

**Social
Care Institute
for
Excellence**

**Annual Report and Financial
Statements**

31 March 2014

Company Limited by Guarantee
Registration Number
04289790 (England and Wales)

Charity Registration Number
1092778

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Reference and administrative information

Status	<p>Social Care Institute for Excellence (SCIE) is a charitable company limited by guarantee, incorporated on 19 September 2001 and registered as a charity on 3 July 2002.</p> <p>In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.</p>
Governing document	<p>The organisation was established under a memorandum of association, which established the objects and powers of the organisation, and is governed under its articles of association.</p>
Trustees	<p>Lord Michael Bichard David Archibald Tina Coldham Alex Fox Peter Hay Sukhvinder Kaur-Stubbs Mario Kreft Ann Macfarlane Fionnuala McAndrew Mary McKenna Terry Moran Bev Searle Sally Warren</p>
Company secretary	<p>Stephen Goulder</p>
Chief executive	<p>Andrea Sutcliffe (until 4 October 2013) Tony Hunter (from 6 January 2014)</p>
Senior executives	<p>Amanda Edwards (Director of Knowledge and Evidence) Stephen Goulder (Director of Operations) Ewan King (Director of Business Development and Delivery from 8 September 2014)</p>
Registered and principal office	<p>2nd Floor 206 Marylebone Road London NW1Y 6AQ T: +44 (0)20 7535 0900 E: info@scie.org.uk W: www.scie.org.uk</p>
Company registration number	<p>04289790 (England and Wales)</p>
Charity registration number	<p>1092778</p>
Auditor	<p>Buzzacott LLP 130 Wood Street London EC2V 6DL</p>

Reference and administrative information

Solicitor	Anthony Collins Solicitors LLP St Philip's Gate 5 Waterloo Street Birmingham B2 5PG
Banker	Barclays Bank plc Public Sector Team Level 27 1 Churchill Place London E14 5HP

Trustees' report (including the strategic report) Year to 31 March 2014

The trustees of the Social Care Institute for Excellence (SCIE) present their trustees' report (including the strategic report) together with the financial statements for the year ended 31 March 2014.

The report has been prepared in accordance with Part VIII of the Charities Act 2011 and constitutes a directors' report as required by the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 23 to 25 of the attached financial statements and comply with the charity's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

How SCIE works

SCIE's charitable object

As set out in the memorandum and articles of association, SCIE's object is the 'relief of need arising from youth, illness, disability, old age or poverty, by the review, provision and dissemination of knowledge of, and guidelines for, good practice, and other information, to persons who use, work in or are otherwise involved in social care'.

To fulfil its charitable object, SCIE conducts its work under three core functions:

- creating a knowledge base about what works in social care;
- translating the findings into good practice guidance to improve practice and service delivery; and
- disseminating this guidance across the social care sector.

These activities are reflected in SCIE's achievements, developments and future plans, which are organised by strategic priorities in the following pages.

Statement of trustees' responsibilities

The trustees (who are also directors of SCIE for the purposes of company law) are responsible for preparing the trustees' report and 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. Under company law the trustees must not approve the financial statements unless they are satisfied that they 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

Trustees' report (including the strategic report) Year to 31 March 2014

How SCIE works (continued)

Statement of trustees' responsibilities (continued)

- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SCIE's board of trustees

Up to 15 people are able to sit on SCIE's board of trustees. At the time of this report, the board had 13 members, including its chair.

New trustees are elected by existing trustees (the Secretary of State for Health being entitled to nominate three trustees, the Welsh Government one trustee and the Department of Health, Social Services and Public Safety (DHSSPS) in Northern Ireland one trustee) and serve for a term of three years before retiring from office. Retiring trustees can be nominated to serve a second consecutive term provided that no trustee serves more than two consecutive terms of office, except with the unanimous support of all the other trustees. Constant regard is paid to the skills mix of the trustees to ensure that they have all the necessary skills required to contribute fully to the charity's development.

Trustees' report (including the strategic report) Year to 31 March 2014

How SCIE works (continued)

SCIE's board of trustees (continued)

On agreeing to become a trustee of the charity, the trustees are thoroughly briefed by their co-trustees on the history of the charity, the day-to-day management, the responsibilities of the trustees, the current objectives and future plans. The trustees are also encouraged to attend any courses which they feel are relevant to the development of their role, and to keep up-to-date on any changes in legislation.

The board of trustees is supported by three sub-committees comprising of the Audit Committee, the Remuneration Committee and the Business Development Committee. All three committees meet throughout the year.

The following trustees were in office at the time this report was approved and served throughout the year, except where shown:

Trustee	Appointed/resigned	Audit Committee	Remuneration Committee
Lord Michael Bichard (Chair)	Appointed 2 April 2013		
Nadra Ahmed	Appointed 5 July 2007 Resigned 21 November 2013		
David Archibald	Appointed 16 November 2011		
Tina Coldham	Appointed 22 March 2012		
Alex Fox	Appointed 17 September 2013		
Peter Hay	Appointed 17 September 2013		
Samantha Hudson	Appointed 1 September 2010 Resigned 18 July 2013	Member	
Sukhvinder Kaur - Stubbs	Appointed 19 November 2009	Chair	
Mario Kreft	Appointed 20 January 2011		
Mike Lauerman	Appointed 27 March 2008 Resigned 20 March 2014		Chair
Ann Macfarlane	Appointed 1 January 2007		
Fionnuala McAndrew	Appointed 24 May 2014		
Mary McKenna	Appointed 17 September 2013	Member	
Terry Moran	Appointed 17 September 2013	Member	
Joanne Munyard	Appointed 5 July 2007 Resigned 23 April 2013	Member	
Stephanie Palmerone	Appointed 19 November 2009 Resigned 20 March 2014	Member	
Bev Searle	Appointed 17 September 2013		
Ian Sutherland	Appointed 27 March 2008 Resigned 20 March 2014		
Sally Warren	Appointed 17 September 2013		

