



**The Social Market Foundation**

**Contents of the Financial Statements  
for the Year Ended 31 March 2016**

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**The Social Market Foundation**

**Reference and Administrative Details  
for the Year Ended 31 March 2016**

<b>TRUSTEES</b>	D Franklin (resigned 15.3.16) G Mather Sir B Pomeroy CBE M A Sieghart (Chair) Baroness G Shephard N Horlick Baroness A M Wolf (resigned 29.6.16) Lord C Falconer Baroness O Grender P Readman Baroness T Jowell (appointed 15.3.16) M D'Ancona (appointed 15.3.16)
<b>REGISTERED OFFICE</b>	11 Tufton Street London SW1P 3QB
<b>REGISTERED COMPANY NUMBER</b>	02537035 (England and Wales)
<b>REGISTERED CHARITY NUMBER</b>	1000971
<b>AUDITORS</b>	Knox Cropper 8/9 Well Court London EC4M 9DN
<b>BANKERS</b>	Barclays Bank PO Box 6539 Leicester LE87 2BB
<b>LEGAL ADVISORS</b>	Clifford Chance LLP 10 Upper Bank Street London E14 5JJ
<b>CHIEF EXECUTIVE OFFICER</b>	Emran Mian

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## **OBJECTIVES AND ACTIVITIES**

### **Objectives and aims**

#### **Objects**

The objects of the charity are to advance the education of the public in public policy including, without prejudice to the generality of the foregoing, the study of the performance of markets and the social framework within which they operate, both in Great Britain and abroad and generally to inform public policy debate.

#### **Aims**

Through public discussion of the conditions for the performance of markets, and the social framework in which they operate, the Charity aims to influence the development of policy by government and opposition parties. This is in order that such policy promotes the effective operation of markets in the interests of general prosperity with due regard to social justice.

#### **Objectives**

The aim of the programme is to inform and influence public policy debate along social market lines.

#### **Strategies to Achieve Objectives**

The objectives of the Charity for the year 2015-16 were to publish papers and stimulate debate in the following areas of public policy. Highlights of the publications and events programme are mentioned under each. Full details of all publications and events are available at [www.smf.co.uk](http://www.smf.co.uk) which retains a public record of the Charity's work from this and previous years.

#### Economic and fiscal policy

The Charity published a series of papers on the public spending choices facing the Government in advance of the Spending Review 2015. Further analysis was produced in advance of and following each fiscal event in the Government budget calendar.

#### Public service reform

The Charity had a major focus on education and skills this year, producing research on apprenticeships, school-age vocational qualifications and widening participation in higher education. It also launched a cross-party commission on inequality in education.

#### Consumer markets and the cost of living

In a year of substantial change for savings and pensions policy, the Charity ran major projects on savings behaviour, the use of pension savings after retirement and access to financial advice. The competition inquiry into retail banking was the backdrop for a sustained programme of work on changes in this market, the prospects for consumers to get better value for money and financial inclusion.

The Charity held meetings with a wide range of policymakers and stakeholders on these issues, regularly received press coverage in major national and regional media and improved its presence on social media too. In addition to events in Westminster, the Charity also held a total of 23 events across the national conferences of the major political parties. All our events, regardless of venue, were free to attend.

Hard copies of publications are available free of charge when launched and then subsequently are available to purchase in order to cover reprinting costs. All publications are available to download via the internet free of charge.

The Charity raised £370,526 in sponsorship for research projects; and £169,984 in sponsorship for events in order to fund these activities. Sponsorship came from a combination of companies and charitable foundations. The Charity also raised £138,050 in donations and legacies.

## **OBJECTIVES AND ACTIVITIES**

### **Significant activities**

At the year end ten staff were employed on a full time basis to deliver the programme of work, and up to two interns at any one time. One contractor worked part time to support the Charity on financial management and office administration. A number of publications included contributions from external authors.

The Charity has consistently been seen as a think-tank making an important contribution to economic and social policy and enjoys a broad range of support across political parties, reflected in the membership of the board of trustees and policy advisory board.

## **PUBLIC BENEFIT**

The Trustees confirm that they referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and in planning future activities. In particular the trustees consider that the activities carried out, summarised in the Aims, Objectives and Activities section of this report, provide benefit to the community.

