

THE SOCIAL MARKET FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2008
REGISTERED CHARITY NO: 1000971
COMPANY REGISTERED NO: 2537035

CONTENTS

	Pages
Trustees Annual Report	1 – 7
Independent Auditors' Report	8
Statement of Financial Activities	9
Balance Sheet	10
Notes to the Financial Statements	11 - 13



THE SOCIAL MARKET FOUNDATION
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 29TH FEBRUARY 2008

The trustees, who are also Directors for the purposes of the Companies Act, submit their Report and the Financial Statements of The Social Market Foundation for the year ended 29th February 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT

Legal Status

The Social Market Foundation is a company limited by guarantee and registered under the Companies Act 1985, registration number 2537035. It is also a registered charity, charity number 1000971.

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.

The Trustees

The trustees, who are also the directors and members of the company during the course of the financial year and up to the date of approval of the accounts were

Viscount (Thomas) Chandos	
Gavyn Davies	
David Edmonds CBE	
Daniel Franklin	(Appointed 7 th November 2007)
Martin Ivens	
Brian Pomeroy CBE	
Lord (David) Lipsey	(Chairman)
Graham Mather	(Appointed 26 th February 2008)

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

Appointment of 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.

Trustee induction and training

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

New trustees will be introduced to fellow Board members and to senior staff. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

THE SOCIAL MARKET FOUNDATION
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 29TH FEBRUARY 2008

Organisational Structure

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

- 8 directors/trustees
- Chief Executive (referred to as the "Director"), company secretary, other members of the senior management team and 10 staff
- 4 patrons and a policy advisory board of 25 members who are consulted from time to time

The Board meets 3 times a 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 programmes and party conference events are determined by the Board under advice from the Director. The organisation of Westminster events is delegated to the Director subject to the provision of regular reports to the Board. Contracts for funding these activities are negotiated by the Director and Director of Research based on standardised contracts as approved by the Board.

Risk Management

The trustees have identified the risks to which the charity might be exposed, including risks to the charity's financial position, premises and reputation. These have been reviewed in the past year as part of the Trust's programme of annual risk reviews.

AIMS, OBJECTIVES AND ACTIVITIES

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.

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 influence those individuals with current or potential future responsibility for making decisions about the direction of public policy in areas which are currently in need of review and where scope exists to develop new policy thinking.

Strategies to Achieve Objectives

The objectives of the Charity for the year 2007-08 were to publish a set of papers and to hold debates in each of five specific areas of public policy:

- government effectiveness and competitiveness
- globalisation and the insecure society
- public services and the social market
- market incentives and behaviour, and
- capability, poverty and cultures

and to draw the attention of those with a responsibility for policymaking in the main parties to the findings either by presenting findings direct or via discussion of findings in the media.

THE SOCIAL MARKET FOUNDATION

REPORT OF THE BOARD OF TRUSTEES

FOR THE YEAR ENDED 29TH FEBRUARY 2008

Activities

The Foundation's main activities during the year have been the publication of books and pamphlets on topics related to its objectives as set out below

A Government effectiveness and competitiveness

The social market and its enemies
Disability, Skills and Work

B Globalisation and the insecure society

The New Demographics: work and retirement
Economic Nationalism or Progressive Globalisation
Trading emissions – full global potential.

C Public services and the social market

Poverty Pay How public sector pay fails deprived areas
The Future of Healthcare
Whether hospitals need to own their buildings
Putting Patients in control The case for extending self-direction into the NHS
Finding a NICEr way to value health the basis for NICE decisions

D Market incentives and behaviour

AntiSocial Britain and the Challenge of Citizenship
Housing demand and the Green Belt

E Capability, poverty and cultures

The importance of practical education
The Politics of Aspiration

These publications have been informed by a number of sponsored research projects and by a wide range of public debates, seminars and conferences on these and similar issues These included events on the following subjects not covered above

- Intellectual property rights and consumer rights
- The importance of adult education
- The problems of the long-term economically active
- Data-sharing in the public sector
- Equity release and paying for retirement.
- The future of children's television
- The future of national insurance
- Tackling under-age drinking
- Private sector providers of long-term care
- Delivering full employment

We also held a series of 43 events at the national conferences of the main political parties on these and similar issues

THE SOCIAL MARKET FOUNDATION
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 29TH FEBRUARY 2008

The SMF raised £707,272 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 £101,000 in direct donations from corporate sources.

By the year end sixteen staff were employed on a full time basis to deliver this programme of work, and a team of approximately four volunteers was also involved at any one time. A number of publications were commissioned from external authors as well as being produced by SMF staff.

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.

