

**REGISTERED COMPANY NUMBER: 02537035 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1000971**

**Report of the Trustees and  
Financial Statements for the Period 1 March 2013 to 31 March 2014  
for  
The Social Market Foundation**



Knox Cropper  
8/9 Well Court  
London  
EC4M 9DN

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## **The Social Market Foundation**

### **Report of the Trustees for the Period 1 March 2013 to 31 March 2014**

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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 period 1 March 2013 to 31 March 2014. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

##### **Registered Company number**

02537035 (England and Wales)

##### **Registered Charity number**

1000971

##### **Registered office**

11 Tufton Street  
London  
SW1P 3QB

##### **Trustees**

Viscount T Chandos	- resigned 29.10.13
D Franklin	
M Ivens	- resigned 29.10.13
G Mather	
B Pomeroy CBE	
M A Sieghart	
Lord J Hutton	- resigned 11.3.14
Baroness J Neuberger	
Baroness G Shephard	
N Horlick	- appointed 29.10.13

No Trustee received any remuneration in respect of their appointment as Trustee.

##### **Chief Executive Officer**

Emran Mian - appointed 1.9.2013

##### **Auditors**

Knox Cropper  
8/9 Well Court  
London  
EC4M 9DN

##### **Bankers**

Barclays Bank  
PO Box 6539  
Leicester  
LE87 2BB

##### **Legal Advisors**

Clifford Chance LLP  
10 Upper Bank Street  
London  
E14 5JJ

## **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**

Trustees are appointed for a four year renewable term. The chair of the trustees is nominated by the body 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.

### **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

### **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 8 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 Foundation'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.

### **Risk management**

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

## **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 2013-14 were to publish papers and stimulate debate in each of the four areas of public policy:

- Economic and fiscal policy
- Public service reform
- Consumer markets and the cost of living
- Reforming financial services

## **OBJECTIVES AND ACTIVITIES**

### **Significant activities**

During the year 2013-14, the Social Market Foundation carried out a range of activities examining markets, and the social framework in which they operate, to promote their effective operation in the interests of general prosperity with due regard to social justice. The Foundation's main activities during the year have been the publication of briefings and pamphlets and events on topics related to its objectives as set out above:

### **Publications:**

Branching Out: The evolution of retail banking  
Schools United: Ending the divide between independent and state  
Osborne's New Choice: Autumn Statement 2014 (SMF Briefing Paper)  
Mutually Assured Growth? Employee ownership and the UK economy  
Illuminating the energy market: Encouraging greater switching (SMF Briefing Paper)  
The Politics of Housing  
Family Fortunes: the bank of mum and dad in low income families  
Robbins Revisited: Bigger and Better Higher Education  
Beveridge Rebooted: Social security for a networked age  
Paying for results? Rethinking probation reform  
Risky Business: Social Impact Bonds and public services  
Good for Growth: Refocusing Entrepreneurship Policy  
Interpreting Work Programme performance (SMF Briefing Paper)  
Spending Review 2013 (SMF Briefing Paper)  
Beveridge Rebooted | 'Facebook Welfare'  
Beveridge Rebooted | Re-engineering contributory welfare  
Beveridge Rebooted | The Truth about Welfare  
Beveridge Rebooted | From the Magic of Averages to a Crisis of Legitimacy  
Universal Credit Explained (SMF Briefing Paper)  
Making the Cap fit (SMF Briefing Paper)  
In the Balance: The STEM human capital crunch

### **Events:**

Branching Out: The evolution of retail banking  
Chalk + Talk with Professor Karen Rowlingson  
The power of patient data: how information can transform the NHS's capacity for innovation  
Public spending in tough times: Labour's Zero-Based Review with Chris Leslie MP  
Priced out: tackling the problems of housing and in-work poverty  
Schools United: Ending the Divide Between Independent and State  
Policy Dinner: Whole Person Care with Rt Hon Andy Burnham MP  
Child poverty: Does throwing money at the problem work?  
Chalk + Talk with Professor John Kay  
Chalk + Talk with Professor Sascha Becker  
The legacy of the Robbins report and the future of Higher Education  
Chalk + Talk with Professor Stephen Roper  
Chalk + Talk with Professor Charles Goodhart CBE  
The Single Local Growth Fund: A great LEP forward?  
Whole Person Care: In conversation with Andy Burnham MP and Stephen Dorrell MP  
Policy Dinner: Diversifying UK business ownership structures  
Chalk + Talk with Nicholas Oulton  
Chalk + Talk with Professor Sir Christopher Pissarides  
The Single Local Growth Fund: The winner takes it all?  
Kick-starting local economies: Designing the Single Local Growth Fund  
Helping Whitehall let go: How can Community Budgets gain traction in Whitehall?  
The future of think tank communications  
What makes a good apprenticeship?  
The Social Market and its Discontents  
Chalk + Talk: Public sector pay with Professor Carol Propper

