

# Annual Report and Accounts

For the year ended 31 March 2012

*Enabling people to use design to  
transform communities, business  
and the environment for the better*



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## Trustees' Report

*“The role of design is to improve quality of life and, in challenging economic times, it can show people another way. Through innovation and creativity we can find tangible new solutions to everyday problems.”*

**Martin Temple CBE, Chairman of the Design Council**

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### Introduction

The Design Council is a charity incorporated by Royal Charter which promotes design and architecture for the public good. We enable people to use design to transform communities, business and the environment for the better.

As an enterprising charity, our work places design at the heart of creating value by stimulating innovation in business and public services, improving our built environment and tackling complex social issues. We inspire new design thinking, encourage public debate and inform government policy to improve everyday life and help meet tomorrow's challenges today.

The financial year 2011/12 was a challenging one, as it has been for many organisations. We started the year with the transfer of the trade and assets of the Commission for Architecture and the Built Environment (Cabe) and a restructure as we changed status from being a public body to being a charity. Our Royal Charter was updated to reflect the changes and a new Chair and Board of Trustees were appointed in June 2011. We also convened a new Advisory Council, including representatives from the world of design, education and policy. We have made progress in diversifying our income streams in the transition to becoming a self-sustaining enterprising charity. We have also continued to demonstrate the value of design.

We are proud of the impact that the Design Council has made over the last 60 years and are excited about our future as an enterprising charity; leading, inspiring and influencing the use of design to improve everyday life.

The Trustees submit this Annual Report along with the Consolidated Financial Statements for the year ended 31 March 2012, which comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice, Accounting and Reporting by Charities 2005 (SORP).

## Structure, governance and management

The Design Council was established by Royal Charter in 1944. Over the last 60 years Britain has seen major social, economic and technological change. We've changed too, though we've always strived to make design central to Britain's well-being. In April 2011, the Design Council left the public sector and became a charity promoting design in the public interest. The activities of the Commission for Architecture and the Built Environment were also transferred to the Design Council.

Our Royal Charter sets out our charitable objects as:

*“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), and the advancement of the education of the public in such subjects and in subjects relating to sustainable development and sustainable living, and 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.”*

### Public benefit

The Design Council's objects are stated above. Our **mission** is to bring the transformative power of design to the things that matter for the public good. We believe that good design can deliver growth, sustainability, innovation and stronger communities.

Our **role** is to enable people to use design in practical ways to transform communities, business and the environment for the better.

We achieve this by working collaboratively with our clients and partners – bringing the right people together to boost creativity, shift ways of thinking and translate ideas into real products, services and solutions that benefit everyone. We make sure every pound invested in design thinking pays back even more in supporting economic growth and social and environmental progress.

Our **values** are to be:

Design Led: Operating on the basis of clear design principles

Connector: Bringing people, information and ideas together

Pioneer: Being innovative and a clear advocate

Enterprising: Delivering value and supporting our talent.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit. The Trustees have referred to this guidance when reviewing the Design Council's aims and objectives, and in planning future activities.

## Subsidiary and related parties

We have two subsidiary businesses: Commission for Architecture and the Built Environment Limited (Cabe) is the legal entity through which we run our built environment programme. Design Council Enterprises Limited (Design Council Enterprises) is a trading vehicle used for fundraising activities that are not primary-purpose charitable activity.

Related Party Transactions are disclosed as note 21 to the Financial Statements.

## Board of Trustees

The Design Council is governed by a Board of Trustees consisting of a Chair, a Deputy Chair and ten other Trustees. The current Trustees were appointed in June 2011 as the Design Council changed status from being a public body to being a charity. All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity by Trustees are set out in note 6 to the accounts.

New Trustees are appointed by a resolution of the Board and may serve a maximum term of nine consecutive years. Appointment as a Trustee is open to any suitably qualified member of the public. On appointment, new Trustees are provided with an induction on the activities of the Design Council and their responsibilities as a Trustee.

The following Trustees served during the year:

	<b>Date appointed</b>	<b>Committee Chairs</b>
Martin Temple (Chair)	01.04.11	
Paul Finch (Deputy Chair)	01.06.11	Cabe Board
Pam Alexander	01.06.11	
Rab Bennetts	01.06.11	
Sandeep Dwesar	01.06.11	
Jim Eyre	01.06.11	
Wayne Hemingway	01.06.11	
Sir Mark Jones	01.06.11	HR & Remuneration
Deborah Meaden	09.06.11	
Marek Reichman	09.06.11	
Simon Waterfall	01.06.11	
Peter Williams	01.06.11	Finance, Audit and General Purposes

The Trustees appoint a Chief Executive, to whom they delegate the responsibility for implementing the strategy and for the day-to-day management of the business. The Chief Executive leads a Senior Management Team currently comprising four directors.

A staff team coordinates our programmes and a network of 300 design and architecture experts, based across the country, deliver our services locally and nationally.

The Board meets at least six times a year (ten times during 2011/12), with the Chief Executive and Senior Management Team, to agree the strategy of the Design Council, to review performance, and to ensure that our governance is of the highest possible standard. Three committees have been established to assist the Board in overseeing the financial and administrative aspects of our activities:

### *Finance, Audit and General Purposes Committee*

*Chair: Peter Williams*

*Members: Sandeep Dwesar, Jim Eyre*

This committee meets at least four times a year to monitor financial performance, reviewing the management accounts, budgets and cash flow. It also reviews the annual Financial Statements, internal controls and risk management, and liaises with the internal and external auditors.