FINANCIAL REVIEW

Overview

The Foundation disclosed net expenditure for the year of £54,209 compared to net income of £83,319 for the preceding year. As a result, total funds at the disposal of the Foundation fell from £229,416 to £175,207 with net current assets falling from £210,721 to £156,875. The reduction in net income is the result of a £72,979 fall in total incoming resources (reflecting principally reduced Conference and Event Sponsorship income net of increased Research Project sponsorship income) and an increase in total resources expended of £64,549 (largely the result of increased payroll costs).

Reserve Policy

The Directors have agreed that a reserve fund equivalent to 3 months running costs along with a £20,000 contingency reserve should be held. This equates to £176,000 plus £20,000 contingency reserve for the 2007-2008 financial year. 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.

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 high interest deposit account.

Principal Funding Sources

We had 16 funders who provided sponsorship of over £20,000 over the course of the year. They were

Funder	Total value of sponsorship (£)	Nature of sponsored event or research
Association of Accounting Technicians	29,300	Publication on 14-19 education
BUPA	86,100	Project on the future of the UK health system, Business Forum membership
The Carbon Trust	22,900	Party conference events
NHS Connecting for Health	34,200	Project on the future of the UK health system
Ernst & Young	58,800	Project on behavioural change
The Food Standards Agency	21,100	Party conference events
Genworth Financial	41,400	Research on unemployment insecurity

THE SOCIAL MARKET FOUNDATION
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 29TH FEBRUARY 2008

FINANCIAL REVIEW (CONTINUED)

Principal Funding Sources (Continued)

Funder	Total value of sponsorship (£)	Nature of sponsored event or research
The Go-Ahead Group	21,100	Party conference events
The Institution of Engineering and Technology	21,100	Party conference events
Mobile Operators Association	21,100	Party conference events
Pfizer (UK)	72,600	Project on the future of the UK health system
Provident Financial	30,500	Party conference events, Business Forum membership
PricewaterhouseCoopers	26,400	Social care event, Business Forum membership, Project on the future of the public sector professions
Quality Improvement Agency	33,300	User satisfaction with public services
Standard Life Healthcare	75,500	Party conference events, project on the future of the UK health system
Trimedia Harrison Cowley (on behalf of The Coca Cola Company)	21,100	Party conference events

Total sponsorship received from these organisations amounted to £616,500. The Social Market Foundation is grateful for the support of these organisations and others who contributed, who are too numerous to mention, all of whom are critical in allowing the Foundation to undertake its research.

THE SOCIAL MARKET FOUNDATION
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 29TH FEBRUARY 2008

PLANS FOR FUTURE PERIODS

Our objective for the coming year (2008-2009) is to continue to promote the idea of the social market to the general public through discussion of the performance of markets and their social framework

We will achieve this through the publication of books and pamphlets and by holding seminars and conferences on five core themes

- 1 Government effectiveness and competitiveness
- 2 Globalisation and the insecure society
- 3 Public services and the social market
- 4 Market incentives and behaviour
- 5 Capability, poverty and cultures

This will include making specific recommendations on the following issues

- How learning about behaviour change can be applied to specific policy problems
- Mental health issues and labour market retention
- The future of the National Health Service
- The future of Welfare to Work services
- The death of deference and the future of the public sector professions

We will produce recommendations for changes to public policy on these issues and promote these ideas to politicians and the general public by allowing free entry to the majority of our events and by providing our publications free of charge on the internet. We will also seek to promote our recommendations via the media

REFERENCE AND ADMINISTRATIVE INFORMATION

Registered Office:

11 Tufton Street
 London SW1P 3QB

The Trustees are as reported on page 1

Chief Executive Officer: Ann Rossiter

The Charity's principal advisers during the year were:

Bankers

Bank of Scotland
 PO Box 10,
 38 St Andrews Square,
 Edinburgh EH2 7YR

Standard Life
 Dundas House,
 20 Brandon Street,
 Edinburgh EH3 5PP

Legal

Contracts - Bates, Wells & Braithwaite
 1-6 Cannon Street
 London EC4M 6YH

Lettings -

Mayer Brown and Rave & Maw LLP
 11 Pilgrim Street
 London EC4V 6RW

Auditors

Knox Cropper
 Chartered Accountants
 8/9 Well Court
 London EC4M 9DN

THE SOCIAL MARKET FOUNDATION
REPORT OF THE BOARD OF TRUSTEES
FOR THE YEAR ENDED 29TH FEBRUARY 2008

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 the surplus or deficit of the Charity for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue to operate

The Trustees are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the Charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.


The Trustees confirm that, in the case of each of the persons who are Trustees at the date of this report, the following applies:

- so far as each Trustee is aware there is no relevant audit information (information needed by the Charity's auditors in connection with preparing their report) of which the Charity's auditors are unaware, and
- each Trustee has taken all the steps necessary to make herself/himself aware of any relevant information and to establish that the Charity's auditors are aware of that information.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint Messrs Knox Cropper as auditors will be put to the Members at the Annual General Meeting.