## **OBJECTIVES AND ACTIVITIES**

### **Significant activities**

Ownership Diversity and the Resilient Economy  
Conservative Party Conference: Getting the balance right: the right kind of recovery?  
Conservative Party Conference: Home Front: the battle for a sustainable housing market  
Conservative Party Conference: Get on my land! Planning ahead for housing  
Conservative Party Conference: Universities and Growth - The Debate  
Conservative Party Conference: Give and take: Helping families help themselves  
Conservative Party Conference: Universities and Growth - The Reception  
Conservative Party Conference: Integration: the right prescription for health and social care?  
Conservative Party Conference: Auto Enrolment: it's talked the talk, but can it walk the walk?  
Labour Party Conference: Integration: the right prescription for health and social care?  
Labour Party Conference: The Squeezed Middle: Can Britain Afford Not to Save?  
Labour Party Conference: Making welfare work again  
Labour Party Conference: Fairness of Opportunity  
Labour Party Conference: The Aviation Reception  
Labour Party Conference: Generation Y don't we have a job?  
Labour Party Conference: Auto-enrolment: it's talked the talk but can it walk the walk?  
Liberal Democrat Party Conference: Families and Social Mobility: help or hindrance?  
Liberal Democrat Party Conference: Integration: the right prescription for health and social care?  
Liberal Democrat Party Conference: Auto Enrolment: it's talked the talk, but can it walk the walk?  
Liberal Democrat Party Conference: Getting the balance right: the right kind of recovery?

All publications and pamphlets are distributed to relevant stakeholders, civil servants, politicians, relevant libraries and the general public. Hard copies of publications are available to purchase. All publications and pamphlets are available to download via the internet free of charge.

A series of 19 fringe events at the national conferences of the main political parties was also held on these and similar issues to advance the education of the public in public policy on the study of the performance of markets and the social framework within which they operate. All our events were free to attend.

The SMF raised £573,083 in sponsorship for research programmes and events in order to fund these activities. Sponsorship came from a mixture of companies, public bodies and charitable foundations. We also raised £25,000 in direct donations from corporate sources.

By the year end eight staff were employed on a full time basis to deliver this programme of work, and a team of up to three contract staff and two interns was also involved at any one time. A number of publications included contributions from external authors.

The Social Market Foundation 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. This was recognised in the fact that the SMF won the Prospect magazine UK Think Tank of the Year award for 2012, reflecting the SMF's work on economic policy and analysis of the Government's welfare to work programmes. The SMF also won the award for the best think tank in the Economic and Financial category.

## **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.

**Report of the Trustees  
for the Period 1 March 2013 to 31 March 2014**

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**FINANCIAL REVIEW**

**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, damaging events.

The Foundation aims for a reserve fund of 12 to 24 weeks' core running costs to be held in unrestricted funds. 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.

**Funding sources**

We had 38 funders who provided sponsorship over the course of the year. They were:

1994 Group  
Airport Operators Association  
Association of British Insurers  
Banks Sadler  
Barclays Bank PLC  
BASF plc  
British Chambers of Commerce  
B&CE Benefit Schemes  
BP International Ltd  
BUPA  
Capita  
City Bridge Trust  
City of London  
The Economic and Social Research Council  
Essex County Council  
EYGS LLP  
Guild HE Ltd  
Home Group  
Interserve plc  
John Lewis  
Joseph Rowntree Foundation  
Just Retirement  
KPMG LLP  
Legal & General Group plc  
Merck Sharpe Dohme  
Nationwide Building Society  
NESTA  
National Housing Federation  
National Institute of Economic & Social Research  
Provident Financial  
PricewaterhouseCoopers Services Ltd  
Prudential  
QAA  
Said Business School  
Sutton Trust  
Tech City UK  
University Alliance  
Universities UK

The Social Market Foundation is grateful for the support of these organisations and others who contributed, all of whom are critical in allowing the Foundation to undertake its research and host public debates.

