

**Draft Financial Statements at 27 May 2026 at 11:43:24**

**Company registration number 04396808 (England and Wales)**

**Charity registration number 1207072 (England and Wales)**

**SOCITM**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

## SOCITM

### LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	KC Frary M Lumley CA Williams K Taylor DR Roberts A Colson A Lincoln J Stephenson Y Popat	(Appointed 10 June 2025) (Appointed 10 June 2025) (Appointed 18 July 2025)
<b>Secretary</b>	DA Bryant	
<b>Country of incorporation</b>	United Kingdom (England and Wales)	
<b>Charity registration</b>	England and Wales	1207072
<b>Registered office</b>	2 Shenley Grove Stafford ST17 9PT	
<b>Auditor</b>	Cottons Accountants LLP 1 Billing Road Northampton United Kingdom NN1 5AL	

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**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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The trustees present their annual report and financial statements for the year ended 31 December 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, Charities Act 2011, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

**A year of transformation and purpose - president's introduction**

Welcome to this year's annual report.

The last 12 months have been one of profound change for local public services.

Local government reorganisation, the continued momentum of devolution, and the accelerating pace of technological and societal change are reshaping the environment in which you, our members operate.

Expectations are rising, financial pressures remain acute, and digital, data and technology are now central to strategic delivery – not optional enhancements.

I speak with personal experience within my own authority (Norfolk County Council), this means navigating structural uncertainty while still transforming services, building capability and maintaining resilience. The scale and complexity of the challenge cannot be underestimated.

It is in this context that Socitm's role has become more important than ever.

Our position as a trusted, credible and independent organisation is valued more than ever. Socitm's support has evolved to reflect the realities facing our members — particularly those managing reorganisation, responding to devolved governance models, and leading digital and data change at scale.

Alongside our long-standing networks, benchmarking and professional development programmes, we have taken positive steps to expand our direct support offer. Increasingly, members are seeking more tailored, paid-for advice and practical assistance — and we are responding. Whether through benchmarking insight, advisory support, peer challenge or specialist expertise, we are helping organisations move from conversation to action.

Importantly, this is not consultancy in the traditional sense. Our value lies in being sector-led, independent and grounded in lived experience. We understand the operating environment because we are part of it. That credibility matters — particularly at a time when strategic decisions carry significant long-term implications for people, places and public outcomes.

Our own evolution is fitting in a year which marks the 40th anniversary of Socitm. Reaching this milestone is both a moment of pride and a moment of responsibility. For four decades, we have evolved alongside the sector — adapting to new technologies, new governance models and new public expectations.

Our longevity has never been about standing still. It has been about staying relevant, independent and rooted in the needs of our members.

The year ahead will continue to demand resilience, strategic clarity and bold leadership. Socitm will remain alongside our members — convening, supporting, challenging and enabling — as a confident and independent partner in digital public service transformation.

Thank you to everyone who has contributed to our work this year. Your expertise, openness and commitment strengthen this community and ensure that, together, we continue to make a meaningful difference.

**Kurt**  
Socitm President

**Frary**

## **SOCITM**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2025**

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#### **The evolution of Socitm - a word from our CEO**

The past year has been defined by structural change, financial constraint, accelerating transformation across local public services and increasing citizen expectations and demand of these services.

As our President Kurt has reflected in his words for this report, local government reorganisation, devolution and the growing centrality of digital and data to strategic delivery are reshaping how organisations operate — and how leaders make decisions.

In this environment, Socitm has continued to evolve.

Our strategic focus has remained clear: to support members in harnessing digital, data and innovation to improve outcomes for people and places. But the way we deliver that support is adapting to reflect the complexity of the landscape. Members increasingly need practical, actionable insight — not just discussion. They need trusted, independent advice that understands the realities of public service.

Over the past 12 months, we have strengthened both our community offer and our direct support. Some practical examples are the advancement of our work on responsible AI adoption, the launch of our AI benchmarking pilot to understand real-world implementation, and the continued provision of strategic foresight through our Digital Trends insight. Our professional development programmes have built leadership capability across the sector, while our benchmarking and advisory work has helped organisations translate insight into measurable improvement.

Importantly, we are seeing growing demand for more tailored, paid-for support. This reflects both the scale of transformation underway and the confidence members place in Socitm as a credible, independent partner. Our role is not to replace internal capacity, but to strengthen it — bringing sector-led expertise, comparative insight and knowledge, and practical challenge when it matters most.

As councils reorganise and combined authorities expand their strategic influence, collaboration across systems becomes essential. Socitm's ability to convene, connect and support across organisational boundaries is increasingly valuable.

I'm sure you'll be aware, this year also marks our 40th anniversary. While our history is a source of pride, our focus remains firmly on what comes next. Reaching this milestone reinforces the importance of staying relevant, responsive and bold in how we support the sector.

The challenges ahead are significant. But so too is the opportunity to reshape public services for the better. Socitm will continue to evolve — strengthening our offer, deepening our impact and standing alongside our members as a trusted partner in navigating change.