### *HR and Remuneration Committee*

*Chair: Sir Mark Jones*

*Members: Pam Alexander, Martin Temple*

This committee meets at least once a year and provides advice on reward and remuneration and our people strategies. It also approves the annual pay settlement for the Chief Executive.

### *Cabe Board*

*Chair: Paul Finch*

*Members: Pam Alexander, Rab Bennetts, Jim Eyre, Wayne Hemingway*

This board helps to set the strategy for Cabe, reviews its performance and ensures high levels of governance. The Board meets a minimum of six times a year. Members of the Board are also Directors of the Cabe subsidiary company.

### *Advisory Council*

Our strategic direction is informed by industry and a wide range of public interest. A key forum for contributing to our direction is through our summit and forums Advisory Council. This was set up in June 2011 and members include representatives from the world of design, business education and policy.

Lord Bichard (Chair)  
Rab Bennetts  
Alice Black  
Bonnie Dean  
Joe Ferry  
Jane Hartshorne  
Laura Haynes  
Mark Holmes  
Ben Page  
Liz Peace  
Sophie Thomas  
Simon Waterfall  
Sarah Wigglesworth

## Risk management

The Trustees are required to manage risks to the charity. They are required to ensure that activities undertaken do not jeopardise the reputation of the Design Council. All potential risks are formally identified and regularly reviewed so that the necessary steps can be taken to either minimise or eliminate them. A key element of the risk mitigation process is the work performed under the internal audit plan, which the auditors prepare and deliver based on key risks facing the organisation.

The internal audit plan and subsequent reports are reviewed by the Finance, Audit and General Purposes Committee. Significant matters arising are reported to the full Board of Trustees. Trustees consider that the key risk facing the Design Council is in growing and developing new income streams to secure our future as a self-sustaining enterprising charity.

## Objectives and outcomes 2011/12

In December 2011 Trustees agreed a new four year strategy (2012-2016), which would deliver three key **strategic objectives**:

- To advance new thinking on the benefits of design and influence related social, economic and environmental changes.
- To demonstrate how design can help tackle societal challenges and inspire and enable best practice.
- To promote a demanding and informed culture of good design in business and the public arena.#

We identified three **themes** defining the subjects and sectors we will focus on to deliver our objectives. These themes constitute the “things that matter” referred to in our mission and are societal or economic issues of the day where we believe design can make a real difference.

The themes are:

**Design for the Built Environment:** with a focus on communities, cities, housing and infrastructure.

**Design for Health:** with a focus on preventative approaches, secondary care and better living for an ageing population.

**Design for Innovation:** with a focus on sustainable businesses, better public services and enabling technologies.



We deliver on our objectives through four services which operate as distinct business units and generate income from a mix of government grants, fees, sponsorship and other sources. In our 2010/11 Annual Report, we highlighted the activities that we would undertake in the coming year such as influencing policy, market making, mentoring services, Design Review and connecting design and business. These have been undertaken within the four services as set out as follows.

## **Our services**

### **Leadership**

*Harnessing design to drive business growth and improve service efficiency*

The Leadership team works at a senior level with businesses and public service providers to help them realise the ambitions of the organisation by identifying practical ways that design can deliver tangible long term results.

### **Challenges**

*Designing practical solutions to complex problems*

The Challenges team runs competitions that use design to address societal issues. We show how design can create practical solutions to complex problems and stimulate opportunities for enterprise.

### **Cabe**

*Creating better, more sustainable places*

The Cabe team makes places better for people. We focus on ensuring places and communities are sustainable, adaptable and resilient.

### **Insight**

*Leading and sharing the latest thinking on design*

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

In this transitional year to becoming a self-sustaining enterprising charity we have successfully delivered services to government, made progress in building a new business model, started to diversify our income streams and have continued to demonstrate and promote the value of design.

Key activities and impact during 2011/12 within the four business units are as follows.

## **Leadership**

*Harnessing design to drive business growth and improve service efficiency*

*We help businesses and public bodies realise the power of design to drive long term growth and improve efficiency. We show leaders how design can bring different parts of their organisation together to deliver great results.*

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In 2011/12, Leadership met the majority of its targets and delivered the following:

### *Driving business growth*

Over the last four years we have provided high-level design coaching to 2,300 SMEs through a programme funded by the Department for Business, Innovation and Skills (BIS), called *Designing Demand*. Current evaluations show that every £1 invested in a design project through the service returned over £25 within a two year period. During the year, we assisted 31 SMEs (target 40) to use design to transform their commercial prospects and launched 24 new case studies of businesses who have successfully completed the programme.

### *Redesigning public services*

Our *Public Services by Design* programme, also funded by BIS, has provided strategic support and mentoring to over 30 public sector organisations on issues including homelessness, health and well-being, and business services. Independent evaluation estimates that £26 of efficiency savings have been made for every £1 invested through the programme. During the year we launched a recruitment campaign and signed up seven new public service organisations to the project.

### *Commercialising science and technology research*

Working with researchers and entrepreneurs our *Innovate for Universities* programme, funded by BIS, helps to commercialise and develop new applications for research ideas. During the year we exceeded our target to mentor seven universities which included 28 research projects. Key outcomes included new license deals, increased IP value and accelerated time to market for the participating research teams. We secured funding from the Intellectual Property Office (IPO) to develop and broaden the programme and mentoring for 2012/13.

### *Capability building and knowledge transfer*

We provided grants to regional and local events focusing on the growth agenda. Through this, we aim to improve knowledge transfer and build capability in the design industry. We sponsored events included *Design Icons* at the Cambridgeshire Innovation Festival, the MADE NORTH conference in Liverpool, Design Wales Forum and *Five Days of Design* in Bristol and Bath. Content from the events has been uploaded onto our website. We also supported a network of champions across the UK to promote design.