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**Report of the Trustees  
for the Period 1 March 2013 to 31 March 2014**

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**FINANCIAL REVIEW**

**Overview**

The Foundation disclosed net incoming resources for the year of £1,767 compared to £957 for the preceding year. As a result, total funds at the disposition of the Foundation increased from £195,954 to £197,721 with net current assets increasing from £190,059 to £194,886. The surplus for the year is a result of a an increase of £54,789 in incoming resources (reflecting increased research project sponsorship income) net of a £53,979 increase in resources expended (reflecting increased payroll costs).

**Principal Financial Management Policies**

The Foundation prepares budgets annually which are approved by the Board. The Foundation's 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 Foundation's immediate requirements are placed on the highest interest rate deposit accounts available.

**FUTURE DEVELOPMENTS**

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 3 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 most seminars will be free to attend.

We will continue to attempt to influence policy development in areas which are currently in need of review, in order to promote a social market approach to public policy.

**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).

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.

**AUDITORS**

The auditors, Knox Cropper, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'M A Sieghart', written in a cursive style.

M A Sieghart - Trustee

10 June 2014

## **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 period ended 31 March 2014 on pages eleven to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 set out on page seven, 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

### **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.

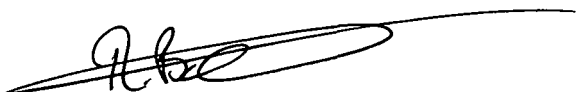
## Report of the Independent Auditors to the Members of The Social Market Foundation

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

10 June 2014

Statement of Financial Activities  
for the Period 1 March 2013 to 31 March 2014

		Period 1.3.13 to 31.3.14 Unrestricted fund £	Year Ended 28.2.13 Total funds £
	Notes		
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds</b>			
Voluntary income	2	25,000	32,500
Investment income	3	64,728	60,004
<b>Incoming resources from charitable activities</b>			
Conference and Event Sponsorship	4	226,483	248,508
Publications		128	188
Research Projects Sponsorship		346,600	266,285
Hire of Boardroom		1,695	2,210
Other Income		260	410
<b>Total incoming resources</b>		<b>664,894</b>	<b>610,105</b>
<b>RESOURCES EXPENDED</b>			
<b>Costs of generating funds</b>			
Costs of generating voluntary income	5	9,166	7,157
<b>Charitable activities</b>			
Conference and Event Sponsorship	6	225,826	210,314
Publications		34,252	23,728
Research Projects Sponsorship		361,334	338,978
<b>Governance costs</b>	8	<b>32,549</b>	<b>28,971</b>
<b>Total resources expended</b>		<b>663,127</b>	<b>609,148</b>
<b>NET INCOMING RESOURCES</b>		<b>1,767</b>	<b>957</b>
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>		<b>195,954</b>	<b>194,997</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>197,721</b>	<b>195,954</b>

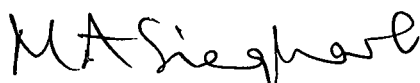
The notes form part of these financial statements

**Balance Sheet**  
**At 31 March 2014**

		<b>2014</b>	<b>2013</b>
		<b>Unrestricted</b>	<b>Total</b>
		<b>fund</b>	<b>funds</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>			
Tangible assets	12	2,835	5,895
<b>CURRENT ASSETS</b>			
Debtors	13	151,440	166,164
Cash at bank		129,376	142,543
		<u>280,816</u>	<u>308,707</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(85,930)	(118,648)
<b>NET CURRENT ASSETS</b>		<u>194,886</u>	<u>190,059</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>197,721</u>	<u>195,954</u>
<b>NET ASSETS</b>		<u><u>197,721</u></u>	<u><u>195,954</u></u>
<b>FUNDS</b>			
Unrestricted funds		<u>197,721</u>	<u>195,954</u>
<b>TOTAL FUNDS</b>		<u><u>197,721</u></u>	<u><u>195,954</u></u>

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 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Trustees on 10 June 2014 and were signed on its behalf by:



M A Sieghart -Trustee

The notes form part of these financial statements

## 1. ACCOUNTING POLICIES

### Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

### Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

### Resources expended

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; and
- Fixtures and Fittings are depreciated over 10 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.

