

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

**Report of the Trustees and
Financial Statements for the Year Ended 28 February 2013
for
The Social Market Foundation**

Knox Cropper
8/9 Well Court
London
EC4M 9DN



The Social Market Foundation

**Contents of the Financial Statements
for the Year Ended 28 February 2013**

	Page
Report of the Trustees	1 to 8
Report of the Independent Auditors	9 to 10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13 to 17

The Social Market Foundation

**Report of the Trustees
for the Year Ended 28 February 2013**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 28 February 2013. 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
D Franklin
M Ivens
G Mather
B Pomeroy CBE
M A Sieghart
Lord J Hutton
Baroness J Neuberger
Baroness G Shephard - appointed 30 10 12

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

Auditors
Knox Cropper
8/9 Well Court
London
EC4M 9DN

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

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Office
11 Tufton Street
London SW1P 3QB

The Trustees are as reported on page 1

Chief Executive Officer Ian Mulheirn

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

Clifford Chance LLP
10 Upper Bank Street,
London, E14 5JJ

Auditors

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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 Director of Research 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 2012-13 were to publish papers and stimulate debate in each of the five areas of public policy:

- Economic and fiscal policy
- Education and skills
- Transforming welfare and labour markets
- Reforming financial services
- Public service reform

OBJECTIVES AND ACTIVITIES

Significant activities

During the year 2012-13, 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, pamphlets and events on topics related to its objectives as set out above.

Economic and fiscal policy

- Ian Mulheirn, Nida Broughton, Ben Lucas and Henry Kippin, *Fiscal Fallout: The challenge ahead for public spending and public services*, November 2012
- SMF Chalk & Talk, "Too few homes and too many people", with Professor Steve Nickell, 28th February 2013
- SMF Chalk & Talk, "How much is enough? Wealth and economic progress" with Lord Robert Skidelsky, 17th January 2013
- SMF Chalk & Talk, "Industrial policy: past, present and future", with Professor Nicholas Crafts, 29th November 2012
- SMF keynote speech, "In conversation with Lord Heseltine and Chuka Umunna MP", 21st November 2012
- SMF seminar, *Entrepreneurship literature review*, with Kitty Usher and Nida Broughton, 9th November 2012
- SMF seminar, "Masters of the Universe: Hayek, Friedman, and the birth of neoliberal politics", with Daniel Steadman-Jones, 1st November 2012
- SMF seminar, *Entrepreneurship literature review*, with Kitty Usher and Nida Broughton, 26th October 2012
- SMF Chalk & Talk, "Towards a selective industrial policy", with Professor Ha-Joon Chang, 3rd May 2012
- SMF seminar, "Finance and the good society", with Professor Robert Shiller, 1st May 2012
- SMF Chalk & Talk, "The economy of obligation", with Professor Avner Offer, 26th April 2012

Education and skills

- Nida Broughton, *In the balance: the STEM human capital crunch*, March 2013
- John Springford and Ian Mulheirn, *Britain's got talent: unlocking the demand for skills*, July 2012
- SMF keynote speech "The progressive betrayal", with Rt Hon Michael Gove MP, 5th February 2013
- SMF Chalk & Talk, "Teaching talent: raising quality in education", with Professor Chris Husbands, 6th September 2012
- SMF Chalk & Talk, "Learning to earn? Appraising the UK's human capital policy", with Professor Anna Vignoles, 31st May 2012
- SMF Chalk & Talk, "Building a high-quality early years education system", with Professor Kathy Sylva, 8th March 2012

Transforming welfare and labour markets

- Nigel Keohane and Ryan Shorthouse, *Sink or swim? The impact of the Universal Credit*, September 2012
- SMF Chalk & Talk "Equality and the welfare state", with Professor John Hills, 31st January 2013
- SMF keynote speech, "From cradle to grave: rethinking the future of welfare", with Rt Hon Liam Byrne MP, 22nd July 2012
- SMF Chalk & Talk, "Is Britain's problem lazy bosses?", with Professor John Van Reenen, 14th June 2012

Reforming financial services

- Nigel Keohane, *Jam tomorrow? The next 20 years of savings policy*, November 2012
- SMF seminar "Paying your dues: tackling aggressive tax avoidance", with Michael Meacher MP and Dr Evan Harris, 12th July 2012
- SMF seminar "Paying your dues: closing the excise gap", with Paul Keane and Christine Macqueen, 26th April 2012
- SMF seminar "Paying your dues: closing the business tax gap", with Richard Murphy and Vanessa Houlder, 27th March 2012