Trustees' report (including the strategic report) Year to 31 March 2014

How SCIE works (continued)

SCIE's board of trustees (continued)

Lord Michael Bichard was appointed as the new chair and commenced work with SCIE in April 2013.

During the year, with the express permission of the Charity Commission and in accordance with provisions set out in the charity's memorandum of association, the chair of the board of trustees was paid £37,961 (2013 – £34,940) for services undertaken in the administration of SCIE. Two other trustees were paid a total of £13,200 (2013: two trustees - £13,200) on the same basis.

Out of pocket travelling and subsistence expenses totalling £7,303 (2013 – £8,521) were reimbursed to 13 (2013 – 10) trustees during the year. The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £6,360 (2013 - £6,000) and provides cover of up to a maximum of £2 million (2013 - £2 million).

The charity made payments of £25,338 to the Office for Public Management, £445 to ACEVO and £2,744 to the Association of Directors of Adult Services. These payments related to provision of services at arm's length from which no trustee benefited. To ensure full transparency, it is confirmed that Sukhvinder Kaur-Stubbs is a Senior Fellow at the Office of Public Management and a member of ACEVO, and David Archibald is member of Association of Directors of Adult Services.

Structure

The chief executive and senior staff attend, and provide reports to, regular meetings of the board of trustees. This enables the business of the board, including strategy development and governance, to be undertaken collaboratively and in accordance with good practice. The chief executive manages the day-to-day business through the Executive Management Group.

Through involvement of staff representatives, circulation of papers, and via the SCIE intranet, there is wide communication of board discussions and decisions to staff members.

Employees

SCIE is an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, race, colour, nationality, religion, ethnic or national origin, gender, marital status, sexual orientation or disability.

Selection criteria and procedures are reviewed regularly to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunities and, where appropriate and possible, special training to enable them to progress both within and outside the organisation.

Trustees' report (including the strategic report) Year to 31 March 2014

How SCIE works (continued)

Co-production Network

The Co-production Network involves users and carers in shaping and influencing SCIE's work. The Network works with SCIE on its work programme, priorities and performance.

Building on SCIE's strong reputation for working with service users and carers, the Co-production Network met during the year, chaired by a SCIE trustee (who is also a user of services), to hold the organisation to account for ensuring the core value of the organisation continued to underpin its overall business plan.

STRATEGIC REPORT

Annual performance

Our objectives and activities for 2013-14

At its meeting held in March 2013, the board agreed seven key objectives for SCIE to achieve during 2013-14.

Objective 1: To consolidate SCIE's position throughout England, Wales and Northern Ireland as the leading agency recognised for evidence based improvement of the social care and support system.

During 2013-14, SCIE:

- ◆ Established new collaborative agreements with a range of social care organisations and stakeholders.
- ◆ Influenced the development of policy, particularly through its involvement in planning support for the implementation of the Care Act.
- ◆ Supported the *Towards Excellence in Adult Social Care* (TEASC) programme board working with councils to improve performance in adult social care.
- ◆ Hosted the *Think Local Act Personal (TLAP) partnership*. We participated in its leadership, provided communications, back office, and logistic support.

Objective 2: Deliver a programme of commissioned work for the Department of Health (DH), Department for Education, Welsh Assembly Government, Northern Ireland Assembly and other agencies that can help to improve the experience of people who use services, their families and carers.

During 2013-14, SCIE completed a work programme for DH that included the publication of guidance on:

- ◆ GP services for older people living in residential care: a guide for care home managers.
- ◆ Older people with complex needs living at home.
- ◆ Supporting better services in adult safeguarding: housing.

Trustees' report (including the strategic report) Year to 31 March 2014

STRATEGIC REPORT (continued)

Annual performance (continued)

Our objectives and activities for 2013-14 (continued)

- ◆ What co-production is and how to do it.
- ◆ Personal Budgets: outcomes and effectiveness in social care and health.

We also revised and refreshed content for:

- ◆ Dignity.
- ◆ Dementia gateway.
- ◆ Partnering carers in delivering support and care.

Digital services

SCIE released new e-learning modules during the year, including:

- Integration step by step, a resource to support the development of integrated working and service.
- What is co-production and how to do it.
- Adult safeguarding: supporting induction.
- Research and learning in End of Life Care.
- Eleven new social care TV films were all produced and released.
- SCIE redeveloped and relaunched Social Care Online, a unique database of research in social care and social work.

Wales

The Welsh Government commissioned SCIE to conduct a review of models of regulation of social care that set out the underpinning conceptual models for service, workforce and training regulation in social work and social care.

Northern Ireland

Work was concluded on two key components of SCIE's work programme in Northern Ireland. The review of the role of Senior and Principal Social Worker Practitioners has delivered the required outputs and the research review of kinship care was completed in May 2014.