### Hire purchase and leasing 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.

## 2. VOLUNTARY INCOME

	Period 1.3.13 to 31.3.14 £	Year Ended 28.2.13 £
Grants and Donations	-	5,000
Corporate Subscriptions	25,000	27,500
	<u>25,000</u>	<u>32,500</u>

Notes to the Financial Statements - continued  
for the Period 1 March 2013 to 31 March 2014

3. INVESTMENT INCOME

	Period 1.3.13 to 31.3.14 £	Year Ended 28.2.13 £
Rent and Service Charges Receivable	64,002	59,078
Deposit account interest	726	926
	<u>64,728</u>	<u>60,004</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2014 £	2013 £
Conference and Event Sponsorship	226,483	248,508
Publications	128	188
Research Projects Sponsorship	346,600	266,285
Hire of Boardroom	1,695	2,210
Other Income	260	410
	<u>575,166</u>	<u>517,601</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	Period 1.3.13 to 31.3.14 £	Year Ended 28.2.13 £
Advertising	-	178
PR Literature and Brochure	1,338	1,244
Support costs	7,828	5,735
	<u>9,166</u>	<u>7,157</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 7) £	Totals £
Conference and Event Sponsorship	121,355	104,471	225,826
Publications	27,427	6,825	34,252
Research Projects Sponsorship	216,799	144,535	361,334
	<u>365,581</u>	<u>255,831</u>	<u>621,412</u>



Notes to the Financial Statements - continued  
for the Period 1 March 2013 to 31 March 2014

7. SUPPORT COSTS

	Office Costs £	Other Costs £	Legal & Professional Fees £	Support Staff £	Totals £
Costs of generating voluntary income	535	3	17	7,273	7,828
Governance costs	8,006	42	265	-	8,313
Conference and Event Sponsorship	47,058	248	1,553	55,612	104,471
Publications	6,551	34	216	24	6,825
Research Projects Sponsorship	81,846	431	2,702	59,556	144,535
	<u>143,996</u>	<u>758</u>	<u>4,753</u>	<u>122,465</u>	<u>271,972</u>

Activity	Basis of allocation
Office Costs	Direct costs by activity
Other Costs	Direct costs by activity
Legal & Professional Fees	Direct costs by activity
Support Staff	Staff Apportionment based on turnover

8. GOVERNANCE COSTS

	Period 1.3.13 to 31.3.14 £	Year Ended 28.2.13 £
Staff costs	19,786	17,080
Auditors' remuneration	4,450	4,450
Support costs	8,313	7,441
	<u>32,549</u>	<u>28,971</u>

9. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	Period 1.3.13 to 31.3.14 £	Year Ended 28.2.13 £
Auditors' remuneration	4,450	4,450
Depreciation - owned assets	3,060	3,128
Hire of plant and machinery	2,211	1,969
	<u></u>	<u></u>

Notes to the Financial Statements - continued  
for the Period 1 March 2013 to 31 March 2014

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the period ended 31 March 2014 nor for the year ended 28 February 2013.

**Trustees' expenses**

There were no trustees' expenses paid for the period ended 31 March 2014 nor for the year ended 28 February 2013.

**11. STAFF COSTS**

	Period 1.3.13 to 31.3.14 £	Year Ended 28.2.13 £
Wages and salaries	361,464	299,818
Social security costs	39,202	33,726
Other pension costs	10,586	8,668
	<u>411,252</u>	<u>342,212</u>

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

Period 1.3.13 to 31.3.14 7	Year Ended 28.2.13 6
<u>7</u>	<u>6</u>

The number of employees whose emoluments fell within the following bands was:

	Period 1.3.13 to 31.3.14 -	Year Ended 28.2.13 1
£70,001 - £80,000	<u>-</u>	<u>1</u>

Notes to the Financial Statements - continued  
for the Period 1 March 2013 to 31 March 2014

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 March 2013 and 31 March 2014	80,532	20,160	100,692
<b>DEPRECIATION</b>			
At 1 March 2013	77,907	16,890	94,797
Charge for year	1,895	1,165	3,060
At 31 March 2014	79,802	18,055	97,857
<b>NET BOOK VALUE</b>			
At 31 March 2014	730	2,105	2,835
At 28 February 2013	2,625	3,270	5,895

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	70,080	102,268
Prepayments and accrued income	81,360	63,896
	151,440	166,164

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	6,842	1,919
Social security and other taxes	8,984	8,424
VAT	44,193	43,731
Accruals and deferred income	25,911	64,574
	85,930	118,648

15. OPERATING LEASE COMMITMENTS

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

	2014 £	2013 £
Expiring:		
Within one year	-	660
Between one and five years	81,920	81,920
	81,920	82,580

**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. These are disclosed in Note 11. Amounts due to the pension scheme at the year end amounted to £1,163 (2013: £1,524).

**17. 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.