Public service reform

- Nida Broughton, Nigel Keohane, Ryan Shorthouse, *A future state of mind: facing up to the dementia challenge*, December 2012
- SMF Chalk & Talk, "Resources in demand: how can the NHS beat the funding crisis?" with Paul Corrigan, 15th November 2012
- SMF Chalk & Talk, "Health, jobs and financial crises: networks and policy in the 21st century", with Paul Ormerod, 25th October 2012
- SMF Chalk & Talk, "Postcode economies: will tax decentralisation drive growth or entrench disadvantage?", with Tony Travers, 5th July 2012
- SMF keynote speech, "Reviewing the rehabilitation revolution", with Rt Hon Crispin Blunt MP, 6th March 2012

OBJECTIVES AND ACTIVITIES

Significant activities

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 28 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 £514,793 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 £27,500 in direct donations from corporate sources.

By the year end six 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 volunteers 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.

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.

FINANCIAL REVIEW

Principal funding sources

We had 13 funders who provided sponsorship of over £20,000 over the course of the year. They were

Funder Nature of sponsored event or research

Sponsorship of £20,000 or more

John Lewis: Events and research on business ownership

Lily UK: Research into policy towards Dementia

Home Group: Research and events on justice policy

Greater London Authority: Evaluation of the London Skills Observatory

Standard Life Employee Services: Debates on pension reform

B&CE Benefit Schemes: Debates on auto-enrolment

Universities UK: Debates on the future of Higher Education

Payments Council: Debates on competition in retail banking

Dimensional Fund Advisers: Conference event on pensions and risk

TSL Education: Debates on schools reform

Provident Financial: Research on low-income families

Provident Financial: Research on low-income families

Engineering UK: Research into UK STEM skills

Total sponsorship received from these organisations amounted to £386,729. 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.

Overview

The Foundation disclosed net income for the year of £957 compared to £37,235 for the preceding year. As a result, total funds at the disposition of the Foundation increased from £194,997 to £195,954 with net current assets increasing from £185,974 to £190,059. The increase in net income is the result of a £18,698 increase in total incoming resources (reflecting increased sponsorship income) combined with a £54,976 increase in total resources expended (reflecting increased research project costs and 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 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 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

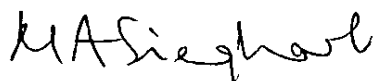
AUDITORS

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

The Social Market Foundation

**Report of the Trustees
for the Year Ended 28 February 2013**

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

12 June 2013

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

We have audited the financial statements of The Social Market Foundation for the year ended 28 February 2013 on pages eleven to seventeen. 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. 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 28 February 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 in preparing the Report of the Trustees



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

12 June 2013

The Social Market Foundation

**Statement of Financial Activities
for the Year Ended 28 February 2013**

		2013 Unrestricted funds £	2012 Total funds £
	Notes		
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	32,500	47,650
Investment income	3	60,004	60,712
Incoming resources from charitable activities			
Conference and Event Sponsorship	4	248,508	265,695
Publications		188	584
Research Projects Sponsorship		266,285	211,208
Hire of Boardroom		2,210	3,892
Other Income		410	1,666
Total incoming resources		610,105	591,407
RESOURCES EXPENDED			
Costs of generating funds			
Costs of generating voluntary income	5	7,157	14,680
Charitable activities			
Conference and Event Sponsorship	6	210,314	243,117
Publications		23,728	20,554
Research Projects Sponsorship		338,978	245,618
Governance costs	8	28,971	30,203
Total resources expended		609,148	554,172
NET INCOMING RESOURCES		957	37,235
RECONCILIATION OF FUNDS			
Total funds brought forward		194,997	157,762
TOTAL FUNDS CARRIED FORWARD		195,954	194,997

The notes form part of these financial statements

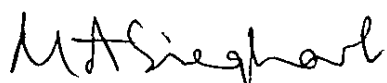
The Social Market Foundation

Balance Sheet
At 28 February 2013

		2013	2012
		Unrestricted	Total
		funds	funds
	Notes	£	£
FIXED ASSETS			
Tangible assets	12	5,895	9,023
CURRENT ASSETS			
Debtors	13	166,164	68,524
Cash at bank		142,543	209,117
		<u>308,707</u>	<u>277,641</u>
CREDITORS			
Amounts falling due within one year	14	(118,648)	(91,667)
NET CURRENT ASSETS		<u>190,059</u>	<u>185,974</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>195,954</u>	<u>194,997</u>
NET ASSETS		<u>195,954</u>	<u>194,997</u>
FUNDS	17		
Unrestricted funds		<u>195,954</u>	<u>194,997</u>
TOTAL FUNDS		<u>195,954</u>	<u>194,997</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 12 June 2013 and were signed on its behalf by