STRATEGIC REPORT (continued)

Annual performance (continued)

Our objectives and activities for 2013-14 (continued)

Objective 3: Develop innovative products and resources, exploiting in particular the opportunities offered by digital technology.

During 2013-14, SCIE:

- ◆ Continued to offer 'Learning Together,' a resource that supports learning from serious case reviews for children. SCIE has also provided training to safeguarding training boards and to other agencies.
- ◆ SCIE was contracted by the Health Quality Improvement Partnership to support the introduction of audit into social care through the development of an online audit tool for dementia services.
- ◆ Offered training and consultancy services in adult safeguarding and mental capacity.

Objective 4: Establish, launch and develop the NICE Collaborating Centre for Social Care (NCCSC) and commence production of six guidelines as commissioned by NICE.

During 2013-14 five guideline projects were at various stages with projects to support dissemination and adoption of four NICE Quality Standards and working with the Guidance Development Group (GDG) Chair and colleagues in NICE and the Prescribing Centre to produce a needs assessment and plan for the guideline on managing medicines in care homes. We continue to meet all our KPIs and NICE was satisfied with our performance at the quarterly contract review meeting in January. NCCSC directorate staff and a number of SCIE staff from the Institute on Development and Disability (IDD) and Corporate Services Directorates (as well as our partners in the Personal Social Services Research Unit, Eppi Centre (Centre for Evidence in Policy and Practice and Research in Practice for Adults)) have made a significant contribution to the sound achievement in the first year of the contract.

Objective 5: Strengthen the co-productive voice of people who use services, their families and carers in all aspects of our work.

SCIE has established and implemented its new strategy "Towards Co-production" including developing SCIE's new Co-production network, to strengthening internal user/carer involvement policies and processes. It aims to ensure that co-production is at the heart of all we do.

Objective 6: Enable our staff through personal development, good communications and clear direction to make an effective contribution to the delivery of our objectives.

SCIE has reshaped its organisational structure to deliver its business objectives for 2013-14 and reduce staff costs in line with the likely reduction in overall income and to remain competitive. The new organisational structure consisted of two business units supported by one corporate services function. A further refreshment of the structure was undertaken, following the appointment of Tony Hunter, developing the executive team roles further to become:

Trustees' report (including the strategic report) Year to 31 March 2014

STRATEGIC REPORT (continued)

Annual performance (continued)

Our objectives and activities for 2013-14 (continued)

- ◆ Director of Evidence and Guidance who directly manages the research analysts and information scoping and searching team, and leads the NICE Collaborating Centre for Social Care.
- ◆ Director of Business Development and Delivery who is responsible for all fees for service (commissions, sales etc) business activity.
- ◆ Director of Operations who leads the Digital, Finance, HR, IT and facilities teams and is responsible for business systems and resource management.

The new structure was implemented with effect from 2 June 2014.

Objective 7: Operate within the agreed income and expenditure budget, seeking efficiencies and new sources of income to deliver a balanced budget for 2014-15.

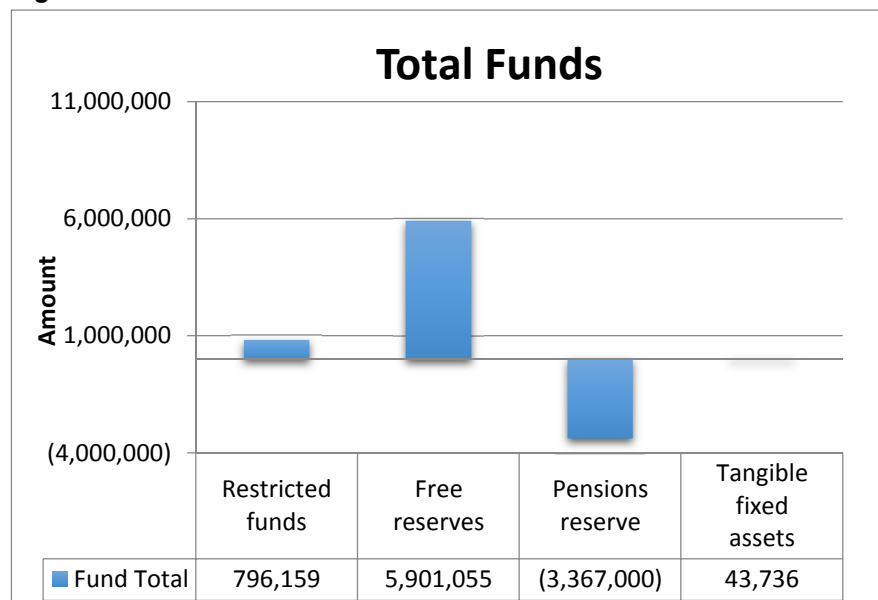
Two key projects were completed and delivered during the year that reduced cost and improved efficiency:

- ◆ SCIE completed the relocation of its office accommodation over the period 24-27 October 2013 and reopened on the 28 October 2013.
- ◆ Upgrading of our IT Platform from Window XP to Windows 7. This moved SCIE from an obsolete platform to one that will support enhancements in our key business applications and support end to end business systems.

Financial review for 2013-14

The financial position at the end of the year is set out below.

