

**THE SOCIAL MARKET FOUNDATION**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY 2009**  
**REGISTERED CHARITY NO: 1000971**  
**COMPANY REGISTERED NO: 2537035**

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**THE SOCIAL MARKET FOUNDATION**  
**REPORT OF THE BOARD OF TRUSTEES**  
**FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY 2009**

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 28<sup>th</sup> February 2009.

**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 30<sup>th</sup> 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 OBE	
David Edmonds CBE	
Daniel Franklin	
Martin Ivens	
Brian Pomeroy CBE	
Lord (David) Lipsey	(Chair)
Graham Mather	

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.

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***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 up to 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 charity'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 2008-09 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

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**Activities**

During the year 2008-09, 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 books and pamphlets on topics related to its objectives as set out above:

**Government effectiveness and competitiveness**

- Ian Mulheirn & Verena Menne, *The Flexible New Deal: Making it work*, Sep 08
- Stephen Evans, Ann Rossiter, Kurt Muller and Verena Menne, *Angloflexicurity: a safety-net for UK workers*, Mar 08

**Public services and the social market**

- Simon Griffiths, Beth Foley, Jessica Prendergrast, *Assertive Citizens: New relationships in the public services*, Feb 09
- Kip Meek, Robin Foster, *Public Service Broadcasting in the United Kingdom: A longer term view*, Nov 08
- Conor Ryan (ed.) *Staying the course: changes to the participation age and qualifications*, Mar 08

**Market incentives and behaviour**

- Jessica Prendergrast, Beth Foley, Verena Menne, Alex Karalis Isaac, *Creatures of habit?: The art of behavioural change*, May 08

**Capability, poverty and cultures**

- Jessica Prendergrast, Beth Foley, Tom Richmond, *Shifting Responsibilities, Sharing Costs: Meeting the mental health challenge for welfare reform*, Sep 08

**Other social market issues**

- Natalie Tarry (ed.), *The New Blue: Conservative candidates on new UK policy challenges*, Sep 08

These publications have been informed by a number of sponsored research projects on these topics, and by a wide range of public debates, seminars and conferences on these and similar issues. 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.

In addition to the publications listed above the Foundation carried out a number of events designed to promote the Charity's aims. These included launches for several of our reports and discussions with Ministers and their Shadows on themes related to the social market, including Philip Hammond and David Willetts for the Conservatives and Hazel Blears, Jacqui Smith and Kitty Ussher for the Labour Party.

A series of 42 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.

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The SMF raised £769,167 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 £61,000 in direct donations from corporate sources.

By the year end fourteen staff were employed on a full time basis to deliver this programme of work, and a team of up to 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 £40,142 compared to £54,209 for the preceding year. As a result, total funds at the disposal of the Foundation fell from £175,207 to £135,065 with net current assets falling from £156,875 to £124,425. The reduction in net expenditure is the result of a £39,659 increase in total incoming resources (reflecting principally increased Conference and Event Sponsorship income and increased Research Project sponsorship income) net of an increase in total resources expended of £25,592 (largely the result of increased payroll costs).

### ***Reserve Policy***

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

- (a) funding dependent on short term contracts subject to fluctuation.
- (b) requiring protection against and the ability to continue operating despite damaging events.

A reserve fund of 12-24 weeks running costs, calculated by 100% overheads is to be held in unrestricted funds. It is aimed to attain this level of reserves by the end of the 2009 -2010 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 12 funders who provided sponsorship of over £20,000 over the course of the year. They were:

<b>Funder</b>	<b>Total value of sponsorship (£)</b>	<b>Nature of sponsored event or research</b>
BBC	78,350	Public Service Broadcasting publication, launch and roundtable event
BUPA	60,000	Health project Business forum
Remploy	53,000	Employment services research
Pfizer	50,000	Health project
Standard Life Healthcare	50,000	Health project
Communities and Local Government	35,000	Behavioural Change research
Aegon	30,000	Events on financial inclusion

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REPORT OF THE BOARD OF TRUSTEES  
FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY 2009**

**FINANCIAL REVIEW (CONTINUED)**

***Principal Funding Sources (Continued)***

<b>Funder</b>	<b>Total value of sponsorship (£)</b>	<b>Nature of sponsored event or research</b>
Identity and Passport Service	27,000	Events on biometrics and identity cards
NHS Connecting for Health	25,000	Health project
EDS	24,750	Mental Health challenges for welfare reform research
Go-Ahead Group	20,000	Fringe events
Food Standards Agency	20,000	Fringe events

Total sponsorship received from these organisations amounted to £473,100. 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.