## **FINANCIAL REVIEW**

### **Funding sources**

We had 36 funders who provided sponsorship over the course of the year. They were:

Adecco  
Association of British Insurers  
AstraZeneca  
Aviva  
Barrow Cadbury Trust  
BASF  
BBC  
Big Society Capital  
BP  
Cambridge Assessment  
Centre for Competitive Advantage in the Global Economy  
Comparethemarket.com  
Economic and Social Research Council  
Gatsby Trust  
Guild HE  
Havenpower  
Joseph Rowntree Foundation  
Just Retirement  
KPMG  
Lloyds Banking Group  
Merck Sharpe Dohme  
MetLife  
Neyber  
Pearson  
Post Office  
Property Partner  
Provident Financial  
PwC  
Remploy  
Russell Group  
Santander  
Shaw Trust  
Standard Life  
Trust for London  
United Health  
University Alliance

## **FINANCIAL REVIEW**

### **Funding sources**

The Charity is grateful for the support of these organisations, all of whom are critical in enabling the Charity to undertake its research and host public debates.

### **Reserves policy**

A reserve fund covers the charity for fluctuations in income throughout the year, current liabilities and unplanned expenditure due to:

- (a) funding being dependent on short term contracts that are subject to fluctuation.
- (b) requiring protection against, and the ability to continue operating, despite adverse circumstances.

The Foundation aims for a reserve fund of 12 to 24 weeks' core running costs to be held in unrestricted funds which amounts to between £83,000 and £166,000. Current level of free reserves, unrestricted reserves less funds tied up in fixed assets, are £103,885. The level of reserves is reviewed annually and budgetary control implemented to ensure the level of reserves is maintained at or near the appropriate level.

### **Overview**

The Charity disclosed net incoming resources of £19,705 compared to net outgoing resources of £109,839 for the preceding period. As a result, total funds at the disposition of the Charity increased from £87,882 to £107,587 with net current assets increasing from £82,206 to £103,865.

### **Principal Financial Management Policies**

The Charity prepares budgets annually which are approved by the Board. Activities are managed in line with the approved budget with a view to ensuring that significant unplanned surpluses or deficits do not arise. Cash balances in excess of the Charity's immediate requirements are placed on the highest interest rate deposit accounts available.

### **Major Risks**

The key risks faced by the charity are financial. Most of the funding is linked to projects and hence short-term in nature. The charity has a 25 year history of successfully raising sufficient funds to support its activities. The trustees review financial performance regularly and contingency plans are in place for reducing the cost base should this ever become necessary. A further significant risk is regulatory, if the charity was to become overly involved in partisan political activity then this may run contrary to its charitable objectives. This risk is managed through the membership of the board of trustees, which includes members of three major political parties and others who are members of none; and all projects are reviewed by senior management to ensure that there is no overall partisanship across the charity's work or the perception of it.

## **FUTURE PLANS**

The Charity will continue to advance the education of the public to promote a social market agenda, by producing and disseminating policy reports, and holding debates and discussions across the policy areas described on page 1 of this report.

To advance the education of the public in public policy, all our reports will continue to be available free of charge for public download via the internet and events will be free to attend.

We will continue to attempt to influence policy development in areas where we carry out research and events, in order to promote a social market approach to public policy.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The Social Market Foundation's governing document is its Memorandum and Articles of Association dated 30th July 1990. Under the Memorandum and Articles, the liability of each member is limited to £1.

The Subscribers to the Memorandum of Association are members of the Foundation as are others admitted to membership in accordance with the Articles of Association, having been approved by the directors.

### **Recruitment and appointment of new trustees**

Trustee recruitment and retention is reviewed annually. The body of trustees appoints new trustees and nominates the chair of trustees.

When recruiting a new trustee, all members are circulated with invitations to nominate trustees prior to the relevant Board meeting. When considering co-opting trustees, the Board has regard to the requirement for any specialist skills needed.

### **Organisational structure**

The management structure of the Social Market Foundation is as follows:

- Up to 10 Directors/Trustees
- Chief Executive (referred to as the "Director"), company secretary, other members of the senior management team and up to 10 permanent staff.
- A policy advisory board of around 25 members who are consulted from time to time.

The Board met 3 times during the year. Its work is informed and supported by the Director, the senior management team and by the operation of ad hoc committees constituted to consider specific issues. The Charity's research and events programmes are delegated to the Director, subject to the provision of regular updates to the Board. Contracts for funding these activities are negotiated by the Director and senior management team based on standardised contracts as approved by the Board.

### **Induction and training of new trustees**

New trustees will be provided with detailed information on their legal obligations under charity law and what the role will entail. Their training needs will be assessed, and training provided if required. In addition, new trustees will be provided with copies of:

- the Memorandum and Articles of Association of the Charity
- Board papers from the last year including research programme and business plan and accounts
- Statements of policy including the SMF constitution

### **Key management**

The salary for key management is decided by the trustees taking into account the skills and experience required, the management responsibilities, the overall budget constraints and a view of what is appropriate as compared to similar roles in the sector in which we work.