Figure 1: Total funds:



Trustees' report (including the strategic report) Year to 31 March 2014

STRATEGIC REPORT (continued)

Financial review for 2013–14 (continued)

The balance sheet shows total funds of £3,373,950 at 31 March 2014. At this date, restricted funds amounted to £796,159. These monies have either been restricted for use on specific projects or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

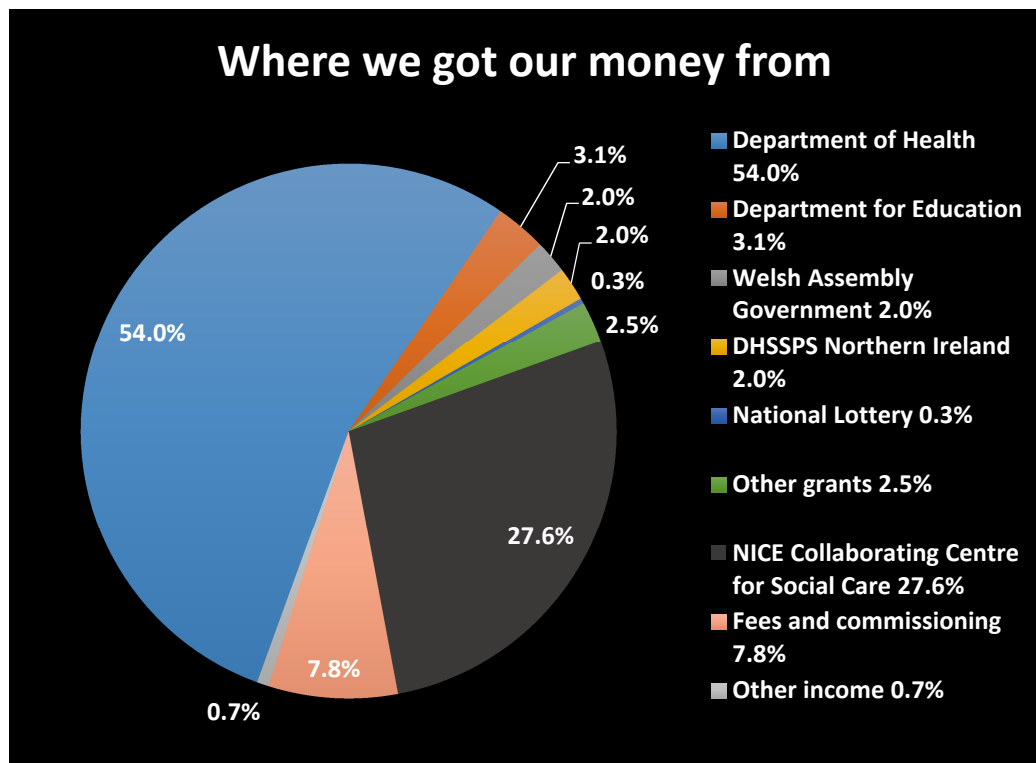
£43,736 of the total funds is represented by tangible fixed assets held under unrestricted funds.

The actuaries have calculated SCIE's share of the deficit on the defined benefit pension fund at 31 March 2014 to be £3,367,000. For further information, see note 16 of the financial statements.

The remaining general funds of SCIE (being unrestricted funds excluding tangible fixed assets but before the defined benefit pension fund liability) are 'free reserves' and total £5,901,055 at 31 March 2014.

SCIE received its income mainly in the form of grants and spent its money on charitable activities set out in contracts and agreements.

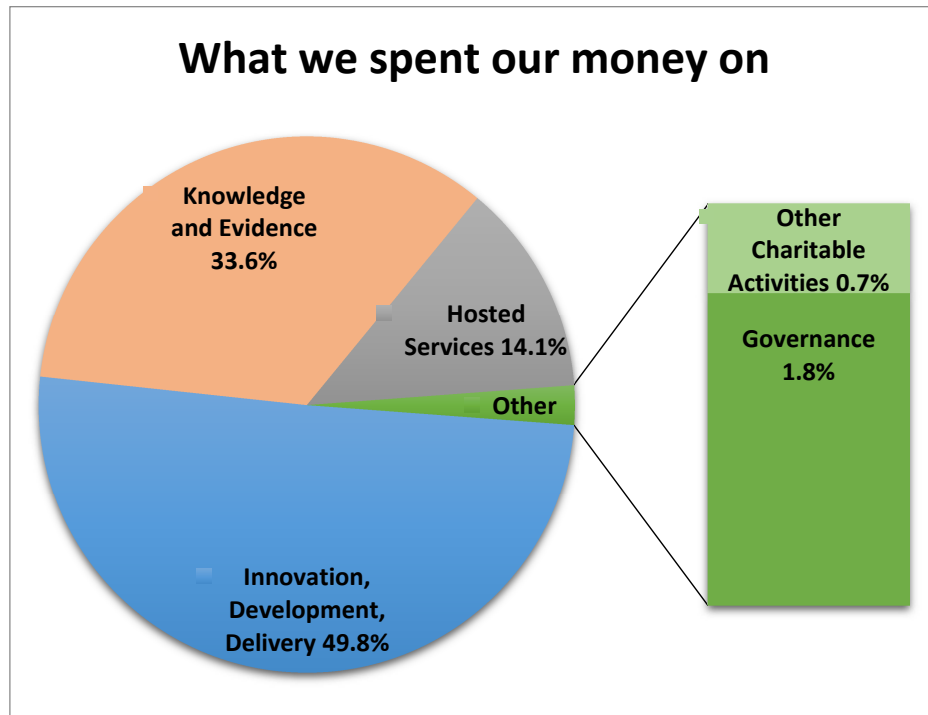
Figure 2: Incoming resources



STRATEGIC REPORT (continued)

Financial review for 2013–14 (continued)

Figure 3: Resources expended



Future plans

SCIE has reviewed its vision and values that are now:

Vision

We improve the quality of care and support services for adults and children by:

- ◆ Identifying and sharing knowledge about what works and what's new.
- ◆ Supporting people who plan, commission, deliver and use services to put that knowledge into practice.
- ◆ Informing, influencing and inspiring the direction of future practice and policy.