### *Design Associates*

We continued to train and manage a group of Design Associates who are our design management experts. They work with business and public sector management teams to make them better users and buyers of design through the *Designing Demand*, *Public Services by Design* and *Innovate for Universities* programmes.

## **Challenges**

*Designing practical solutions to complex problems*

*Great design can address complex problems in society – and our Challenges competitions deliver high quality, innovative and practical solutions.*

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Over the past five years we have tackled issues of health and well-being, crime and security, and environmental sustainability. The result is a portfolio of products and services that are improving people's lives and creating business opportunities for the UK.

In 2011/12, Challenges met its targets and delivered the following:

### *Reducing violence and aggression in A&E*

This issue costs the NHS in excess of £69 million a year. In a year-long project commissioned by the Department of Health we worked with designers to develop prototype solutions to reduce violence and aggression in busy A&E departments. The Health Minister launched a showcase of the solutions in November 2011 which were welcomed by healthcare and security workers. All participating hospitals agreed to pilot the solutions which will be evaluated after installation.

### *Helping people live well with dementia*

Launched in August 2011, the *Living well with dementia* project challenged teams to develop innovative products and services to improve the quality of life for people living with dementia. Five working prototypes and business models were created over five months with funding and support from the Department of Health.

### *Enabling independent living for older adults*

In collaboration with the Technology Strategy Board, the Design Council supported seven start-up enterprises to develop innovative products and services that help older adults live well and stay independent. They each support independence, choice and autonomy in different ways. A *Keeping Connected* Design Challenge for Schools was also successfully delivered.

### *New projects*

Two new projects were won to start in the new financial year 2012/13. One will explore new solutions to getting youths into employment, education or training. The other will look at the role of design in improving public health in London.

### *Ongoing impact*

We continue to evaluate our past work and measure impact on the ground. A previous Challenge launched in 2009 with the Department of Health and the NHS Purchasing and Supply Agency brought together designers and manufacturers with clinicians, patients and frontline staff to combat infections by making hospital furniture. The furniture, now in use on NHS wards, has generated an estimated £6million for UK business, whilst helping reduce cleaning times by around 20%.

## **Cabe**

*Creating better, more sustainable places*

*Everything we do is about the design of the built environment; making accessible, sustainable and – above all – great places that people want to live and spend time in.*

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In 2011/12, Cabe met its targets and delivered the following:

### *Transition*

In April 2011 Cabe left the public sector and its trade and assets were transferred to a subsidiary of the Design Council. The period to March 2013 was identified as being a transition period to develop a new business model and understand the market, whilst also delivering ongoing services on behalf of the Department for Communities and Local Government (CLG). A suite of new services have been identified in collaboration with stakeholders. A number of new leads were generated through business development activity. The Cabe Board was established in June 2011.

### *Influencing housing and planning policy*

We provided advocacy and advice to government. *The Bishop Review* was published in October 2011, which set out a strategic direction for improving design quality drawing together partners from across industry. The government's *Housing Strategy* and the *National Planning Policy Framework* (NPPF) published in the year both advocated a strong role for design and the role of Cabe. The former includes a number of initiatives to support communities to help deliver developments. The NPPF recognised the vital role that design plays in achieving sustainable development and referenced *Design Review* in particular. It now ensures that the advice of the panels should be considered by planning committees.

### *Improving infrastructure investment*

*Design Reviews* provide expert advice on the design quality of schemes in England that will have a significant impact on their environment. During the year we exceeded our target and reviewed 239 schemes including the Thames Tunnel, London 2012 and Crossrail. We supported our network of eight local *Design Review* panels by distributing over £500k in grants to help provide consistent and good quality design advice across England. They delivered 220 reviews (target 250). We signed a three-year licensing agreement with a South Australian design organisation for a knowledge sharing programme on *Design Review* best practice.

### *Building stronger communities*

We helped community groups, town and parish councils, and local authorities improve the design of local places and put good design at the centre of neighbourhood planning. 21 neighbourhood projects were supported through the enabling programme and 13 neighbourhoods were supported through our small grant programme. 98 local authorities benefitted from training on design in planning and we supported 13 local planning authorities. New delivery models were piloted and we ran two conferences on design in neighbourhood planning.

### *Built Environment Experts*

Built Environment experts support our work delivering high-quality designed places throughout England. 580 applications were received for the 250 places.

## **Insight**

*Leading and sharing the latest thinking on design*

*We lead the way in generating evidence, building networks, and influencing policy to ensure that the benefits of great design are accessible to everyone.*

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The Insight team provides information and new evidence on the value of design. Insight stimulates debate, influences policy and builds networks to promote the benefits of design for everyone.

In 2011/12, Insight met its targets and delivered the following:

### *Stimulating debate and celebrating design*

In our first Design Summit, we brought together business leaders, senior government ministers, world-leading designers and architects to explore how Britain's design industry can play a more central role in driving economic growth. We also held two forums. One to debate the merits of a 'UK Design Strategy', and the other to consider how to measure the cost and impact of design. We established an Advisory Council to steer the content of the summits and forums – members are listed on page 6.

Quentin Blake was awarded the final Prince Philip Designers Prize celebrating design excellence. We also developed the design strand for the Prime Minister's Global Investment conference, working with UKTI.

### *Influencing research and policy*

We launched a partnership with the Arts and Humanities Research Council (AHRC). We are working together to build a robust and engaging programme of university-led design research. Another new partnership was created with Warwick Business School, who now fund a full-time research associate at the Design Council. This will explore and develop links between behavioural science and design. We built our impact evidence base and delivered an action learning project to incorporate social return on investment into our evaluation framework.