Approved by the Board of Trustees on 10th June 2008 and signed on its behalf by



Lord Lipsey

INDEPENDENT AUDITORS' REPORT TO THE
MEMBERS OF
THE SOCIAL MARKET FOUNDATION

We have audited the financial statements of The Social Market Foundation for the year ended 29th February 2008 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Charitable Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 opinion we have formed.

Respective responsibilities of the trustees and auditors

The trustees' (who are also the directors of The Social Market Foundation for the purposes of company law) responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether

- the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Charitable Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the Charitable Company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees' in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charitable Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

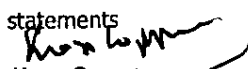
Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 29th February 2008 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,
- the financial statements have been properly prepared in accordance with the companies Act 1985, and
- the information given in the Trustees' Report is consistent with the financial statements.

8/9 Well Court
 London, EC4M 9DN

10th June 2008


 Knox Cropper
 Chartered Accountants
 Registered Auditors

THE SOCIAL MARKET FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 29TH FEBRUARY 2008

	Notes	Total Un- restricted Funds 2008 £	Total Un- restricted Funds 2007 £
INCOMING RESOURCES			
Incoming Resources from Generated Funds			
Voluntary Income	2	106,000	128,500
Investment Income	3	56,155	55,642
		162,155	184,142
Incoming Resources from Charitable Activities			
	4	712,644	763,636
TOTAL INCOMING RESOURCES		<u>874,799</u>	<u>947,778</u>
RESOURCES EXPENDED			
Costs of Generating Funds			
Costs of Generating Voluntary Income	5	22,853	26,211
Charitable Activities			
Research	5	424,433	340,610
Publications	5	100,955	84,329
Conferences and Seminars	5	343,204	381,505
		868,592	806,444
Governance Costs			
	5	37,563	31,804
TOTAL RESOURCES EXPENDED		<u>929,008</u>	<u>864,459</u>
NET (EXPENDITURE) INCOME FOR THE YEAR		(54,209)	83,319
Total Funds brought forward		229,416	146,097
TOTAL FUNDS CARRIED FORWARD		<u>£175,207</u>	<u>£229,416</u>

All activities reflected above are continuing activities.

All recognised gains and losses are reflected through the Statement of Financial Activities. No separate Statement of Total Recognised Gains and Losses is disclosed.

There is no difference between the results as stated and the results on a historical cost basis.

The Charity holds no restricted reserves at the year end. Voluntary income includes a £5,000 donation to contribute towards the costs of recruiting a Chief Economist which was fully expended during the year.

THE SOCIAL MARKET FOUNDATION**BALANCE SHEET****AS AT 29TH FEBRUARY 2008**

	Notes	£	2008	£	£	2007	£
FIXED ASSETS							
Tangible Assets	6			18,332			18,695
CURRENT ASSETS							
Debtors	7	154,905			61,551		
Cash at Bank and in Hand		<u>117,951</u>			<u>213,645</u>		
		272,856			275,196		
CREDITORS : Amount falling due within one year	8	<u>115,981</u>			<u>64,475</u>		
NET CURRENT ASSETS				156,875			210,721
TOTAL ASSETS LESS LIABILITIES				<u>£175,207</u>			<u>£229,416</u>
FUNDS							
Unrestricted Funds				175,207			229,416
TOTAL FUNDS				<u>£175,207</u>			<u>£229,416</u>

These financial statements were approved by the Board of Trustees on the 10th June 2008 and signed on its behalf by :


Lord Lipsey

THE SOCIAL MARKET FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2008

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), relevant accounting standards and the Companies Act 1985

(b) Cashflow Statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charitable company is small

(c) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Where amounts are received in advance of an event or research work to be carried out, or the terms and conditions attached to the income clearly indicate that it is for a future period, the incoming resource is deferred until the event has taken place or the works been undertaken

(d) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the activity. Where costs cannot be directly related to particular headings they have been allocated to activities on a basis consistent with the use of resources

(e) Pension Costs

The employer sponsors a defined contribution pension scheme for employees. As the employer's liability is limited to paying across the contributions due to the scheme at the appropriate time, in accordance with FRS17, pension costs are charged when payments to the scheme fall due (Note 13)

(f) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Office Equipment	- 25% per annum on cost
Fixtures and Fittings	- 10% per annum on cost

(g) Stock

Whilst the Charity does make sales of publications, amounts realised are not significant and the majority of publications are supplied free of charge to stakeholders. Therefore, stock is not valued in the accounts

2 VOLUNTARY INCOME

	2008	2007
	£	£
Corporate Subscriptions	101,000	113,500
Grants and Donations	5,000	15,000
	<u>£106,000</u>	<u>£128,500</u>