Values

- ◆ **Co productive and collaborative:** We co-produce our work with people who use services and their carers to identify what works and how that knowledge can be put into practice. We promote equality and value diversity and human rights. We collaborate with partners to influence future policy and practice to increase our reach and impact.

STRATEGIC REPORT (continued)

Future plans (continued)

Values (continued)

- ◆ **Innovative and customer-focused:** We meet the changing needs of our diverse audiences and customers with new and better services and products that support the delivery of high quality services.
- ◆ **Enterprising and expert:** We seek new opportunities to promote our knowledge and skills throughout the care and support and other sectors. Our work is based on a rigorous approach to identifying good and developing practice.

We believe that our strapline –*Sharing Knowledge, Improving Lives* - still encapsulates our vision and values.

In response to this strategic context, SCIE has begun a programme of transformation to enable it to become a sustainable and vibrant organisation.

To support the transformation programme, the responsibility of Directors has been reviewed and, following the retirement of the Director of Innovation and Development, a post of Director of Business Development and Delivery established. This will be part of a more distributed, team based, leadership style that will be supported by a programme of organisational development.

The strategic context and the key themes of the transformation programme have informed the development of SCIE's key business objectives:

- ◆ Build SCIE's position as the leading knowledge and evidence based agency recognised for supporting improvement of the social care and support system.
- ◆ Deliver a programme of commissioned work for the DH that supports the implementation of the Care Act and delivery of social care reform.
- ◆ Agree with the Welsh Assembly Government and Northern Ireland Assembly programmes of work that meet their priorities.
- ◆ Deliver the requirements of our contract with NICE to provide the NCCSC, continue the development of six guidelines and support the implementation of five NICE quality standards and one NICE guideline.
- ◆ Ensure that the co-productive voice of people who use services, their families and carers is included in all aspects of our work through the way we operate and the products and services we deliver.
- ◆ Build a commercial offer that is founded on excellent relationships with funders and stakeholders, innovative products and services whose impact is measured, and are promoted through SCIE's digital presence.

STRATEGIC REPORT (continued)

Future plans (continued)

Values (continued)

- ◆ Enable our staff, through a programme of organisational and personal development, good communications and clear objectives, to support the delivery of our business objectives.

- ◆ Operate within the agreed income and expenditure budget, seeking efficiencies and new sources of income that minimise SCIE's operational deficit at 31 March 2015.

Principal risks and uncertainties

Risks and opportunities

The trustees have assessed the major risks to which SCIE is exposed, in particular those relating to the specific operational areas of the charity and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by SCIE, they have established effective systems to mitigate these risks.

One of the key risks SCIE faces is its dependency on the Department of Health (DH) for the majority of its funding. To mitigate this risk the trustees are developing plans for SCIE to diversify its funding base.

Trustees have also taken care to minimise risk in the production of SCIE's good practice guidance by ensuring that its products are tested, reviewed and quality assured.

Policies

Reserves policy

SCIE carries out a diverse range of activities, some of which comprise short-term and externally-funded projects, whilst others are long-term projects requiring significant ongoing financial commitment and investment.

The trustees have examined the requirement for free reserves, that is, those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. This has been undertaken by a regular consideration of pension liabilities both by the audit committee and the board of trustees, including the information from the triennial review and FRS17 valuation. The trustees have assessed the risks arising from a more uncertain future.

In the current climate, SCIE is determined to keep a level of reserves commensurate with balancing the need to release funds for new streams of income generation with keeping sufficient funds available for liabilities that could arise in the pension scheme and in relation to contracts.

Trustees' report (including the strategic report) Year to 31 March 2014

STRATEGIC REPORT (continued)

Policies (continued)

Reserves policy (continued)

The level of free reserves was £5,901,055 at 31 March 2014. The trustees consider that this level of free reserves is adequate and provides a solid foundation to support SCIE's transformation by enabling investment in the development of its commercial offer, diversification of sources of income, and meeting its future liabilities. The reserves policy will be kept under regular review.

Commissioned work

The DH has made a grant of up to £2,500,000 available to SCIE for 2014-15 which is in accordance with expectations.

Funding from Northern Ireland and Wales was agreed after negotiations.

Investment policy

SCIE does not have long-term investments. Funds that are surplus to requirements in the short term are kept on treasury deposit.

The charity's assets

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements (see note 9).