We contributed to the Government's *Innovation and Research Strategy* and alongside this we published *Design for Innovation*, our own set of facts, figures and practical plans for growth in the UK. EU funding was secured to develop design policy benchmarking with European partners through the European Design Innovation Fund.

### *Building networks*

To reflect the organisation's new status, we established and promoted a new Design Council brand and online presence. In terms of digital engagement, 540,000 visitors came to the Design Councils website (up 16% on 2010/11) and 31,000 people were sent *Pinged*, our e-newsletter.

## Operations and people

We implemented an ongoing programme of improvements, to rebuild and enhance our processes and systems to support us going forward as an enterprising charity. A new Customer Relationship Management (CRM) system was procured to support business development and will be fully implemented in 2012. We also reviewed our digital presence to develop smart creative ways to use our website and social channels to build our reputation as a thought leader and generate interest in our work.

Staff play an active role and we actively seek their views and keep them informed through regular team meetings and through a weekly intranet update from the Senior Management Team.

We initiated a project to look at relocation options, as the break clause in our lease fell in June 2012. The aim was to significantly reduce our cost base and provide a fit-for-purpose office space. A new office building in Islington was identified in 2011/12 and a move was completed in June 2012.

## Plans for 2012/13

Our aims for 2012/13 and beyond are to build on the work started in 2011/12, and in particular to continue to grow our business, diversify our income streams and make the transition to becoming a self-sustaining enterprising charity. Each business unit has the following priorities in 2012/13:

In Leadership the aim is to sign up 211 clients to the mentoring programme and to reach out to new clients outside the government subsidised programmes.

We aim to commence at least two new challenges. One government-sponsored and one with a non-governmental client for a project in the public interest.

Cabe will be working to deliver against the agreed targets within the CLG contract alongside establishing itself as a new self-sustaining business.

Insight will build on the programme of summits and forums and will continue to promote the role and impact of design, influencing policy and increasing the use of design. We also aim to expand our research and evaluation programme.

## Financial review 2011/12

The consolidated results for the Design Council for the year ended 31 March 2011 are set out in the Financial Statements on pages 20 to 36.

In the first year as an independent charity the financial results showed a deficit of £0.5m

Total income for the year amounted to £10.3m (£9.2m in 2010/11) of which £ 8.2m was in the form of government grants from BIS and CLG. The remaining £2.1m income was raised from a variety of external sources including the Department of Health and Technology Strategy Board's support of the challenges programme, and the many SME's, public sector organisations and universities who participated in the Leadership programme.

Total costs of £10.7m include costs of £0.7m incurred to support the organisation through transition and £0.8m of costs associated with the relocation of the Design Council to new premises in Islington in 2012/13 which have been accounted for in 2011/12. Cash balances remain healthy. At March 2012 the cash at bank was £1.9m, down from £2.5m in March 2011 largely due to the one-off transition costs incurred in the year.

The average number of staff employed during the year was 65 compared with 67 in 2010/11.

### Reserves Policy

The Trustees have reviewed the level of free reserves required by the Design Council to sustain on-going operations. Accordingly the Design Council has adopted a reserve policy to maintain a level of reserves sufficient to fund the on-going overhead and committed salary costs that are not covered by the BIS and CLG grants for a period of six months. The level of reserves to be held (the "free reserves") is calculated as unrestricted reserves less tangible fixed assets. At March 2012 free reserves were £1.35m against a target level of £0.6m. The Design Council took a decision to relocate its offices in early 2012. Since the end of the financial year, the fit-out of and relocation to the new premises has been completed resulting in a reduction of free reserves.

### Going Concern

The Trustees have reviewed the financial position of the Design Council and its subsidiaries, its forecast cash flows, liquidity position and potential funding commitments up to March 2014. The Design Council has operated as an independent enterprising charity since 1 April 2011 and there remains 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.

## Charitable Donations

No charitable donations were made during 2011/12.

## Bankers and Professional Advisers

### *Bankers*

#### **Lloyds TSB**

22-24 Southampton Street  
London WC2E 7JB

### *Internal Auditors*

#### **Baker Tilly**

46 Clarendon Road  
Watford  
Hertfordshire WD17 1JJ

### *External Auditors*

#### **PKF (UK) LLP**

Farringdon Place  
20 Farringdon Road  
London. EC1M 3AP

PKF (UK) LLP were appointed as external auditors during the year.

### *Legal*

#### **Bates, Wells and Braithwaite**

2-6 Cannon Street  
London EC4M 6YH

#### **Olswang**

90 High Holborn  
London WC1V 6XX



## 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 group and parent charity and of the incoming resources and application of resources, including its income and expenditure, of the group 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 judgments 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 adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time Financial Statements comply with the Charities Act 2011 and regulations made there under. They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustees on 17 September and signed on their behalf on 19 September by



Martin Temple

19 September 2012

## Independent Auditor's Report to the Trustees of the Design Council

We have audited the group and parent charity financial statements ("the financial statements") of Design Council for the year ended 31 March 2012 which comprise the consolidated statement of financial activities, balance sheets, consolidated cash flow statement and notes as set out on pages 23 to 36. 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 regulations made under section 154 of 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, which give a true and fair view. We have been appointed as auditor under section 144 of the Charities Act 2011 and in accordance with the provisions of the Royal Charter, and report in accordance with the Charities Act 2011 and regulations made thereunder. 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 Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 March 2012 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 Charities Act 2011 and regulations made thereunder.