Thank you to our members, partners and staff. Your expertise, commitment and willingness to collaborate are what give this organisation its strength and purpose.

**Nadira**  
Chief Executive Officer (CEO), Socitm

**Hussain**

## **SOCITM**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2025**

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#### **Supporting our members in changing landscape**

This year, membership has been shaped by a rapidly evolving public service environment. For some, that has meant navigating local government reorganisation or preparing for devolved governance models. For others, it has meant leading transformation programmes, strengthening resilience, managing financial constraint, or accelerating digital and data maturity.

While the specific pressures vary, the underlying challenge is shared: delivering better outcomes with limited resources, in a context of uncertainty and rising expectations.

Our focus has been to ensure that Socitm remains relevant and responsive to all members — whether they are restructuring, scaling innovation, stabilising services or building long-term capability.

We have repositioned elements of our offer to provide stronger support around system redesign, governance-related change and strategic digital leadership. At the same time, we have continued to invest in the core services that matter to members across the board: benchmarking, professional development, communities of practice, peer networks and practical insight.

Crucially, we have worked to strengthen communication and connection with our membership. This has included clearer messaging about our evolving support offer, more regular updates, and greater visibility of opportunities to engage.

Our annual member survey provided valuable insight into what is working well and where we can improve. The feedback has informed our priorities for the year ahead, particularly around accessibility of resources, clearer articulation of value, sharing and learning from each other, and creating more opportunities for peer exchange.

We are also introducing a programme of member focus groups to deepen dialogue between members and our central team. These sessions will ensure that strategic decisions are shaped by lived experience and that our support continues to reflect real-world challenges.

At a time when organisations are being asked to do more with less, membership must feel like an asset — not an obligation. Our ambition is that every member sees tangible value: through insight that informs decision-making, connections that reduce duplication, and support that strengthens capability.

Whether navigating reorganisation, leading digital transformation, or stabilising services under pressure, Socitm exists to help members move forward with confidence.

**Kevin**  
Chair, Membership Committee

**Taylor**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**What has the Socitm Institute done for you?**

Over the past year, the Institute has continued to grow and evolve, strengthening our role in supporting members in areas such as; strategic development, partnerships, policy, leadership, learning and development, and the delivery of services that make a real difference.

Building on our work in early 2025, we have refined and expanded our service offer to further support councils navigating Local Government Reform (LGR) and Devolution, ensuring that organisations have practical guidance and a trusted place to turn during times of such complexity and change.

Partnerships remain central to how we work. This year we continued to collaborate with key strategic partners, including Impera Analytics and Wechange.AI, helping us bring additional expertise and fresh perspectives to our members. We have also reinstated regular policy and research catchups with the LGA and Solace after members suggested that, as strategic partners, we should coordinate our support for the public sector more closely.

Our policy and research activity has also moved forward at pace. We have shaped and are in the process of delivering the Digital Trends 2026 programme, focusing on five key trends (cyber security, ways of working, data, AI and digital inclusion), prioritised by our members last year. We have also published several important pieces of work, including three Digital Twins briefings.

AI@Socitm has seen significant updates, including a refreshed sample Terms of Reference (ToR) for an AI governance board (published June 2025) and Guidelines for elected members on the use of AI (published February 2026). Currently work is underway to publish an updated sample generative AI usage policy.

We have also added over eighty-five new case studies from across the UK showing how councils are applying AI in areas such as skills development, flood resilience and council tax. In response to member feedback, we have strengthened signposting to communities of practice, highlighting twenty-four groups, forums, working groups and relevant organisations, with more to follow.

Cyber@socitm has been growing in resources and guidance, including 'Preventing credential theft: Guidance for local authority help desks and schools and support on how to local authorities can secure supply chains.

Our data services continue to expand, with new resources, benchmarking workshops and the launch of our latest hub, Data@Socitm, further strengthening the practical help available to members.

Learning and Development remains at the heart of what we offer. We've seen strong attendance across our leadership programmes, coaching sessions and webinars, and have made good progress on mentoring, alongside the development of major new initiatives such as our Leadership Development Programme and Talent Pathway.

Our income generating work continues to grow, supporting councils directly through collaborations, technical assessments and tailored assistance. This includes supplier workshops, "critical friend" support and direct engagement with authorities including Bradford, Lincoln and South Yorkshire Mayoral Combined Authority (SYMCA).

Member benefits remain a core focus for us. This year, we have delivered a wide range of support designed to help members and their organisations thrive. This includes bespoke training tailored to local priorities and dedicated access to our research and policy publications.

We continue to support the successful delivery of the Socitm Nations & Regions Forum (SNRF), strengthening connections across our networks and amplifying the voices of our members to central government.

As we look ahead, we remain committed to listening to you and shaping our work around what matters most to our members. Your insight, experience and ongoing engagement continue to guide the development of the Institute and ensure we remain focused on delivering practical, meaningful support. Thank you for being part of our journey.