Trustees' report (including the strategic report) approved by the trustees and signed on their behalf by:

Lord Michael Bichard
Trustee

Approved by the trustees on: 18 September 2014

Independent auditor's report 31 March 2014

Independent auditor's report to the members of Social Care Institute for Excellence

We have audited the financial statements of Social Care Institute for Excellence for the year ended 31 March 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 the auditor

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, the trustees 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 (APB'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 trustees' report (including the strategic report) to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Independent auditor's report 31 March 2014

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 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 trustees' report (including the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

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
- ◆ the financial statements are not in agreement with the accounting records; 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.

Amanda Francis, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 September 2014

Statement of financial activities Year to 31 March 2014

	Notes	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
<i>Income and expenditure</i>					
Incoming resources					
Incoming resources from generated funds					
. Interest receivable		39,263	—	39,263	73,545
Incoming resources from charitable activities					
. Contracts, grants, service level agreements and fees receivable	1	2,517,348	3,965,764	6,483,112	4,960,596
Other incoming resources		36,131	9,402	45,533	399,462
Total incoming resources		2,592,742	3,975,166	6,567,908	5,433,603
Resources expended					
Charitable activities					
. Provision and dissemination of knowledge and good practice in social care	2	3,706,151	4,328,246	8,034,397	9,364,808
Governance costs	3	150,382	—	150,382	173,083
Total resources expended		3,856,533	4,328,246	8,184,779	9,537,891
<i>Statement of total recognised gains and losses</i>					
Net outgoing resources for the year i.e. net expenditure	5	(1,263,791)	(353,080)	(1,616,871)	(4,104,288)
Other recognised gains and losses					
Actuarial gains in respect to defined benefit pension scheme	16	2,361,000	—	2,361,000	256,000
Net movement in funds		1,097,209	(353,080)	744,129	(3,848,288)
Fund balances brought forward at 1 April 2013		1,480,582	1,149,239	2,629,821	6,478,109
Fund balances carried forward at 31 March 2014		2,577,791	796,159	3,375,950	2,629,821

All of the charity's activities derived from continuing operations during the above two financial periods.

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet 31 March 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	9		43,736		325,150
Current assets					
Debtors	10	475,364		775,990	
Short term deposits		5,500,000		6,000,000	
Cash at bank and in hand		1,549,904		2,605,089	
		7,525,268		9,381,079	
Creditors: amounts falling due within one year	11	(828,054)		(1,526,408)	
Net current assets			6,697,214		7,854,671
Total net assets excluding pension liability			6,740,950		8,179,821
Pension liability	16		(3,367,000)		(5,550,000)
Total net assets including pension liability			3,373,950		2,629,821
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	13		796,159		1,149,239
Unrestricted funds					
. General fund					
.. Free reserves			5,901,055		6,705,432
.. Pension reserve	16		(3,367,000)		(5,550,000)
			2,534,055		1,155,432
. Tangible fixed assets fund			43,736		325,150
			3,373,950		2,629,821

Approved by the trustees
and signed on their behalf by:

Sukhvinder Kaur-Stubbs
Trustee
Approved on: 18 September 2014

Company Registration No. 04289790 (England and Wales)

Charity Registration No.1092778

Cash flow statement Year to 31 March 2014

	Notes	2014 £	2013 £
Net cash outflow from operating activities	A	(1,571,338)	(3,758,597)
Returns on investment and servicing of finance	B	39,263	73,545
Capital expenditure	B	(23,110)	(65,242)
		(1,555,185)	(3,750,294)
Management of liquid resources	B	500,000	3,000,000
Decrease in cash	C	(1,055,185)	(750,294)

Notes to the cash flow statement for the year to 31 March 2014

A Adjustment of net outgoing resources for the year to net cash outflow from operating activities

	2014 £	2013 £
Net outgoing resources for the year	(1,616,871)	(4,104,288)
FRS17 pension charge	178,000	194,000
Interest receivable	(39,263)	(73,545)
Depreciation charge	304,524	164,981
Decrease (increase) in debtors	300,626	(192,537)
(Decrease) increase in creditors	(698,354)	252,792
Net cash outflow from operating activities	(1,571,338)	(3,758,597)

B Gross cash flows

	2014 £	2013 £
Returns on investment and servicing of finance		
Interest received	39,263	73,545
Capital expenditure		
Payments to acquire tangible fixed assets	(23,110)	(65,242)
Management of liquid resources		
Decrease in cash invested in short term deposits	500,000	3,000,000

Cash flow statement Year to 31 March 2014

C Analysis of changes in net funds

	At 1 April 2013 £	Cash flows £	At 31 March 2014 £
Cash in hand and at bank	2,605,089	(1,055,185)	1,549,904
Short term deposits	6,000,000	(500,000)	5,500,000
	8,605,089	(1,555,185)	7,049,904

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006. Applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in preparing these financial statements.

Incoming resources

Incoming resources are recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as incoming resources from charitable activities as these comprise either contracts for services or they relate to specific services.

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. Charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report (including the strategic report). Such costs include:
 - ◆ salaries and other staff related costs;
 - ◆ office and property related costs;
 - ◆ costs of research commissions;
 - ◆ publicity and dissemination costs;
 - ◆ support costs.

The majority of costs are directly attributable to specific activities although certain shared costs are apportioned, based on the number of employees undertaking each specific activity.

- b. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. These costs are allocated out to the activities they are supporting on the basis of numbers of staff working on each activity.

