resources		108	54	162	190
IT		-	148	148	112
Finance	a	199	332	531	546
Depreciation		-	73	73	83
Transition		-	-	-	60
Total support costs		640	1,341	1,981	2,203

Note:

- a. Design Council only recovers a proportion of the VAT incurred on purchases under the "partial exemption methodology". The irrecoverable element of the incurred VAT is taken centrally and charged to finance £225k (2013/2014: £271k).

8. Movements in funds

	At the start of the year £000	Incoming resources £000	Outgoing resources £000	At the end of the year £000
Restricted funds:				
BIS Grant	72	4,650	(4,328)	394
Design for Patient Dignity	20	-	(5)	15
Public Sector Workshops	-	48	(48)	-
EDIP (Design for Europe)	-	556	(556)	-
SEE	-	19	(19)	-
Knee High	36	816	(852)	-
Nominet	13	-	-	13
Inclusive Design	-	61	(61)	-
Design Council Spark	-	550	(245)	305
Tenant Empowerment Programme	-	66	(66)	-
Total restricted funds	141	6,766	(6,180)	727
Total unrestricted funds	1,256	1,162	(1,300)	1,118
Total funds	1,397	7,928	(7,480)	1,845

9. Analysis of group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Tangible fixed assets	450	-	450
Current assets	560	1,264	1,824
Investments	602	498	1,100
Long term debtor: amount owed over one year	243	-	243
Current liabilities	(665)	(1,035)	(1,700)
Provision for liabilities and charges	(72)	-	(72)
Net assets at the end of the year	1,118	727	1,845

10. Tangible fixed assets

Group and Charity	Leasehold Improvements £000	Furniture and fittings £000	IT £000	Total £000
Cost				
At the start of the year	606	221	200	1,027
Additions in year	-	-	1	1
Disposals in year	-	-	-	-
At the end of the year	606	221	201	1,028
Depreciation				
At the start of the year	109	206	190	505
Charge for the year	61	5	7	73
Disposals in year	-	-	-	-
At the end of the year	170	211	197	578
Net book value				
At the end of the year	436	10	4	450
At the start of the year	497	15	10	522

11. Investments in subsidiaries

The charity owns the whole of the issued ordinary share capital of Design Council Enterprises Limited, a company registered in England.

	2015 £	2014 £
Investment in subsidiary undertakings incorporated in the UK	<u>1</u>	<u>1</u>

12. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. Any surplus from the charity's subsidiary company is gift aided to the charity. No Corporation tax charge is anticipated for 2014/15.

13. Subsidiary undertakings

Cabe

	2015 £	2014 £
Income	-	410,177
Administrative expenses	-	(785,144)
Operating profit	-	(374,967)
Interest receivable	-	653
	-	(374,314)
Gift aid to parent undertaking	-	-
Profit on ordinary activities before taxation	-	(374,314)
Taxation	-	-
Loss for the financial year	<u>-</u>	<u>(374,314)</u>

The assets and liabilities of the Charity's subsidiary Design Council Commission for Architecture and the Built Environment (Cabe) were transferred into the Charity with effect from 1 April 2014. The activities of Cabe have continued within the Charity from 1 April 2014.

Design Council Enterprises

The charitable company owns the whole of the issued ordinary share capital of Design Council Enterprises Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the SOFA. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2015 £	2014 £
Income	660	-
Administrative expenses	-	-
Operating profit	660	-
Interest receivable	5	10
	665	10
Gift aid to parent undertaking	(665)	(10)
Loss on ordinary activities before taxation	-	-
Taxation	-	-
Loss for the financial year	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	794	5,551
Liabilities	(793)	(5,550)
Funds	1	1

14. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2015 £000	2014 £000
Gross income	7,927	5,901
(Deficit)/surplus for the year	447	(313)

15. Debtors

	2015 £000	Group 2014 £000	2015 £000	Charity 2014 £000
Trade debtors	382	365	382	199
Other debtors	248	164	248	163
Prepayments and accrued income	467	696	467	686
VAT due	3	-	3	-
Amounts due from subsidiary	-	-	-	144
Gift aid receivable from subsidiaries	-	-	1	-
	1,100	1,225	1,101	1,192

Other debtors includes a long term debtor of £243k (2013/14: £180k) which is a deposit paid to the landlord of Design Council's office premises within the Angel Building.

16. Short term deposits

	2015	Group	2015	Charity
	£000	2014	£000	2014
		£000		£000
Lloyds Money Market deposit	1,100	500	1,100	500
	1,100	500	1,100	500

17. Cash at bank and in hand

	2015	Group	2015	Charity
	£000	2014	£000	2014
		£000		£000
Cash at bank	967	1,756	966	1,723
	967	1,756	966	1,723

18. Creditors: amounts due within one year

	2015	Group	2015	Charity
	£000	2014	£000	2014
		£000		£000
Trade creditors	106	315	106	300
Tax and social security	117	86	117	69
VAT payable	-	20	-	20
Other creditors	145	216	145	211
Grant accruals	327	19	327	19
Other accruals	713	707	713	686
Deferred income	292	1,195	292	1,187
	1,700	2,558	1,700	2,492

19. Provisions for liabilities and charges

	2015	Group	2015	Charity
	£000	2014	£000	2014
		£000		£000
Dilapidations	72	48	72	48
	72	48	72	48

The dilapidations provision relates to any potential costs, which may be incurred when exiting our premises.

20. Operating lease commitments

The group and charity had annual commitments at the year end under operating leases expiring as follows:

	2015		2014	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within 1 year	-	-	-	-
Between 2 - 5 years	459	43	459	39
Over 5 years	-	-	-	-
	459	43	459	39

21. Contingent liabilities

There are no contingent liabilities to declare.

22. Related parties transactions

Where transactions between Design Council and its wholly owned subsidiaries have been eliminated on consolidation in these financial statements, advantage has been taken of exemptions under *FRS 8 Related Party Disclosures* not to disclose balances.

Design Council trustees are often drawn from among its key stakeholders, and staff may at times have links to stakeholder organisations. Therefore it is in the nature of Design Council's business to have some transactions which are classified as related. All transactions entered into are as part of the ordinary course of business and on an arm's length basis, consistent with Design Council's policy on potential conflicts of interest. During the year, Design Council entered into transactions with related parties as follows:

Name	Position at the Design Council	Related party	Income £	Expense £
Martin Temple	Chairman	Council Member, University of Warwick	6,400	73,000
Martin Temple	Chairman	Chairman, EEF		5,305
Pam Alexander	Trustee	Non Executive Director, Crest Nicholson plc	4,860	
Sandeep Dwesar	Trustee	Chief Operating and Financial Officer of the Barbican Centre and the Guildhall School of Music & Drama.		3,002

Bankers and Professional Advisers

Bankers

Lloyds TSB

22-24 Southampton Street
London WC2E 7JB

External Auditors

BDO LLP

55 Baker Street
London W1U 7EU

Legal

BWB

Scandinavian House
2-6 Cannon Street
London
EC4M 6YH

EEF

Broadway House
Tothill St
London SW1H 9NQ

Olswang

90 High Holborn
London WC1V 6XX

Design Council
Angel Building
407 St John Street
London EC1V 4AB

Telephone +44 (0) 20 7420 5200
Fax +44 (0) 20 7420 5300

info@designcouncil.org.uk
designcouncil.org.uk

July 2015

Registered Charity number 272099
Company number RC000848
Design Council Enterprises Limited company number 7211046