**Mark**  
Chair, Institute Committee

**Lumley**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

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#### *Public benefit*

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

As a registered charity, Socitm's activities are designed to support individuals and organisations in using digital, technology and data to improve public services. Everything we do aligns with our charitable objective: to support our members in delivering better outcomes for the people and the communities they serve.

We provide practical tools, data insights, learning opportunities, and a collaborative network that professionals reimagine how services are delivered. By supporting digital leadership, innovation, and transformation, we enable members to meet the needs of local communities in a way that is more responsive, inclusive, and efficient.

#### **Beneficiaries and engagement**

Our beneficiaries are the individuals, teams and organisations working across the public sector. Ensuring their needs shape our work remains central to how Socitm operates.

We actively engage with members through a range of channels that allow both structured feedback and ongoing dialogue. These conversations help ensure our programmes, insight and support reflect the real challenges facing digital and data leaders.

#### **How we engage**

##### **Digital communications**

Regular newsletters, online resources and active professional networks keep members informed about emerging issues, practical resources and opportunities to collaborate. Platforms such as LinkedIn also support ongoing dialogue within the community.

##### **Events and professional networks**

Regional and national events, conferences and webinars bring members together to share experience, learn from peers and explore innovation in practice. These spaces allow members to move beyond discussion to shared problem-solving.

##### **Member voice and feedback**

Our annual member survey continues to play a critical role in shaping priorities and evaluating the value of our work. We are also expanding opportunities for structured feedback through focus groups and direct engagement sessions with members.

##### **Communities of practice and working groups**

Thematic discussions and workshops allow members to explore emerging issues in depth — from AI adoption and cyber resilience to leadership and skills development.

##### **Policy and sector representation**

Socitm represents the views and experience of members in national conversations on digital public services. Through forums such as the Socitm National and Regions Policy Forum (SNRF), we ensure regional and devolved perspectives inform wider policy discussion.

By maintaining strong dialogue with our community, we ensure Socitm remains responsive, relevant and focused on delivering tangible value to those working at the forefront of digital public service transformation.

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

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#### **Why it matters**

This continuous engagement ensures that Socitm remains responsive, relevant, and inclusive. It shapes our research, informs our training and development offers, guides our advocacy priorities, and strengthens our community. Ultimately, it enables our members to deliver better services and outcomes.

#### **Voices of the sector**

Our members and private sector partners are at the heart of everything we do. Their voices reflect the real-world impact of our work – from professional development and leadership support to using data insights to drive improvements in public service delivery.

- Socitm's [Top Talent](#) really shaped the way I think about leadership. While other courses, like my MBA in Digital, were valuable, Top Talent gave me something different. It connected me with peers in my sector who were dealing with the same challenges, and that was unique.....The learning style was refreshing and collaborative, rather than the usual corporate style; I really valued that. The relationships I built during the course have lasted – I'm still in touch with colleagues and we continue to share experiences and ideas."  
**Ben Marston**, Director of ICT and Digital Innovation, Sheffield City Council
- "I thought [[How to Be an Effective Coach](#)] was very good and really made me think about my style of work and my desire to fix everything! I've incorporated many of the techniques into my one-to-ones with my direct reports to facilitate their learning and development, and received good feedback on the approach to date. Due to the nature of our work, there are still instances where we have to leap in and just get stuff done, so its all about balance really."  
**Helen Spreadbury**, Senior Manager ICT and Digital at Sefton Council
- "The Socitm [AI policy](#) served as a crucial starting point for us. Without it, we would have been starting from scratch. We adapted and aligned it with our existing governance processes and policies... It not only helped us build a robust framework but also enabled us to tailor it to our specific needs. This understanding was crucial in advancing our AI initiatives."  
**Kevin Woodcock**, ICT Strategic Solutions and Systems Manager, East Riding Council
- "[Membership](#)'s been hugely valuable for us – providing essential sector insights, direct connections with private sector partners to help identify and assess solutions, an effective national and international network of colleagues and thought leaders to help discuss, share and evaluate issues and opportunities, and help shape policy. It's also got a much-respected L&D programme to support teams and individuals grow. I'm particularly encouraged by the approach to coaching and mentoring, which supports our staff to develop to 'be the best they can' and help to become the leaders for tomorrow. All in all, an unrivalled package of services and products that represents fantastic value for money."  
**Kevin Taylor**, Senior IT Manager, Suffolk County Council

## SOCITM

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2025

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#### Financial review

##### Summary of income and expenditure (£'000's)

The following is a summary of the financial accounts for the year ended 31 December 2025 as reviewed by our auditors, Cottons Accountants.

Financial year	2025	2024
Income	1,980	1,321
Expenditure	5,598	1,699
Investment gains (losses)	29	84
Net income (expenditure)	<b>(3589)</b>	<b>(295)</b>
Fund balance at 31 December	344	3,933

The above Expenditure figure includes an impairment loss of £3,795k in relation to an investment. Excluding this expenditure would be £1,803k.