Resources expended and the basis of apportioning costs (continued)

- c. Governance costs comprise the costs incurred which are directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives:

- | | |
|---------------------------------|--|
| ◆ Computer and IT equipment | 33.3% per annum based on cost |
| ◆ Office furniture and fittings | 25% to 33.3% per annum based on cost |
| ◆ Leasehold improvements | over the remaining period of the lease |

Fund accounting

Restricted funds comprise monies raised for, or which have their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds are monies set aside out of the general fund and designated for specific purposes by the trustees.

The tangible fixed assets fund represents the net book value of the charity's tangible fixed assets held under unrestricted funds. This fund has been separated from other unrestricted funds in order to emphasise that the assets are of fundamental importance to the charity being able to achieve its charitable objectives and, as such, their value should not be regarded as realisable.

The general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's objects.

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Pension costs

The charity contributes to a defined benefits pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held and managed separately from those of the charity.

Principal accounting policies 31 March 2014

Pension costs (continued)

Pension scheme assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet.

Any change in the asset or liability between balance sheet dates is reflected in the statement of financial activities in recognised gains and losses for the period.

Liquid resources

Liquid resources represent monies held on short-term deposit with banks registered in the United Kingdom.

Notes to the financial statements 31 March 2014

1 Contracts, grants, service level agreements and fees receivable

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Department of Health				
. Section 64 Core Grant	—	—	—	3,250,000
. Project grants	—	3,527,800	3,527,800	690,000
	—	3,527,800	3,527,800	3,940,000
Department for Education	—	200,682	200,682	466,628
Welsh Government	130,000	—	130,000	156,000
Department of Health, Social Services and Public Safety (Northern Ireland)	80,001	52,248	132,249	135,270
Public Health England	—	55,000	55,000	—
National Lottery	—	21,035	21,035	23,900
The Association of Directors of Adult Services	—	—	—	86,703
NICE Collaborating Centre for Social Care (NCCSC)	1,798,819	—	1,798,819	—
Fees and commissioning	508,528	1,396	509,924	326,871
Other funders	—	107,603	107,603	152,095
	2,517,348	3,965,764	6,483,112	5,287,467

The above contracts, grants, service level agreements and fees receivable relate to the following charitable activities:

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Innovation, Development & Delivery (IDD)	53,264	2,786,931	2,840,195	—
Knowledge and Evidence	2,406,811	95,398	2,502,209	—
Hosted Services	—	1,060,195	1,060,195	—
Adult Services	—	—	—	3,071,139
Families	—	—	—	1,574,264
Workforce Development	—	—	—	558,586
Other	57,273	23,240	80,513	83,478
	2,517,348	3,965,764	6,483,112	5,287,467

2 Provision and dissemination of knowledge and good practice in social care

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Innovation, Development & Delivery (IDD)				
Staff costs	69,466	1,617,334	1,686,800	—
Office costs	133,883	19,461	153,344	—
Premises costs	360,028	—	360,028	—
Commissioning costs	32,867	837,954	870,821	—
Electronic access and publication costs	4,161	16,620	20,781	—
Publicity and dissemination	3,394	9,518	12,912	—
Other costs	797	906	1,703	—
Support costs (note 4)	446,469	526,527	972,996	—
	1,051,065	3,028,320	4,079,385	—
Knowledge and Evidence (incl NCCSC)				
Staff costs	863,410	70,572	933,982	—
Office costs	142,944	—	142,944	—
Premises costs	346,757	—	346,757	—
Commissioning costs	359,882	11,823	371,705	—
Electronic access and publication costs	1,928	699	2,627	—
Publicity and dissemination	3,988	2,705	6,693	—
Support costs (note 4)	936,177	12,512	948,689	—
	2,655,086	98,311	2,753,397	—
Hosted Services				
Staff costs	—	762,656	762,656	—
Office costs	—	2,291	2,291	—
Commissioning costs	—	188,817	188,817	—
Electronic access and publication costs	—	31,453	31,453	—
Publicity and dissemination	—	63,356	63,356	—
Other costs	—	2,475	2,475	—
Support costs (note 4)	—	107,480	107,480	—
	—	1,158,528	1,158,528	—
Other charitable activities				
Staff costs	—	16,761	16,761	—
Commissioning costs	—	23,744	23,744	—
Publicity and dissemination	—	2,582	2,582	—
	—	43,087	43,087	—
Adult services				
Staff costs	—	—	—	2,121,045
Office costs	—	—	—	160,010
Premises costs	—	—	—	275,297
Commissioning costs	—	—	—	974,661
Electronic access and publication costs	—	—	—	123,866
Publicity and dissemination	—	—	—	121,459
Support costs (note 4)	—	—	—	1,442,223
	—	—	—	5,218,561

2 Provision and dissemination of knowledge and good practice in social care
(continued)

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Families				
Staff costs	—	—	—	917,558
Office costs	—	—	—	75,355
Premises costs	—	—	—	111,657
Commissioning costs	—	—	—	260,519
Electronic access and publication costs	—	—	—	49,392
Publicity and dissemination	—	—	—	3,363
Other costs	—	—	—	2,640
Support costs (note 4)	—	—	—	464,193
	—	—	—	1,884,677
Workforce development				
Staff costs	—	—	—	757,328
Office costs	—	—	—	42,122
Premises costs	—	—	—	59,156
Commissioning costs	—	—	—	537,142
Electronic access and publication costs	—	—	—	285,283
Publicity and dissemination	—	—	—	120,393
Other costs	—	—	—	3,776
Support costs (note 4)	—	—	—	456,370
	—	—	—	2,261,570
Total	3,706,151	4,328,246	8,034,397	9,364,808

Following the establishment of NICE Collaborating Centre for Social Care (NCCSC) during the year and other key changes to the charity's funding, SCIE has undertaken internal restructuring and redefined its charitable activities during 2013-14 as described in the trustees' report. This change is reflected in the above analysis of costs.