3 INVESTMENT INCOME

Bank Interest Receivable	7,724	5,948
Rent and Service Charges Receivable	48,431	49,694
	<u>£56,155</u>	<u>£55,642</u>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Conference and Event Sponsorship	298,269	372,382
Publications	1,382	2,278
Research Projects Sponsorship	409,003	361,833
Hire of Boardroom	3,320	7,889
Other Income	670	19,254
	<u>£712,644</u>	<u>£763,636</u>

THE SOCIAL MARKET FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29TH FEBRUARY 2008

5 ANALYSIS OF TOTAL RESOURCES EXPENDED

	-----Charitable Activities-----					
	Costs of Generating Voluntary Income £	Research £	Publications £	Conferences & Seminars £	Governance Costs £	Support Costs £
Payroll Costs	16,047	322,892	219	145,881	20,762	-
Office Costs	-	-	-	-	-	177,846
Other Costs	5,204	11,252	77,008	127,664	-	3,585
Legal and Professional Fees	-	5,647	-	-	7,962	7,039
Direct Costs	21,251	339,791	77,227	273,545	28,724	188,470
Apportioned Support Costs	1,602	84,642	23,728	69,659	8,839	(188,470)
Total 2008	£22,853	£424,433	£100,955	£343,204	£37,563	£ -
						£929,008
Total 2007	£26,211	£340,610	£84,329	£381,505	£31,804	£864,459

Total 2007

Payroll costs are allocated on an actual basis where possible. Where this has not been possible, the pool of unallocated payroll costs has been allocated on the basis of turnover. Non payroll support costs have been allocated on the basis of the direct costs incurred by each activity

The aggregate payroll costs were.

Wages and Salaries
Social Security Costs
Pension Costs

454,495	374,024
41,722	41,417
9,584	-
£505,801	£415,441

No.	No.
13	13

Average number of staff employed by the charity during the financial year was

Net Incoming Resources for the year is stated after charging

Depreciation
Auditors Remuneration
Equipment Operating Lease Costs
Directors Liability Insurance

£	£
8,407	7,102
3,950	4,150
2,963	4,644
656	953

None of the trustees received any remuneration or any reimbursement of expenses during the current or preceding year

THE SOCIAL MARKET FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29TH FEBRUARY 2008

6 TANGIBLE FIXED ASSETS

	Equipment £	Fixtures & Fittings £	Total £
COST			
Brought forward at 1 st March 2007	68,436	15,347	83,783
Additions	3,344	4,700	8,044
Carried Forward at 29 th February 2008	<u>71,780</u>	<u>20,047</u>	<u>91,827</u>
ACCUMULATED DEPRECIATION			
Brought forward at 1 st March 2007	54,618	10,470	65,088
Charge for the year	7,341	1,066	8,407
Carried Forward at 29 th February 2008	<u>61,959</u>	<u>11,536</u>	<u>73,495</u>
NET BOOK VALUE			
At 29 th February 2008	<u>£9,821</u>	<u>£8,511</u>	<u>£18,332</u>
At 1 st March 2007	<u>£13,818</u>	<u>£4,877</u>	<u>£18,695</u>

7 DEBTORS

	2008 £	2007 £
Trade Debtors	153,504	61,551
Prepayments	1,401	-
	<u>£154,905</u>	<u>£61,551</u>

8 CREDITORS

Trade Creditors	5,897	11,680
PAYE and Social Security	16,862	10,696
VAT	27,235	23,392
Accruals and Deferred Income	65,987	18,707
	<u>£115,981</u>	<u>£64,475</u>

9 OPERATING LEASE COMMITMENTS

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

	Property £	Other £	Total 2008 £	Total 2007 £
One year	-	-	-	-
Two to five years	111,500	2,579	114,079	112,349
More than five years	-	-	-	-
	<u>£111,500</u>	<u>£2,579</u>	<u>£114,079</u>	<u>£112,349</u>

10 RELATED PARTY TRANSACTIONS

One of the Foundation's trustees is Chairman of the Esmée Fairburn Foundation. The Social Market Foundation received a grant of £5,000 from the Esmée Fairburn Foundation during the course of the year (2007: £15,000).

11 POST BALANCE SHEET EVENTS

No events occurred subsequent to the year end which require revision of, or disclosure in, the financial statements.

12 TAXATION STATUS

The Foundation is a registered charity and is exempt from Corporation Tax on income applied to charitable activities.

13 PENSION COSTS

During the course of the year the Social Market Foundation set up a stakeholder defined contribution pension scheme through Prudential Assurance for its employees, with the employer contributing at 5% of pensionable salaries. Pension costs are charged as payments to the pension scheme fall due and these are disclosed in Note 5.

14 CAPITAL COMMITMENTS

The Social Market Foundation had not contracted for any capital expenditure at the year end (2007 Nil).