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**PLANS FOR FUTURE PERIODS**

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 following range of policy areas:

- Economic and fiscal policy
- Designing effective regulation
- Reforming health and social care
- Improving education and skills
- Transforming welfare and labour markets
- Developing housing and transport
- Evolving communications and technology
- Building trust and civil society
- Human incentives and behavioural change
- Energy supply and the environment

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 seminars will be free to attend.

We will continue to attempt to influence those individuals with responsibility for making decisions about the direction of public policy in areas which are currently in need of review, in order to promote a social market approach to public policy.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**Registered Office:**

11 Tufton Street  
 London SW1P 3QB

The Trustees are as reported on page 1.

**Chief Executive Officer:  
 (Acting Director)**

Anne Rossiter  
 Natalie Terry  
 Ian Mulheirn

(Resigned 21 August 2008)  
 (21 August 2008 to 9 October 2008)  
 (Appointed 9 October 2008)

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 -

CMS Cameron McKenna LLP  
 Mitre House  
 160 Aldersgate Street  
 London EC1A 4DD

**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 28<sup>TH</sup> FEBRUARY 2009**

**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.

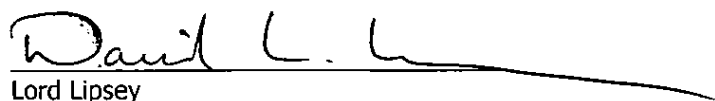
The Trustees confirm that, in the case of each of the persons who are Trustees at the date of this report, the following applies :

- 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 9<sup>th</sup> June 2009 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 28<sup>th</sup> February 2009 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 Trustee's 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 28th February 2009 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

9<sup>th</sup> June 2009

  
Knox Cropper  
Chartered Accountants  
Registered Auditors

**THE SOCIAL MARKET FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY 2009**

	Notes	Total Un- restricted Funds 2009 £	Total Un- restricted Funds 2008 £
<b>INCOMING RESOURCES</b>			
<b>Incoming Resources from Generated Funds</b>			
Voluntary Income	2	76,000	106,000
Investment Income	3	55,566	56,155
		131,566	162,155
<b>Incoming Resources from Charitable Activities</b>	4	782,892	712,644
<b>TOTAL INCOMING RESOURCES</b>		<u>914,458</u>	<u>874,799</u>
<b>RESOURCES EXPENDED</b>			
<b>Costs of Generating Funds</b>			
Costs of Generating Voluntary Income	5	19,411	22,853
<b>Charitable Activities</b>			
Research	5	468,294	424,433
Publications	5	104,723	100,955
Conferences and Seminars	5	329,328	343,204
		902,345	868,592
<b>Governance Costs</b>	5	32,844	37,563
<b>TOTAL RESOURCES EXPENDED</b>		<u>954,600</u>	<u>929,008</u>
<b>NET EXPENDITURE FOR THE YEAR</b>		(40,142)	(54,209)
Total Funds brought forward		175,207	229,416
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>£135,065</u>	<u>£175,207</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.

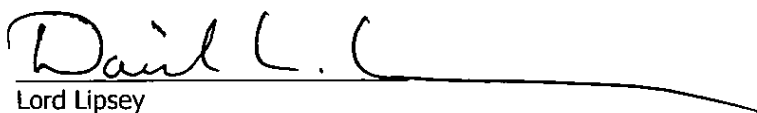
There is no difference between the results as stated and the results on a historical cost basis.

The Charity holds no restricted reserves at the year end. Voluntary income includes a £15,000 donation to contribute towards a specific publication which was fully expended during the year.

**THE SOCIAL MARKET FOUNDATION****BALANCE SHEET****AS AT 28<sup>TH</sup> FEBRUARY 2009**

	Notes	£	2009	£	£	2008	£
<b>FIXED ASSETS</b>							
Tangible Assets	6			10,640			18,332
<b>CURRENT ASSETS</b>							
Debtors	7	194,608			154,905		
Cash at Bank and in Hand		63,566			117,951		
		<u>258,174</u>			<u>272,856</u>		
<b>CREDITORS : Amount falling due within one year</b>	8	<u>133,749</u>			<u>115,981</u>		
<b>NET CURRENT ASSETS</b>				124,425			156,875
<b>TOTAL ASSETS LESS LIABILITIES</b>				<u>£135,065</u>			<u>£175,207</u>
<b>FUNDS</b>							
Unrestricted Funds				135,065			175,207
<b>TOTAL FUNDS</b>				<u>£135,065</u>			<u>£175,207</u>