#### Funding sources and grant allocations

Socitm is primarily funded through the membership income generated from organisations delivering local public services. This is augmented by income provided by Socitm Commercial Ltd which is a 100% owned trading company that generates income from corporate sponsorships and partnerships. The strategy of the charity is to build on the existing funding sources and seek additional funding from appropriate grant bodies, working in partnership with local authorities and higher education bodies.

#### Financial performance and reserves policy

During 2025, the charity has been utilising reserves previously built up to invest in the Socitm Institute which provides the educational services to improve the effective use of information technology and data in the delivery of public services. The Charity consolidated balance sheet has net liabilities of £216,486, of which £737,911 are deferred liabilities relating to the delivery of members services which will be delivered within the membership year by the resources already accounted for, so will not result in a cash liability. With regards to the cash position, the financial reserves as at 31st December 2025 include £152,742 which is currently invested in accessible unit trusts and £91,865 in interest bearing deposit accounts. There is a formal financial reserves policy in place, and the Board of Trustees have ensured the current position is in alignment with the charity's financial strategy and risk management framework."

#### Statement from the Chair of the Finance & Risk Committee

Socitm continues to invest in building alternative income streams and is anticipating that during 2026 it should be generating an operating surplus that can be re-invested in the delivery of the services as defined in its charitable objects.

**Dylan**  
Chair, Finance & Risk Committee

**Roberts**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**Future plans and strategy**

The year ahead will be defined by continued structural change across the public sector. Local government reorganisation, the expansion of devolution, and sustained financial pressure are not short-term challenges — they are reshaping the system in which our members operate.

Socitm's strategy has evolved in response. Our focus is not only on supporting transformation, but on enabling members to navigate and lead through system change with confidence, through the practical application of sector tested best practices.

We will continue to strengthen our support to organisations at different stages of this journey. For some, this means preparing for reorganisation through baseline "as-is" assessments and understanding current digital and IT capability. For others, it means developing future operating models, strengthening leadership, or accelerating digital, data and technology maturity. Our role is to provide practical, independent support that reflects these varied starting points.

A key shift in our approach is the growth of our commissioned and paid-for work. Members are increasingly seeking trusted, sector-led expertise to help them move from strategy to delivery — and Socitm is responding. Through the Socitm Institute, we are expanding our ability to provide targeted support, drawing on benchmarking, insight and practitioner experience to help organisations make informed decisions and deliver sustainable change.

This work is underpinned by our independence and neutrality. At a time when organisations are making significant, long-term decisions, the need for credible, unbiased advice has never been greater. Socitm's position — rooted in the sector, but not commercially driven — allows us to act as a trusted partner to our members.

Alongside this, we will continue to invest in our core membership offer: strengthening professional development, expanding communities of practice, and ensuring members can access relevant, practical insight when they need it. We will also build on our work to engage members more directly, using feedback, focus groups and ongoing dialogue to shape our priorities.

Partnership will play an increasingly important role in delivering our strategy. We will work with academic institutions, sector bodies and delivery partners to develop funded programmes, research and tools that support the sector at scale.

Our ambition is clear: to be a sustainable organisation with the reach, capability and credibility to support the majority of UK councils and a growing number of public sector organisations. By reinvesting in our services, insight and community, we will continue to strengthen our impact.

In a period of sustained change, Socitm's role is to provide clarity, connection and confidence — supporting our members not just to respond to reform, but to shape what comes next.

**Structure, governance and management**

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

KC Frary

M Lumley

CA Williams

K Taylor

DR Roberts

A Colson

(Appointed 10 June 2025)

A Lincoln

(Appointed 10 June 2025)

J Stephenson

(Appointed 18 July 2025)

K White

(Resigned 1 April 2025)

MA Nicholas

(Resigned 7 April 2025)

Y Popat

## **SOCITM**

### **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2025**

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The charity is supported by a board of trustees who oversee and delegate assigned responsibilities to an executive management team. The make-up of the Board is covered below. The Executive Management Team (EMT) consists of a CEO, FD, Director of Institute, Engagement Director, Membership Director and Head of Operations.

Socitm is governed according to its Articles of Association (AoA) which defines the objects and powers of the charity. The majority of the Trustees are practitioners working in the public and voluntary sectors elected to the Board by the members. These form the president's team which consists of a president, president elect, two or three vice presidents and an immediate past president. These trustees generally serve for five or six years depending on the number of vice presidents at the time of their election. The presidential term is for one year, during which the president is also the chair of the Board, before becoming the immediate past president. There is also the option for the Board to elect up to five co-opted trustees with specific expertise to support the Board. During 2025, there were three such trustees. Each co-opted trustee can serve for an initial three-year term, renewable by the Board up to two times after which they must resign.

#### *Induction and training of trustees*

All the trustees have participated in the NCVO charity trustee training induction. There is a remuneration committee that has been delegated by the Board to review and manage all HR and payroll issues and recommendations. This consists of the president, immediate past president and one of the co-opted trustees. The trustees also oversee three committees that focus on the key areas of the charity identified as being the highest risk. These are finance and risk, membership and local government and the Socitm Institute. Each of these is chaired by a trustee, supported by two other trustees and attended by three members of the EMT.