## **Matters on which we are required to report by exception**

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

- sufficient accounting records have not been kept in respect of the parent charity; or
- the parent charity financial statements do not accord with the accounting records; or
- any information contained in the financial statements is inconsistent in any material respect with the Trustees' report; or
- we have not received all the information and explanations we require for our audit.

*PKF (UK) LLP*

PKF (UK) LLP

Statutory auditor

London

9 October 2012

PKF (UK) LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

## Consolidated Statement of Financial Activities for the year ended 31 March 2012

	Note	Unrestricted £000	Restricted £000	2012 Total £000	2011 Total £000
<b>Incoming resources</b>					
Incoming resources from generated sources	2				
Voluntary income (GIA)		-	-	-	5,618
Trading income		345	-	345	-
Investment income		3	-	3	5
Incoming resources from charitable activities	3	1,095	8,795	9,890	3,591
<b>Total incoming resources</b>		<b>1,443</b>	<b>8,795</b>	<b>10,238</b>	<b>9,214</b>
<b>Resources expended</b>					
Costs of generating funds		-	40	40	-
Charitable activities		1,731	8,750	10,481	8,597
Governance costs		181	-	181	108
<b>Total resources expended</b>	4	<b>1,912</b>	<b>8,790</b>	<b>10,702</b>	<b>8,705</b>
<b>Net (outgoing)/ incoming resources before transfers</b>		<b>(469)</b>	<b>5</b>	<b>(464)</b>	<b>509</b>
Gross transfers between funds	8	363	(363)	-	-
<b>Net movement in funds</b>		<b>(106)</b>	<b>(358)</b>	<b>(464)</b>	<b>509</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,529	439	1,968	1,459
<b>Total funds carried forward</b>	8	<b>1,423</b>	<b>81</b>	<b>1,504</b>	<b>1,968</b>

Notes:

- a. All operations of the Design Council are continuing
- b. There were no recognised gains and losses in the year other than those shown above
- c. Notes 1 - 22 form part of these accounts

## Balance Sheets as at 31 March 2012

	Note	Group		Charity	
		2012 £000	2011 £000	2012 £000	2011 £000
<b>Fixed assets</b>					
Tangible fixed assets	10	65	343	65	343
Investment in subsidiaries	11	-	-	-	-
<b>Total fixed assets</b>		<b>65</b>	<b>343</b>	<b>65</b>	<b>343</b>
<b>Current assets</b>					
Prepayments and debtors	15	2,423	972	2,504	972
Cash at bank and in hand	16	1,863	2,530	1,540	2,530
<b>Total current assets</b>		<b>4,286</b>	<b>3,502</b>	<b>4,044</b>	<b>3,502</b>
<b>Current liabilities</b>					
Creditors: amounts due within 1 year	17	2,847	1,683	2,605	1,683
<b>Net current assets</b>		<b>1,439</b>	<b>1,819</b>	<b>1,439</b>	<b>1,819</b>
Total assets less current liabilities		1,504	2,162	1,504	2,162
Provision for dilapidations	18	-	194	-	194
<b>Net assets</b>	9	<b>1,504</b>	<b>1,968</b>	<b>1,504</b>	<b>1,968</b>
<b>Funds</b>					
Restricted funds		81	439	81	439
Unrestricted funds					
General funds		1,423	1,529	1,423	1,529
<b>Total funds</b>	8	<b>1,504</b>	<b>1,968</b>	<b>1,504</b>	<b>1,968</b>

Approved by the Trustees on 17 September and signed on their behalf on 19 September by



Martin Temple  
19 September 2012

## Consolidated Cash Flow Statement

	2012		2011	
	£000	£000	£000	£000
<b>Net cash flow (outflow)/ inflow from operating activities</b>		<b>(547)</b>		<b>776</b>
<b>Returns on investments &amp; servicing of finance</b>				
Interest received	<u>3</u>		<u>5</u>	
		<b>3</b>		<b>5</b>
<b>Capital expenditure &amp; financial investment</b>				
Acquisition of tangible fixed assets	<b>(123)</b>		<b>(40)</b>	
Investment (made)/liquidated	<u>-</u>		<u>1,000</u>	
		<b>(123)</b>		<b>960</b>
<b>Net cash (outflow)/ inflow</b>		<b>(667)</b>		<b>1,741</b>
<b>Net cash resources</b>				
At end of year		<u><b>1,863</b></u>		<u><b>2,530</b></u>
At start of year		<u><b>2,530</b></u>		<u><b>789</b></u>

Notes to the cashflow statement

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

	2012	2011
	£000	£000
<b>Net (outgoing)/ incoming resources for the year</b>	<b>(464)</b>	<b>509</b>
Interest received	<b>(3)</b>	<b>(5)</b>
Impairment of assets	-	32
Depreciation	<b>401</b>	111
(Increase)/decrease in debtors	<b>(1,451)</b>	579
Increase/(decrease) in creditors	<u><b>970</b></u>	<u><b>(450)</b></u>
<b>Net cash (outflow)/ inflow from operating activities</b>	<u><b>(547)</b></u>	<u><b>776</b></u>

## Notes to the Financial Statements

### 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 and the Companies Act 2006. They follow the recommendations in the SORP.

These Financial Statements consolidate the results of the charitable company and its wholly-owned subsidiaries Cabe and Design Council Enterprises on a line by line basis. Transactions and balances between the charitable company 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 charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

For the purposes of their going concern review of the group, the Trustees have focused their review on forecasts for the period to 31 March 2014. The forecast shows the charity generating a surplus together with a positive cash balance sufficient to meet the charity's forecast needs. The principal risks and uncertainties surrounding this forecast are the successful achievement of income targets within the business plan. BIS has earmarked a grant of £4.65m pa for the three years beyond 2011/12.