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of The Social Market Foundation for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

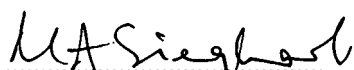
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website.

Approved by order of the board of trustees on 14 November 2016 and signed on its behalf by:



M A Sieghart - Chair



## **Report of the Independent Auditors to the Members of The Social Market Foundation**

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We have audited the financial statements of The Social Market Foundation for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditors' 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.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 charitable company'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 Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charitable company's affairs as at 31 March 2016 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Report of the Independent Auditors to the Members of The Social Market Foundation

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

We have nothing to report in respect of the following matters where 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
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Richard Billinghamurst (Senior Statutory Auditor)  
for and on behalf of Knox Cropper  
8/9 Well Court  
London  
EC4M 9DN

Date: 14 November 2016

### **Note:**

The maintenance and integrity of the The Social Market Foundation website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

**The Social Market Foundation**

**Statement of Financial Activities  
for the Year Ended 31 March 2016**

		<b>2016 Unrestricted and total fund £</b>	<b>2015 Unrestricted and total fund £</b>
<b>INCOME AND ENDOWMENTS FROM</b>	Notes		
Donations and legacies	2	<b>138,050</b>	40,000
<b>Charitable activities</b>	5		
Conference and Event Sponsorship		<b>169,984</b>	254,662
Publications		<b>162</b>	504
Research Projects Sponsorship		<b>370,526</b>	291,800
Other trading activities	3	<b>81,148</b>	59,078
Investment income	4	<b>63</b>	287
<b>Total</b>		<b>759,933</b>	646,331
<b>EXPENDITURE ON</b>			
Raising funds	6	<b>13,846</b>	11,446
<b>Charitable activities</b>	7		
Conference and Event Sponsorship		<b>194,882</b>	247,508
Publications		<b>28,362</b>	45,838
Research Projects Sponsorship		<b>503,138</b>	451,378
<b>Total</b>		<b>740,228</b>	756,170
<b>NET INCOME/(EXPENDITURE)</b>		<b>19,705</b>	(109,839)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>87,882</b>	197,721
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>107,587</b>	87,882
<b>CONTINUING OPERATIONS</b>			
All income and expenditure has arisen from continuing activities.			

The notes form part of these financial statements

**Balance Sheet**  
**At 31 March 2016**

		2016	2015
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	12	3,722	5,676
<b>CURRENT ASSETS</b>			
Debtors	13	204,582	117,502
Cash at bank		39,972	51,218
		244,554	168,720
<b>CREDITORS</b>			
Amounts falling due within one year	14	(140,689)	(86,514)
<b>NET CURRENT ASSETS</b>		103,865	82,206
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		107,587	87,882
<b>NET ASSETS</b>		107,587	87,882
<b>FUNDS</b>			
Unrestricted funds		107,587	87,882
<b>TOTAL FUNDS</b>		107,587	87,882

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 14 November 2016 and were signed on its behalf by:

.....  
M A Sieghart - Chair

The notes form part of these financial statements

**The Social Market Foundation**

**Cash Flow Statement  
for the Year Ended 31 March 2016**

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	Notes	2016 £	2015 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>(11,309)</u>	<u>(71,545)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(11,309)</u>	<u>(71,545)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		-	(6,900)
Interest received		<u>63</u>	<u>287</u>
<b>Net cash provided by (used in) investing activities</b>		<u>63</u>	<u>(6,613)</u>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(11,246)</b>	<b>(78,158)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u><b>51,218</b></u>	<u><b>129,376</b></u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u><b>39,972</b></u></u>	<u><u><b>51,218</b></u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 March 2016

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1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	19,705	(109,839)
Adjustments for:		
Depreciation charges	1,954	4,058
Interest received	(63)	(287)
(Increase)/decrease in debtors	(87,080)	33,938
Increase in creditors	<u>54,175</u>	<u>585</u>
Net cash provided by (used in) operating activities	<u>(11,309)</u>	<u>(71,545)</u>

## 1. ACCOUNTING POLICIES

### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

### **Income**

Membership and sponsorship income is recognised when invoices are issued and amounts become receivable.

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

### **Expenditure**

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

### **Allocation and apportionment of costs**

Support costs relating to staff costs are allocated across the activities using an apportionment rate calculated using turnover of the activities.

Other support costs are allocated across the activities using an apportionment rate based on direct costs of the activities.

### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

- Office Equipment is depreciated over 4 years on a straight line basis;
- Fixtures and Fittings are depreciated over 10 years on a straight line basis; and
- Website set up costs are depreciated over 3 years on a straight line basis.

### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Fund accounting**

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

### **Operating lease commitments**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

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

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

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016

1. ACCOUNTING POLICIES - continued

**Financial instruments**

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments, for example debtors, cash at bank and creditors. These are initially recognised at transaction value and subsequently valued at settlement value.

2. DONATIONS AND LEGACIES

	2016 £	2015 £
Grants and Donations	72,550	-
Corporate Subscriptions	65,500	40,000
	<u>138,050</u>	<u>40,000</u>

3. OTHER TRADING ACTIVITIES

	2016 £	2015 £
Rental income	<u>81,148</u>	<u>59,078</u>

4. INVESTMENT INCOME

	2016 £	2015 £
Deposit account interest	<u>63</u>	<u>287</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2016 £	2015 £
Conference and Event Sponsorship	169,984	254,662
Publications	162	504
Research Projects Sponsorship	370,526	291,800
	<u>540,672</u>	<u>546,966</u>

6. RAISING FUNDS

**Raising donations and legacies**

	2016 £	2015 £
PR Literature and Brochure	1,200	1,200
Support costs	12,646	10,246
	<u>13,846</u>	<u>11,446</u>



7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Conference and Event Sponsorship	61,866	133,016	194,882
Publications	14,087	14,275	28,362
Research Projects Sponsorship	<u>303,987</u>	<u>199,151</u>	<u>503,138</u>
	<u>379,940</u>	<u>346,442</u>	<u>726,382</u>

8. SUPPORT COSTS

	Office and admin costs	Support Staff	Governance costs	Totals
	£	£	£	£
Costs of generating voluntary income	-	12,646	-	12,646
Conference and Event Sponsorship	46,387	79,486	7,143	133,016
Publications	12,370	-	1,905	14,275
Research Projects Sponsorship	<u>95,868</u>	<u>88,519</u>	<u>14,764</u>	<u>199,151</u>
	<u>154,625</u>	<u>180,651</u>	<u>23,812</u>	<u>359,088</u>

Activity	Basis of allocation
Office and administration cost	Direct costs by activity
Support Staff	Staff Apportionment based on turnover
Governance costs	Direct costs by activity

The governance costs comprise the auditor's remuneration (note 9), accountancy fee and an allocation of key management remuneration (note 11).

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Auditors' remuneration	4,450	4,450
Depreciation - owned assets	1,954	4,059
Hire of plant and machinery	<u>3,700</u>	<u>2,293</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2016 nor for the year ended 31 March 2015.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016

11. STAFF COSTS

	2016 £	2015 £
Wages and salaries	426,371	411,983
Social security costs	43,811	42,084
Other pension costs	7,923	8,649
	<u>478,105</u>	<u>462,716</u>

The average monthly number of employees during the year was as follows:

2016	2015
<u>11</u>	<u>11</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016	2015
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>

The key management personnel of the Charity are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly, including any Trustee of the Charity. In addition to the Trustees, key management personnel includes the Chief Executive. Aggregate remuneration and benefits paid to key management personnel during the year amounted to £84,000 (2015: £77,000).

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2015 and 31 March 2016	<u>20,160</u>	<u>87,432</u>	<u>107,592</u>
<b>DEPRECIATION</b>			
At 1 April 2015	20,160	81,756	101,916
Charge for year	<u>-</u>	<u>1,954</u>	<u>1,954</u>
At 31 March 2016	<u>20,160</u>	<u>83,710</u>	<u>103,870</u>
<b>NET BOOK VALUE</b>			
At 31 March 2016	<u>-</u>	<u>3,722</u>	<u>3,722</u>
At 31 March 2015	<u>-</u>	<u>5,676</u>	<u>5,676</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2016

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade debtors	82,033	65,251
Prepayments and accrued income	<u>122,549</u>	<u>52,251</u>
	<u>204,582</u>	<u>117,502</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	£	£
Trade creditors	35,233	19,658
Social security and other taxes	15,009	13,933
VAT	61,047	32,226
Accruals and deferred income	<u>29,400</u>	<u>20,697</u>
	<u>140,689</u>	<u>86,514</u>

**15. OPERATING LEASE COMMITMENTS**

The Foundation is committed to the following annual payments under operating leases expiring within:-

	Land and buildings		Other operating leases	
	2016	2015	2016	2015
	£	£	£	£
Expiring:				
Within one year	<u>27,307</u>	<u>27,307</u>	<u>3,700</u>	<u>-</u>

**16. PENSION COMMITMENTS**

The Social Market Foundation contributes to a stakeholder defined contribution pension scheme on behalf of its employees, with the employer contributing at 5% of pensionable salaries. Pension costs are charged as payments to the pension scheme fall due. Amounts due to the pension scheme at the year end amounted to £986 (2015: £3,150).