#### **Statement of trustees' responsibilities**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

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

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

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Cottons Accountants LLP be reappointed as auditor of the company will be put at a General Meeting.

#### **Acknowledgments and conclusion**

As we reflect on another year of progress and transformation, we extend our sincere gratitude to all those who have contributed to our journey. To our members, partners, supporters, funders, and collaborators – thank you. Your commitment, ideas, and passion continue to fuel Socitm's work and help us drive meaningful impact across the public sector.

**SOCITM**

**TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**Disclosure of information to auditor**

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

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KC Frary

**Trustee**

Date: .....

## SOCITM

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOCITM

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#### Opinion

We have audited the financial statements of Socitm (the 'parent charity' and its subsidiaries (the 'Group') for the year ended 31 December 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## SOCITM

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SOCITM

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

#### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

## SOCITM

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SOCITM

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters**

Corresponding figures for the year ended 31st December 2024 were not audited. Accordingly, we do not express an opinion on the corresponding figures.

#### **Use of our report**

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

#### **David Ingram FCCA (Senior Statutory Auditor)**

For and on behalf of Cottons Accountants LLP, Statutory Auditor  
Chartered Accountants  
1 Billing Road  
Northampton  
NN1 5AL  
United Kingdom  
Date: .....

**SOCITM****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	Unrestricted funds 2025 £	Unrestricted funds 2024 £
<b>Income from:</b>			
Charitable activities	3	564,751	699,555
Other trading activities	4	881,932	438,896
Investments	5	533,156	182,120
		<u>1,979,839</u>	<u>1,320,571</u>
<b>Total income</b>			
<b>Expenditure on:</b>			
Raising funds	6	537,595	217,626
Charitable activities	7	1,265,180	1,481,699
		<u>1,802,775</u>	<u>1,699,325</u>
<b>Total expenditure</b>			
Net gains/(losses) on investments	12	<u>(3,766,533)</u>	<u>83,668</u>
<b>Net expenditure and movement in funds</b>		<u>(3,589,469)</u>	<u>(295,086)</u>
<b>Reconciliation of funds:</b>			
Fund balances at 1 January 2025		<u>3,933,375</u>	<u>4,228,461</u>
<b>Fund balances at 31 December 2025</b>		<u>343,906</u>	<u>3,933,375</u>

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

**SOCITM****CHARITY BALANCE SHEET****AS AT 31 DECEMBER 2025**

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	15		50,717		77,810
Tangible assets	16		4,138		6,814
Investments	17		505,637		3,634,940
			<u>560,492</u>		<u>3,719,564</u>
<b>Current assets</b>					
Debtors	18	192,797		1,055,689	
Cash at bank and in hand		234,596		231,853	
		<u>427,393</u>		<u>1,287,542</u>	
<b>Creditors: amounts falling due within one year</b>	19	(679,792)		(1,073,731)	
<b>Net current (liabilities)/assets</b>			<u>(252,399)</u>		<u>213,811</u>
<b>Total assets less current liabilities</b>			<u>308,093</u>		<u>3,933,375</u>
<b>The funds of the charity</b>					
Unrestricted funds	22		308,093		3,933,375
			<u>308,093</u>		<u>3,933,375</u>

The financial statements were approved by the trustees on .....

.....

KC Frary  
Trustee

**SOCITM****CONSOLIDATED BALANCE SHEET****AS AT 31 DECEMBER 2025**

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	15		50,717		77,810
Tangible assets	16		4,138		6,814
Investments	17		505,537		3,634,840
			<u>560,392</u>		<u>3,719,464</u>
<b>Current assets</b>					
Debtors	18	521,508		769,955	
Cash at bank and in hand		384,890		366,609	
		<u>906,398</u>		<u>1,136,564</u>	
<b>Creditors: amounts falling due within one year</b>	19	(1,122,884)		(922,653)	
Net current (liabilities)/assets			<u>(216,486)</u>		<u>213,911</u>
<b>Total assets less current liabilities</b>			<u>343,906</u>		<u>3,933,375</u>
<b>Charity funds</b>					
Unrestricted funds			343,906		3,933,375
			<u>343,906</u>		<u>3,933,375</u>

The financial statements were approved by the Trustees on .....

.....

KC Frary

**Trustee****Company registration number**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	26		122,938		(389,362)
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(2,220)	
Proceeds from disposal of associates		(16,609)		-	
Repayment of investment loans and receivables		(1,027,572)		(152,672)	
Purchase of other investments		(300,000)		-	
Proceeds from disposal of other investments		706,368		509,529	
Investment income received		533,156		182,120	
<b>Net cash (used in)/generated from investing activities</b>			(104,657)		536,757
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>			18,281		147,395
Cash and cash equivalents at beginning of year			366,609		219,214
<b>Cash and cash equivalents at end of year</b>			384,890		366,609

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2025**

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#### **1 Accounting policies**

##### **Charity information**

Socitm is a private company limited by guarantee incorporated in England and Wales. The registered office is 2 Shenley Grove, Stafford, ST17 9PT.