M A Sieghart -Trustee

Company No. 02537035

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

	2013	2012
	£	£
Grants and Donations	5,000	15,150
Corporate Subscriptions	27,500	32,500
	<u>32,500</u>	<u>47,650</u>

3. INVESTMENT INCOME

	2013	2012
	£	£
Rent and Service Charges Receivable	59,078	60,699
Deposit account interest	926	13
	<u>60,004</u>	<u>60,712</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2013	2012
	£	£
Conference and Event Sponsorship	248,508	265,695
Publications	188	584
Research Projects Sponsorship	266,285	211,208
Hire of Boardroom	2,210	3,892
Other Income	410	1,666
	<u>517,601</u>	<u>483,045</u>

5. COSTS OF GENERATING VOLUNTARY INCOME

	2013	2012
	£	£
Rates and water	178	250
Insurance	1,244	3,284
Support costs	5,735	11,146
	<u>7,157</u>	<u>14,680</u>

6. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Totals
	£	(See note 7)	£
Conference and Event Sponsorship	126,527	83,787	210,314
Publications	17,621	6,107	23,728
Research Projects Sponsorship	220,021	118,957	338,978
	<u>364,169</u>	<u>208,851</u>	<u>573,020</u>

7 SUPPORT COSTS

	Office Costs £	Other Costs £	Legal & Professional Fees £	Support Staff £	Totals £
Costs of generating voluntary income	479	1	16	5,239	5,735
Governance costs	7,175	14	252	-	7,441
Conference and Event Sponsorship	42,173	76	1,481	40,057	83,787
Publications	5,872	10	207	18	6,107
Research Projects Sponsorship	73,352	132	2,575	42,898	118,957
	<u>129,051</u>	<u>233</u>	<u>4,531</u>	<u>88,212</u>	<u>222,027</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

	2013 £	2012 £
Staff costs	17,080	16,533
Auditors' remuneration	4,450	4,450
Support costs	7,441	9,220
	<u>28,971</u>	<u>30,203</u>

9 NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	2013 £	2012 £
Auditors' remuneration	4,450	4,450
Depreciation - owned assets	3,128	3,166
Hire of plant and machinery	1,969	1,689
Directors Liability Insurance	487	490
	<u></u>	<u></u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 28 February 2013 nor for the year ended 29 February 2012

Trustees' expenses

There were no trustees' expenses paid for the year ended 28 February 2013 nor for the year ended 29 February 2012

Notes to the Financial Statements - continued
for the Year Ended 28 February 2013

11. STAFF COSTS

	2013 £	2012 £
Wages and salaries	299,818	270,510
Social security costs	33,726	29,593
Other pension costs	8,668	5,228
	<u>342,212</u>	<u>305,331</u>

12. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 March 2012 and 28 February 2013	<u>80,532</u>	<u>20,160</u>	<u>100,692</u>
DEPRECIATION			
At 1 March 2012	75,957	15,712	91,669
Charge for year	<u>1,950</u>	<u>1,178</u>	<u>3,128</u>
At 28 February 2013	<u>77,907</u>	<u>16,890</u>	<u>94,797</u>
NET BOOK VALUE			
At 28 February 2013	<u>2,625</u>	<u>3,270</u>	<u>5,895</u>
At 29 February 2012	<u>4,575</u>	<u>4,448</u>	<u>9,023</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade debtors	102,268	18,256
Prepayments and accrued income	<u>63,896</u>	<u>50,268</u>
	<u>166,164</u>	<u>68,524</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	1,919	9,159
Social security and other taxes	8,424	9,273
VAT	43,731	37,239
Accruals and deferred income	<u>64,574</u>	<u>35,996</u>
	<u>118,648</u>	<u>91,667</u>

Notes to the Financial Statements - continued
for the Year Ended 28 February 2013

15. OPERATING LEASE COMMITMENTS

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

	2013 £	2012 £
Expiring		
Within one year	660	-
Between one and five years	81,920	84,624
	<u>82,580</u>	<u>84,624</u>

16. PENSION COMMITMENTS

The Social Market Foundation contributes to a stakeholder defined contribution pension scheme on behalf of its employees, with the employer contributing at 5% of pensionable salaries. Pension costs are charged as payments to the pension scheme fall due. These are disclosed in Note 5. Amounts due to the pension scheme at the year end amounted to £1,524 (2012 £4,126).

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.