**17. CONTINGENT LIABILITIES**

The charity has not paid VAT due at year end to HMRC and this liability is disclosed within creditors falling due within one year. It is currently in discussion with HMRC regarding the VAT status. Because of uncertainty as to the outcome of these discussions no interest or other charges have been accrued.

**18. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2016.

**19. GOING CONCERN**

The Social Market Foundation's ability to continue to operate for the foreseeable future depends on its ability to secure grants and contracts from third parties. These contracts are typically of short term duration and it is therefore inherently difficult for the trustees to forecast with any certainty for a period of twelve months into the future. They have been able, however, to forecast forward for six months and are satisfied that sufficient resources are available to allow the Foundation to continue to operate for at least that period.

In the normal course of events further funding should be secured to enable the Foundation to continue to operate for at least twelve months from the date of approval of these financial statements and on this basis the trustees consider it appropriate to prepare them on a going concern basis.

**20. FIRST YEAR ADOPTION**

**Transitional relief**

The accounts comply with the new accounting standard FRS 102 which came into force on 1 January 2015 and the new Charity SORP (FRS 102). In preparing these accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the new Charity SORP (FRS 102), the restatement of comparative items was required. The transition has had no impact on the Charity's financial performance or financial position at the date of transition (1 April 2014) and in respect of the financial statements for the year ended 31 March 2015. Therefore no reconciliation of reserves or net income/expenditure is required.

**The Social Market Foundation**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2016**

	2016 £	2015 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Grants and Donations	72,550	-
Corporate Subscriptions	<u>65,500</u>	<u>40,000</u>
	138,050	40,000
<b>Other trading activities</b>		
Rental income	81,148	59,078
<b>Investment income</b>		
Deposit account interest	63	287
<b>Charitable activities</b>		
Conference and Event Sponsorship	169,984	254,662
Publications	162	504
Research Projects Sponsorship	<u>370,526</u>	<u>291,800</u>
	<u>540,672</u>	<u>546,966</u>
<b>Total incoming resources</b>	<b>759,933</b>	<b>646,331</b>
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
PR Literature and Brochure	1,200	1,200
<b>Charitable activities</b>		
Wages	247,436	263,631
Social security	26,438	27,712
Pensions	4,764	7,981
Other research projects	41,285	50,896
Party Conference & Health Commission	32,909	39,736
Publishing Costs	480	8,557
Printing & Design	13,607	24,391
Event Catering	3,618	10,352
Conferences & Seminars	3,486	4,045
Publications & subscriptions	4,123	8,146
Sundries	-	2,036
Travel & Subsistence	435	-
Speakers	<u>1,359</u>	<u>-</u>
	<b>379,940</b>	<b>447,483</b>

This page does not form part of the statutory financial statements

**The Social Market Foundation**

**Detailed Statement of Financial Activities  
for the Year Ended 31 March 2016**

**Support costs**

	2016 £	2015 £
<b>Office and administration cost</b>		
Equipment operating leases	3,700	2,293
Rent, rates & water	106,949	98,348
Insurance	4,687	4,793
Light and heat	1,611	1,497
Telephone	2,688	2,062
Printing, postage & stationery	1,525	2,747
Computer costs	6,526	11,773
Sundries	2,321	5,165
Cleaning	5,501	5,265
Repairs & renewals	15,975	-
Office Catering and Refreshments	978	913
Entertainment	47	-
Bank charges	163	186
Depreciation of tangible and heritage assets	<u>1,954</u>	<u>4,058</u>
	<b>154,625</b>	<b>139,100</b>
<b>Support Staff</b>		
Wages	161,935	132,952
Social security	15,557	12,753
Pensions	<u>3,159</u>	<u>668</u>
	<b>180,651</b>	<b>146,373</b>
<b>Governance costs</b>		
Wages	17,000	15,400
Social security	1,816	1,619
Auditors' remuneration	4,450	4,450
Accountancy and legal fees	<u>546</u>	<u>545</u>
	<u><b>23,812</b></u>	<u><b>22,014</b></u>
<b>Total resources expended</b>	<b>740,228</b>	<b>756,170</b>
	<u><b>19,705</b></u>	<u><b>(109,839)</b></u>
<b>Net income/(expenditure)</b>		

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