##### **1.1 Basis of preparation**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

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

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by paragraph 397 of the SORP.

##### **1.2 Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **1.3 Charitable funds**

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

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

##### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Other income is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**1 Accounting policies**

**(Continued)**

**1.5 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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

**1.6 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**1.7 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	20% straight line
-------------------	-------------------

**1.8 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	25% straight line
-----------	-------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

**1.9 Fixed asset investments**

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the charity holds a long-term interest and where the charity has significant influence. The charity considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**1 Accounting policies**

**(Continued)**

**1.10 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.11 Cash and cash equivalents**

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

**1.12 Financial instruments**

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.13 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**SOCITM****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025****1 Accounting policies (Continued)****1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**2 Critical accounting estimates and judgements**

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

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

**3 Income from charitable activities**

	Company Unrestricted funds 2025 £	Company Unrestricted funds 2024 £	Group Unrestricted funds 2025 £	Group Unrestricted funds 2024 £
<b>Memberships</b>				
Improve	6,322	29,566	6,322	29,566
Corporate membership	466,957	459,586	466,957	459,586
Brand fee	120,000	120,000	-	-
Resource costs	183,524	101,270	-	-
<b>Institute</b>				
Institute	96,472	210,403	91,472	210,403
	<u>873,275</u>	<u>920,825</u>	<u>564,751</u>	<u>699,555</u>

**4 Income from other trading activities**

	Company Unrestricted funds 2025 £	Company Unrestricted funds 2025 £	Group Unrestricted funds 2025 £	Group Unrestricted funds 2024 £
Trading activities	-	-	881,932	438,896
	<u>-</u>	<u>-</u>	<u>881,932</u>	<u>438,896</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**5 Income from investments**

	Company Unrestricted funds 2025 £	Company Unrestricted funds 2024 £	Group Unrestricted funds 2025 £	Group Unrestricted funds 2024 £
Other investments	533,156	182,120	533,156	182,120

**6 Expenditure on raising funds**

	Company Unrestricted funds 2025 £	Company Unrestricted funds 2025 £	Group Unrestricted funds 2025 £	Group Unrestricted funds 2024 £
<b>Trading costs</b>				
Other trading activities	-	-	537,595	217,626

**SOCITM****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2025****7 Expenditure on charitable activities****COMPANY AND GROUP**

	<b>Membership 2025 £</b>	<b>Institute 2025 £</b>	<b>Total 2025 £</b>	<b>Membership 2024 £</b>	<b>Institute 2024 £</b>	<b>Total 2024 £</b>
<b>Direct costs</b>						
Staff costs	651,122	391,263	1,042,385	659,924	423,790	1,083,714
Depreciation and impairment	29,768	-	29,768	29,492	-	29,492
Institute costs	2	44,860	44,862	-	169,981	169,981
Subscriptions	(2,932)	2,954	22	8,113	1,670	9,783
Staff training	1,985	329	2,314	2,462	5,995	8,457
Miscellaneous	7,851	-	7,851	9,689	134	9,823
IT, website and software	66,616	-	66,616	68,418	-	68,418
Insurance	5,764	-	5,764	12,183	-	12,183
Post and stationery	65	-	65	250	-	250
Marketing	7,445	-	7,445	6,729	-	6,729
Telephone	182	-	182	1,152	-	1,152
Employee benefits	13,851	-	13,851	17,763	-	17,763
Equipment	100	-	100	278	-	278
Bank charges	817	-	817	1,006	-	1,006
Travel	15,193	-	15,193	26,072	-	26,072
External events	2,620	-	2,620	3,812	-	3,812
In Our View costs	14,887	-	14,887	14,705	-	14,705
	<u>815,336</u>	<u>439,406</u>	<u>1,254,742</u>	<u>862,048</u>	<u>601,570</u>	<u>1,463,618</u>
<b>Share of support and governance costs (see note 8)</b>						
Governance	10,438	-	10,438	18,081	-	18,081
	<u>825,774</u>	<u>439,406</u>	<u>1,265,180</u>	<u>880,129</u>	<u>601,570</u>	<u>1,481,699</u>
<b>Analysis by fund</b>						
Unrestricted funds	<u>825,774</u>	<u>439,406</u>	<u>1,265,180</u>	<u>880,129</u>	<u>601,570</u>	<u>1,481,699</u>

**8 Support costs allocated to activities**

	<b>Company 2025 £</b>	<b>Company 2024 £</b>	<b>Group 2025 £</b>	<b>Group 2024 £</b>
Governance costs	<u>10,438</u>	<u>18,081</u>	<u>10,438</u>	<u>18,081</u>
<b>Analysed between:</b>				
Membership	<u>10,438</u>	<u>18,081</u>	<u>10,438</u>	<u>18,081</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>9 Net movement in funds</b>	<b>Company 2025 £</b>	<b>Company 2024 £</b>	<b>Group 2025 £</b>	<b>Group 2024 £</b>
The net movement in funds is stated after charging/(crediting):				
Fees payable for the audit of the charity's financial statements	8,750	8,750	14,150	14,150
Depreciation of owned tangible fixed assets	2,676	2,399	2,676	2,399
Amortisation of intangible assets	27,092	27,093	27,092	27,093
Impairment of investments	3,795,201	-	3,795,201	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**10 Trustees**

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

During the period expenses of £1,487 (2024 - £1,577) were reimbursed to 4 of the trustees.