In addition the wholly owned subsidiary, Cabe, will receive a grant from CLG of £2.75m in 2012/13, but there is no such grant confirmed for later periods. The forecast to 31 March 2014 shows Cabe will generate a surplus, before gift aid payments to Design Council, together with a positive cash balance sufficient to meet the company's forecast needs. The principal risks and uncertainties surrounding this forecast are the successful achievement of income targets within the business plan. A series of work programmes are in train to support the transition of Cabe to becoming a self-financing enterprising company and its business development activity is increasing. However there remains a level of uncertainty regarding its ability to grow and diversify its income streams.

Based upon their review of these forecasts, the Trustees are satisfied that the group financial statements are properly prepared on a going concern basis. The Trustees consider that the going concern basis is appropriate because, at the date of approval of the financial statements, they are not aware of any material uncertainties relating to events or conditions that might cast significant doubt about the ability of the group to continue as a going concern.

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) Recognition of grants receivable

Income is accounted for when earned and matched to expenditure. Grants are categorised as either restricted or unrestricted depending on the terms of the grant.

d) 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.

e) 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.

f) Grants payable and constructive obligations

Grant payments are charged to the SOFA in the year in which they are communicated to the recipient as at that time a valid expectation has been created that the grants will be paid.

g) Liquid resources

The Design Council's liquid resources are all cash.

h) Funds accounting

Funds held by the Design Council are either:

- *Unrestricted Funds*: These are funds which in general have been received from Business Programmes and other business related activities.
- *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.



i) Reserves policy

The Design Council's reserve policy is to maintain a level of reserves sufficient to fund the on-going overhead and committed salary costs that are not covered by the BIS and CLG grants for a period of six months. The level of reserves to be held (the "free reserves") is calculated as unrestricted reserves less tangible fixed assets.

j) 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.

The capitalised leasehold improvements relating to the Bow Street premises have been depreciated using the "reducing balance" method. Following the decision to vacate Bow Street an accelerated depreciation charge was made in order to write down the value of the assets to zero at the time of the vacation of the premises in June 2012. All other fixed assets are written off on a straight line basis over the assets' expected useful lives as follows:

<i>Leasehold fixtures and fittings</i>	5 years, or over the period of the lease if less
<i>Furniture and equipment</i>	5 years
<i>Computer equipment</i>	2-5 years

k) Pension costs

The Design Council provides two separate defined contribution pension schemes. One scheme is for employees who transferred to the Design Council from CABE and the other is for all other employees. The former is closed to new entrants. Pension costs associated with these schemes are charged to the accounts as incurred.

l) 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

m) Value Added Tax (VAT)

The 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.

n) Provisions

Provisions are made when the 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 recognized as a liability once the obligation is crystallised.

## 2. Incoming resources from generated sources

	Unrestricted £000	Restricted £000	2012 Total £000	2011 Total £000
Revenue Grant-in-Aid	-	-	-	5,618
<b>Total voluntary income</b>	-	-	-	5,618
Turnover from Cabe	170	-	170	-
Turnover from Design Enterprise	175	-	175	-
Investment income - bank interest	3	-	3	5
<b>Incoming resources from generated sources</b>	<b>348</b>	<b>-</b>	<b>348</b>	<b>5,623</b>

In 2011 the Grant in Aid paid by BIS to the Design Council was treated as unrestricted income. As an independent charity the Design Council no longer receives Grant-in-Aid (GIA) and the substantive grants received from government are now treated as restricted income.

## 3. Incoming resources from charitable activities

	Unrestricted £000	Restricted £000	2012 Total £000	2011 Total £000
Grants from BIS and CLG	-	8,195	8,195	-
Other grants from government and public bodies	-	600	600	138
Business programme fees	1,037	-	1,037	2,273
Income from ancillary trades	46	-	46	1,049
Design related external income	12	-	12	131
<b>Total incoming resources from charitable activities</b>	<b>1,095</b>	<b>8,795</b>	<b>9,890</b>	<b>3,591</b>

#### 4. Resources expended

	Grants payable £000	Staff costs £000	Other direct costs £000	Total costs £000	Support Costs £000	2012 Total £000	2011 Total £000
<b>Costs of generating funds</b>							
Design Council Enterprises	-	-	40	40	-	40	-
<b>Direct charitable Expenditure</b>							
Insight	-	445	622	1,067	1,560	2,627	3,412
Challenges	469	599	315	1,383	1,336	2,719	3,674
Leadership	125	367	800	1,292	1,703	2,995	1,511
Cabe	648	937	555	2,140	-	2,140	-
	1,242	2,348	2,292	5,882	4,599	10,481	8,597
Governance costs	-	98	83	181	-	181	108
<b>2012</b>	<b>1,242</b>	<b>2,446</b>	<b>2,415</b>	<b>6,103</b>	<b>4,599</b>	<b>10,702</b>	8,705
2011	431	2,485	2,137	5,053	3,652	8,705	

#### NOTE a: Grants payable

Design Council The Design Council makes grant payments to selected partners in support of programmes within the Challenges and Leadership activities.

Challenges The Design Council continues to create open innovation challenges that demonstrate the power of design in tackling big societal challenges. For each new challenge, once the funding and scope of the challenge has been agreed with the challenge sponsor, prospective partnership teams are invited to pitch to be involved in the challenge to an advisory board who will chose the ideas to be developed. Grant payments are then made to the winning teams in accordance with the agreement with the funding body.

The allocation of grant payments in 2012 was:

Challenge	Recipient	Amount £000
A&E	Pearson Lloyd	152
Dementia	Various (£2k to £62k)	317

Grant payments for the Independence Matters challenge were distributed directly by the sponsor, the Technology Strategy Board.