These financial statements were approved by the Board of Trustees on the 9<sup>th</sup> June 2009 and signed on its behalf by :

  
 Lord Lipsey

**THE SOCIAL MARKET FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY 2009**

**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**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Corporate Subscriptions	61,000	101,000
Grants and Donations	15,000	5,000
	<u>£76,000</u>	<u>£106,000</u>

**3. INVESTMENT INCOME**

Bank Interest Receivable	2,640	7,724
Rent and Service Charges Receivable	52,926	48,431
	<u>£55,566</u>	<u>£56,155</u>

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

Conference and Event Sponsorship	355,619	298,269
Publications	606	1,382
Research Projects Sponsorship	420,048	409,003
Hire of Boardroom	6,489	3,320
Other Income	130	670
	<u>£782,892</u>	<u>£712,644</u>

# THE SOCIAL MARKET FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY 2009

### 5. ANALYSIS OF TOTAL RESOURCES EXPENDED

-----Charitable Activities-----						
	Costs of Generating Voluntary Income £	Research £	Publications £	Conferences & Seminars £	Governance Costs £	Support Costs £
Payroll Costs	11,159	353,810	87	148,647	19,005	-
Office Costs	-	-	-	-	-	162,248
Other Costs	6,555	29,032	83,035	123,473	-	1,756
Legal and Professional Fees	-	1,311	-	-	7,050	7,432
<b>Direct Costs</b>	17,714	384,153	83,122	272,120	26,055	171,436
Apportioned Support Costs	1,697	84,141	21,601	57,208	6,789	(171,436)
<b>Total 2009</b>	£19,411	£468,294	£104,723	£329,328	£32,844	£-
						£954,600
<b>Total 2008</b>	£22,853	£424,433	£100,955	£343,204	£37,563	£929,008

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	473,022	454,495
Social Security Costs	46,184	41,722
Pension Costs	13,502	9,584
	<b>£532,708</b>	<b>£505,801</b>

No.	No.
15	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	8,646	8,407
Equipment Operating Lease Costs	4,300	3,950
Directors Liability Insurance	2,204	2,963
	<b>952</b>	<b>656</b>

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

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**FOR THE YEAR ENDED 28<sup>TH</sup> FEBRUARY 2009**

**6. TANGIBLE FIXED ASSETS**

	Equipment £	Fixtures & Fittings £	Total £
<b>COST</b>			
Brought forward at 1 <sup>st</sup> March 2008	71,780	20,047	91,827
Additions	954	-	954
Carried Forward at 28 <sup>th</sup> February 2009	<u>72,734</u>	<u>20,047</u>	<u>92,781</u>
<b>ACCUMULATED DEPRECIATION</b>			
Brought forward at 1 <sup>st</sup> March 2008	61,959	11,536	73,495
Charge for the year	7,580	1,066	8,646
Carried Forward at 28 <sup>th</sup> February 2009	<u>69,539</u>	<u>12,602</u>	<u>82,141</u>
<b>NET BOOK VALUE</b>			
At 28 <sup>th</sup> February 2009	<u>£3,195</u>	<u>£7,445</u>	<u>£10,640</u>
At 1 <sup>st</sup> March 2008	<u>£9,821</u>	<u>£8,511</u>	<u>£18,332</u>

**7. DEBTORS**

	2009 £	2008 £
Trade Debtors	188,421	153,504
Prepayments	6,187	1,401
	<u>£194,608</u>	<u>£154,905</u>

**8. CREDITORS**

Trade Creditors	31,652	5,897
PAYE and Social Security	9,050	16,862
VAT	30,511	27,235
Accruals and Deferred Income	62,536	65,987
	<u>£133,749</u>	<u>£115,981</u>

**9. OPERATING LEASE COMMITMENTS**

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

	Property £	Other £	Total 2009 £	Total 2008 £
One year	-	-	-	-
Two to five years	-	-	-	114,079
More than five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>£114,079</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 £15,000 from the Esmée Fairburn Foundation during the course of the year (2008: £5,000).

**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**

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 5. Amounts due to the pension scheme at the year end amounted to £2,829 (2008: Nil).

**14. CAPITAL COMMITMENTS**

The Social Market Foundation had not contracted for any capital expenditure at the year end (2008: Nil).