**11 Employees**

The average monthly number of employees during the year was:

	<b>Company 2025 Number</b>	<b>Company 2024 Number</b>	<b>Group 2025 Number</b>	<b>Group 2024 Number</b>
	19	20	19	20
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**Employment costs**

	<b>2025 £</b>	<b>2024 £</b>	<b>2025 £</b>	<b>2024 £</b>
Wages and salaries	802,886	921,906	860,348	896,715
Social security costs	89,003	86,297	94,553	91,318
Other pension costs	150,496	148,116	153,038	152,027
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
	1,042,385	1,155,509	1,107,939	1,140,060
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	<b>2025 Number</b>	<b>2024 Number</b>	<b>2025 Number</b>	<b>2024 Number</b>
£60,000 - £70,000	1	-	1	-
£70,001 - £80,000	4	2	4	2
£80,001 - £90,000	-	1	-	1
£90,001 - £100,000	1	1	1	1
Over £100,101	-	1	-	1
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**11 Employees**

**(Continued)**

**Key Management Personnel**

The remuneration of key management personnel was as follows:

	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Aggregate compensation	382,803	425,132	382,803	425,132
	<u>382,803</u>	<u>425,132</u>	<u>382,803</u>	<u>425,132</u>

**12 Gains and losses on investments**

	<b>Unrestricted funds 2025 £</b>	<b>Unrestricted funds 2024 £</b>
Gains/(losses) arising on:		
Revaluation of investments	(3,766,533)	83,668
	<u>(3,766,533)</u>	<u>83,668</u>

**13 Impairments**

On 28 May 2025, Civiteq Limited undertook a restructuring of its debt and equity. As a result of the restructuring 99% of the loan balances owed by Civiteq Limited to SOCITM were converted to equity. As a result, the par value of the loans outstanding was reduced from £3,837,400 to £38,374 and the equity shareholding increased from 200 Ordinary shares to 3,837 Ordinary shares. As a result of options held by other shareholders and a proposed management incentive plan, the holding would represent 1.1% of the share capital on a fully-diluted basis.

The above has resulted in an impairment loss of £3.8M being recognised in the financial statements this year and included in Note 12.

**14 Taxation**

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>15 Intangible fixed assets</b>	<b>Goodwill</b>	<b>Development costs</b>	<b>Total</b>
GROUP AND COMPANY	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2025 and 31 December 2025	247,284	125,883	373,167
<b>Amortisation and impairment</b>			
At 1 January 2025	247,284	48,073	295,357
Amortisation charged for the year	-	27,093	27,093
At 31 December 2025	247,284	75,166	322,450
<b>Carrying amount</b>			
At 31 December 2025	-	50,717	50,717
At 31 December 2024	-	77,810	77,810
<b>16 Tangible fixed assets</b>		<b>Computers</b>	<b>Total</b>
GROUP AND COMPANY		<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2025		25,896	25,896
At 31 December 2025		25,896	25,896
<b>Depreciation and impairment</b>			
At 1 January 2025		19,082	19,082
Depreciation charged in the year		2,676	2,676
At 31 December 2025		21,758	21,758
<b>Carrying amount</b>			
At 31 December 2025		4,138	4,138
At 31 December 2024		6,814	6,814

**SOCITM****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2025****17 Fixed asset investments**

## GROUP AND COMPANY

	Unlisted investments £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2025	824,179	2,810,661	3,634,840
Additions	4,099,000	16,609	4,115,609
Valuation changes	28,668	-	28,668
Disposals	(706,368)	(2,772,011)	(3,478,379)
At 31 December 2025	<u>4,245,479</u>	<u>55,259</u>	<u>4,300,738</u>
<b>Impairment</b>			
At 1 January 2025	-	-	-
Impairment losses	3,795,201	-	3,795,201
At 31 December 2025	<u>3,795,201</u>	<u>-</u>	<u>3,795,201</u>
<b>Carrying amount</b>			
At 31 December 2025	<u>450,278</u>	<u>55,259</u>	<u>505,537</u>
At 31 December 2024	<u>824,179</u>	<u>2,810,661</u>	<u>3,634,840</u>

At 31 December 2025, the charitable company held 100% of the allotted share capital of Socitm Commercial Limited (company number 14547420). At 31 December the aggregate capital and reserves was a net asset of £35,913 and the surplus for the financial year ended on that date was £35,813.