Leadership	Under the “Design for Growth” programme, partners are invited to submit proposals as to how they would best run local activities that would advance awareness of “Design in Business” and to catalyse new activities between designers and business. In 2012 over 70 proposals were received which were shortlisted for review by a panel of design experts. 15 partners were selected and received payments between £2.5k and £20k.
Cabe	Grant payments are made to selected affiliates as part of the agreement between Cabe and CLG.

**NOTE b: Support costs**

Support costs are allocated to activities with the Design Council charity as a proportion of total directly attributable costs. Management support is provided to Cabe by the Design Council. The cost of this support is recovered through the management fee paid to Cabe by the Design Council. #

**5. Staff costs and numbers**

Staff costs were as follows:

	<b>2012</b>	2011
	<b>£000</b>	£000
Salaries and wages	<b>2,567</b>	2,611
Social security costs	<b>303</b>	299
Pension contributions	<b>230</b>	92
Staff benefits	<b>24</b>	27
Redundancy costs	<b>73</b>	232
Total payroll staff costs	<b>3,197</b>	3,261
Total temporary and contract staff costs	<b>477</b>	489
<b>Total staff costs</b>	<b>3,674</b>	3,750
<b>Total emoluments paid to staff were:</b>	<b>2,797</b>	2,703

### Employees' emoluments

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

<b>Band</b>	<b>2012</b>	<b>2011</b>
60,000 - 69,999	2	3
70,000 - 79,999	2	2
80,000 - 89,999	-	1
90,000 - 99,999	1	4
100,000 - 109,999	-	-
110,000 - 119,000	-	-
120,000 - 129,999	-	-
130,000 - 139,999	1	1

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

	<b>2012</b>	2011
	<b>No</b>	No
Permanent (payroll)	63	63
Other staff (other)	2	4
	<b>65</b>	<b>67</b>

## 6. Net incoming resources for the year

This is stated after charging:

	<b>2012</b>	2011
	<b>£000</b>	£000
Depreciation	<b>401</b>	111
Trustees' reimbursed expenses	<b>7</b>	9
Staff reimbursed expenses	<b>36</b>	61
Auditors' remuneration:		
Audit	<b>29</b>	35
Other services	<b>4</b>	-
Operating lease rentals:		
Plant and machinery	<b>18</b>	13
Other	<b>704</b>	827

**NOTE a:** The depreciation charge includes accelerated depreciation relating to the write down of leasehold improvement assets at Bow Street

**NOTE b:** Other operating lease rentals are the rental payments for Bow Street.

## 7. Support costs

Support costs relate to charitable activities as follows:

	<b>2012</b>	2011
	<b>Total</b>	Total
	<b>£000</b>	£000
Executive	<b>276</b>	237
Facilities	<b>1,251</b>	1,514
Human resources	<b>242</b>	423
IT	<b>140</b>	144
Finance	<b>800</b>	747
Depreciation	<b>401</b>	111
Other	<b>1,489</b>	476
<b>Total support costs</b>	<b>4,599</b>	3,652

**NOTE a:** The 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 (2012 £593k, 2011 £582k).

**NOTE b:** Other costs include exceptional costs associated with the move from Bow Street.

## 8. Movements in funds

Movements in funds are as follows:

	At the start of the year	Transfers	Incoming resources	Outgoing resources	At the end of the year
	£000	£000	£000	£000	£000
<b>Restricted funds:</b>					
BIS Grant – Design Council	-	-	4,000	(4,000)	-
CLG Grant - Cabe	-	-	2,750	(2,750)	-
BIS - Transition move	-	(194)	1,000	(806)	-
Transition other	-	-	305	(305)	-
Designing Demand	220	-	116	(336)	-
Innovate for Universities	17	-	24	(41)	-
Design for Patient Dignity	20	-	-	-	20
Independence Matters 1 & 2	101	(101)	-	-	-
Design Challenge	60	(60)	-	-	-
Multi Disciplinary Design Network	1	-	-	-	1
Home Energy Management	10	-	-	-	10
Carers Strategy	2	-	-	-	2
CPNI	8	(8)	-	-	-
Dementia	-	-	600	(552)	48
<b>Total restricted funds</b>	<b>439</b>	<b>(363)</b>	<b>8,795</b>	<b>(8,790)</b>	<b>81</b>
<b>Total unrestricted funds</b>					
General	1,529	363	1,443	(1,912)	1,423
<b>Total funds</b>	<b>1,968</b>	<b>-</b>	<b>10,238</b>	<b>(10,702)</b>	<b>1,504</b>

## 9. Analysis of group net assets between funds

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Tangible fixed assets	65	-	65
Current assets	2,476	1,810	4,286
Current liabilities	(1,118)	(1,729)	(2,847)
<b>Net assets at the end of the year</b>	<b>1,423</b>	<b>81</b>	<b>1,504</b>

## 10. Tangible fixed assets

	Leasehold improvements	Furniture & fittings	Computer equipment	Totals
<b>The Group and Charity</b>	£000	£000	£000	£000
<b>Cost</b>				
At the start of the year	2,758	501	329	<b>3,588</b>
Additions in year	103	-	20	<b>123</b>
Disposals in year	-	-	-	-
At the end of the year	<b>2,861</b>	<b>501</b>	<b>349</b>	<b>3,711</b>
<b>Depreciation</b>				
At the start of the year	2,504	470	271	<b>3,245</b>
Charge for the year	346	20	35	<b>401</b>
Disposals in year	-	-	-	-
At the end of the year	<b>2,850</b>	<b>490</b>	<b>306</b>	<b>3,646</b>
<b>Net book value</b>				
<b>At the end of the year</b>	<b>11</b>	<b>11</b>	<b>43</b>	<b>65</b>
At the start of the year	254	31	58	343

## 11. Investments

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

	2012 £	2011 £
Investment in subsidiary undertakings incorporated in the UK	<b>1</b>	-

The charity also controls Design Council Commission for Architecture and the Built Environment (Cabe), a company limited by guarantee, at NIL cost. It is registered in England.