Other investments comprise:	Notes	2025 £	2024 £
Investments in associates	25	16,859	250
Loans		38,400	2,810,411
		<u>55,259</u>	<u>2,810,661</u>

**18 Debtors**

	Company 2025 £	Company 2024 £	Group 2025 £	Group 2024 £
<b>Amounts falling due within one year:</b>				
Trade debtors	172,519	513,507	469,205	225,923
Amounts owed by associate undertakings	-	516,609	-	516,609
Other debtors	-	-	100	100
Prepayments and accrued income	20,278	25,573	52,203	27,323
	<u>192,797</u>	<u>1,055,689</u>	<u>521,508</u>	<u>769,955</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

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**19 Creditors: amounts falling due within one year**

	<b>Company 2025 £</b>	<b>Company 2024 £</b>	<b>Group 2025 £</b>	<b>Group 2024 £</b>
Other taxation and social security	120,912	154,495	132,117	148,225
Deferred income	455,282	453,628	737,911	660,276
Trade creditors	20,231	393,421	153,042	41,965
Other creditors	71,717	57,584	71,717	57,584
Accruals	11,650	14,603	28,097	14,603
	<u>679,792</u>	<u>1,073,731</u>	<u>1,122,884</u>	<u>922,653</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>20</b>	<b>Deferred income</b>	<b>Company 2025 £</b>	<b>Company 2024 £</b>	<b>Group 2025 £</b>	<b>Group 2024 £</b>
	Other deferred income	455,282	453,628	737,911	660,276

Deferred income is included in the financial statements as follows:

	<b>Company 2025 £</b>	<b>Company 2024 £</b>	<b>Group 2025 £</b>	<b>Group 2024 £</b>
Deferred income is included within:				
Current liabilities	455,282	453,628	737,911	660,276

	<b>2025 £</b>	<b>2024 £</b>	<b>2025 £</b>	<b>2024 £</b>
Movements in the year:				
Deferred income at 1 January 2025	453,628	593,575	660,276	-
Released from previous periods	(453,628)	(593,575)	(660,276)	-
Resources deferred in the year	455,282	453,628	737,911	660,276
Deferred income at 31 December 2025	455,282	453,628	737,911	660,276

<b>21</b>	<b>Retirement benefit schemes</b>	<b>Company 2025 £</b>	<b>Company 2024 £</b>	<b>Group 2025 £</b>	<b>Group 2024 £</b>
	<b>Defined contribution schemes</b>				
	Charge to profit or loss in respect of defined contribution schemes	150,496	148,116	153,038	152,027

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

**SOCITM****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2025****22 Unrestricted funds**

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

**COMPANY**

	At 1 January 2025	Incoming resources	Resources expended	Gains and losses	At 31 December 2025
	£	£	£	£	£
General funds	3,933,375	1,406,431	(1,265,180)	(3,766,533)	308,093
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	4,228,461	1,102,945	(1,481,699)	83,668	3,933,375
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**GROUP**

	At 1 January 2025	Incoming resources	Resources expended	Gains and losses	At 31 December 2025
	£	£	£	£	£
General funds	3,933,375	1,979,839	(1,802,775)	(3,766,533)	343,906
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

Previous year:	At 1 January 2024	Incoming resources	Resources expended	Gains and losses	At 31 December 2024
	£	£	£	£	£
General funds	4,228,461	1,320,571	(1,699,325)	83,668	3,933,375
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**23 Members' liability**

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

**24 Related party transactions**

There were no disclosable related party transactions during the year (2024 - none).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

**25 Associates**

These financial statements are consolidated charity financial statements for Socitm.

Details of the charity's associates at 31 December 2025 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Civiteq Limited	England	Holding company	Ordinary	25.77	-
Protocol Policy Systems Lts	England	IT consultancy	Ordinary	50.00	-

Investments in associates are all stated at costs less impairment.

**GROUP**

<b>26 Cash generated from/(absorbed by) operations</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Deficit for the year	(3,589,469)	(295,086)
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	(533,156)	(182,120)
Foreign exchange differences	-	-
Gain on disposal of tangible fixed assets	-	-
Gain on disposal of investment property	-	-
Gain on disposal of intangible assets	-	-
Gain on disposal of investments	-	-
Fair value gains and losses on investment properties	-	-
Fair value gains and losses on investments	(28,668)	(83,668)
Amortisation and impairment of intangible assets	-	-
Depreciation and impairment of tangible fixed assets	3,825,553	30,076
Difference between pension charge and cash contributions	-	-
<b>Movements in working capital:</b>		
Increase in programme related assets	-	-
Increase in mixed motive investments	-	-
(Increase) in stocks	-	-
Decrease/(increase) in debtors	248,447	(23,580)
Increase in creditors	122,596	25,231
(Decrease) in provisions	-	-
Increase in deferred income	77,635	139,785
<b>Cash generated from/(absorbed by) operations</b>	<b>122,938</b>	<b>(389,362)</b>
Per cash flow statement page	122,938	(389,362)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
***FOR THE YEAR ENDED 31 DECEMBER 2025***

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**27 Analysis of changes in net funds**

The charity had no material debt during the year.