## 12. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. Any surpluses from the charity's subsidiary companies are gift aided to the charity. No corporation tax charge is anticipated for 2012:

	2012 £000	2011 £000
UK corporation tax at 20% (2011 : 20%)	-	17

## 13. Subsidiary undertakings

### Cabe

In March 2011 a subsidiary company limited by guarantee, Cabe, was incorporated to accommodate the transfer of staff and trademarks from the previous NDPB, CABE, into the Design Council. There was no net asset value ascribed to the transfer. The subsidiary company trades as Cabe and is registered in England. All activities have been consolidated on a line by line basis in the SOFA. Available profits are gift aided to the charitable company.

The directors of Cabe are appointed by the Design Council.

A summary of the results of the subsidiary is shown below:

	2012 £
Income	2,920,158
Administrative expenses	(2,879,357)
Operating profit	40,801
Interest receivable	775
	41,576
Gift aid to parent undertaking	(41,576)
Profit on ordinary activities before taxation	-
Taxation	-
Profit for the financial year	-
The aggregate of the assets, liabilities and funds was:	
Assets	313,677
Liabilities	(313,677)
Funds	-

## Design Council Enterprises

The charitable company owns the whole of the issued ordinary share capital of Design Council Enterprises, 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:

	2012 £	2011 £
Income	175,093	-
Administrative expenses	<b>(164,738)</b>	-
Operating profit	10,355	-
Interest receivable	98	-
	<b>10,453</b>	-
Gift aid to parent undertaking	<b>(10,453)</b>	-
Profit on ordinary activities before taxation	-	-
Taxation	-	-
Profit for the financial year	<b>-</b>	<b>-</b>
The aggregate of the assets, liabilities and funds was:		
Assets	152,813	1
Liabilities	<b>(152,812)</b>	-
Funds	<b>1</b>	<b>1</b>

### 14. The parent charity

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

	2012 £000	2011 £000
Gross income	8,058	9,214
Results for the year	<b>(464)</b>	509

### 15. Prepayments and debtors

	Group		Charity	
	2012 £000	2011 £000	2012 £000	2011 £000
Prepayments and accrued income	1,960	310	1,960	310
Trade debtors	278	614	206	614
Other debtors	5	48	5	48
VAT due	180	-	157	-
Amounts due from subsidiary	-	-	124	-
Gift aid receivable from subsidiaries	-	-	52	-
	<b>2,423</b>	972	<b>2,504</b>	972

## 16. Cash at bank and in hand

	<b>Group</b>		<b>Charity</b>	
	<b>2012</b>	2011	<b>2012</b>	2011
	<b>£000</b>	£000	<b>£000</b>	£000
Cash at bank	<b>1,863</b>	2,530	<b>1,540</b>	2,530

## 17. Creditors amounts due within 1 year

	<b>Group</b>		<b>Charity</b>	
	<b>2012</b>	2011	<b>2012</b>	2011
	<b>£000</b>	£000	<b>£000</b>	£000
Trade creditors	<b>709</b>	296	<b>563</b>	296
Tax & social security	<b>134</b>	73	<b>108</b>	73
Other creditors	<b>119</b>	50	<b>108</b>	50
Accruals	<b>1,652</b>	565	<b>1,545</b>	565
Deferred income	<b>233</b>	699	<b>233</b>	699
Amounts due to subsidiary	-	-	<b>48</b>	-
	<b>2,847</b>	1,683	<b>2,605</b>	1,683

## 18. Provisions

	<b>Group</b>		<b>Charity</b>	
	<b>2012</b>	2011	<b>2012</b>	2011
	<b>£000</b>	£000	<b>£000</b>	£000
Provision for dilapidations	-	194	-	194

Following a decision made in 2012 to vacate the existing office space for new premises, the provision for dilapidations has been transferred at the end of the year to accruals.

## 19. Operating lease commitments

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

	<b>2012</b>		2011	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Less than 1 year	<b>176</b>	-	-	2
1 - 5 Years	<b>413</b>	<b>12</b>	-	11
Over 5 years	-	-	827	-
	<b>589</b>	<b>12</b>	827	13

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

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Less than 1 year	176	-	-	2
1 - 5 Years	413	12	-	11
Over 5 years	-	-	827	-
	<b>589</b>	<b>12</b>	<b>827</b>	<b>13</b>

#### 20. Contingent liabilities

There are no contingent liabilities to declare.

#### 21. Related party transactions

There was one payment of £6,000 to EEF for membership to receive a package of business services including HR and legal advice. EEF is body which Martin Temple is Chair of as well as being Chair of Design Council.

#### 22. Post balance sheet events

The CEO of Design Council, David Kester, resigned from his position on 5 April 2012. The Chief Operating Officer, Madeline Denmead, was appointed the acting CEO on 5 April 2012 until the appointment of a new CEO.

The Design Council relocated from Bow Street in Covent Garden to the Angel Building in Islington on 23 June 2012.

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September 2012

Registered Charity number 272099

Company number RC000848

Design Council Enterprises Limited company number 7211046

Design Council Cobe company number 7580913