3 Governance costs

	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Legal and professional fees	26,301	—	26,301	24,640
Trustees' expenses, payments to trustees and other governance and organisational related costs, including staff costs	103,890	—	103,890	122,928
Co-production Network costs	20,191	—	20,191	25,515
	150,382	—	150,382	173,083

Governance costs include £42,776 in relation to staff costs (2013 - £45,451).

4 Support costs

	Innovation, development and delivery (IDD) £	Knowledge services and evidence £	Hosted services £	2014 total funds £	2013 total funds £
Staff costs	681,868	656,734	11,224	1,349,826	1,678,509
Premises costs	108,471	104,472	46,867	259,810	214,990
Office costs	44,468	42,828	9,149	96,445	105,038
Electronic access and publication costs	561	540	—	1,101	11,317
Publicity and dissemination costs	52,686	50,744	—	103,430	181,844
Other costs	84,942	93,371	40,240	218,553	171,088
	972,996	948,689	107,480	2,029,165	2,362,786

In relation to hosted services, support costs are allocated based on the terms of the appropriate written agreement with the hosted service. In relation to other charitable activities, support costs are allocated on the basis of the numbers of staff working in each area.

Other costs include net interest on the pension scheme of £170,000 (2013: £126,000) (see note 16).

5 Net outgoing resources for the year i.e. net expenditure

This is stated after charging:

	2014 Total funds £	2013 Total funds £
Staff costs (note 6)	4,792,802	5,519,891
Auditor's remuneration		
. Statutory audit services		
.. Current year	24,000	20,000
.. Previous year	2,302	4,640
. Other services	6,248	3,780
Depreciation	304,524	164,981
Operating lease rentals	365,120	400,717

6 Employees and staff costs

Staff costs during the period were as follows:

	2014 £	2013 £
Wages and salaries	2,708,560	3,245,499
Social security costs	257,268	304,792
Other pension costs	596,494	449,814
FRS17 charge (note 16)	8,000	68,000
	3,570,322	4,068,105
Payments to agency staff and consultants	914,619	1,009,892
Other staff related costs	307,861	441,894
	4,792,802	5,519,891

6 Employees and staff costs (continued)

Included within wages and salaries are fees to consultants paid by SCIE who are treated as employees for tax purposes but are not SCIE employees as defined by employment law and thus are not included within the average number of employees in the table below.

Payments to agency staff during the period reflect the need to have personnel in post in order to progress the work of SCIE. Other staff related costs include expenditure in respect of staff training and reimbursed out-of-pocket expenses.

The average number of employees during the period, analysed by function, was as follows:

	2014 No.	2013 No.
Charitable activities		
. Innovation, Development & Delivery (IDD)	28	—
. Knowledge and Evidence	27	—
. Hosted Services	3	—
. Adult Services	—	43
. Families	—	14
. Workforce Development	—	14
Governance	1	1
	59	72

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2014 No.	2013 No.
£60,001 - £70,000	3	6
£70,001 - £80,000	4	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£140,001 - £150,000	—	1

Contributions were made to a defined benefit pension scheme in respect of all the above employees.

7 Payments in relation to trustees

In accordance with the charity's memorandum and articles of association, the Chair of the trustees was paid £37,961 (2013 - £34,940) during the year for services undertaken in the administration of the charity. Two other trustees were paid a total of £13,200 (2013: one trustee – £13,200) on the same basis. The payment for such services has been authorised by the Charity Commission.

Out of pocket travelling and subsistence expenses totalling £7,303 (2013 - £8,521) were reimbursed to 13 (2013 – 10) trustees during the year.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £6,360 (2013 - £6,000) and provides cover of up to a maximum of £2 million (2013 - £2 million).

7 Payments in relation to trustees (continued)

The charity made payments of £25,338 to the Office for Public Management, £445 to ACEVO and £2,744 to the Association of Directors of Adult Services. These payments related to provision of services at arm's length from which no trustee benefited. To ensure full transparency, it is confirmed that Sukhvinder Kaur-Stubbs is a Senior Fellow at the Office of Public Management and a member of ACEVO, and David Archibald is member of Association of Directors of Adult Services.

8 Taxation

SCIE is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

SCIE is registered for VAT.

9 Tangible fixed assets

	Unrestricted funds			Restricted funds	Total £
	Computer and IT equipment £	Office furniture and fittings £	Leasehold improvements £	Computer and IT equipment £	
Cost					
At 1 April 2013	68,632	75,681	434,476	37,740	616,529
Additions	23,110	—	—	—	23,110
Disposals	—	—	(434,476)	—	(434,476)
At 31 March 2014	91,742	75,681	—	37,740	205,163
Depreciation					
At 1 April 2013	42,005	37,842	173,792	37,740	291,379
Charge for year	24,920	18,920	260,684	—	304,524
Disposals	—	—	(434,476)	—	(434,476)
At 31 March 2014	66,925	56,762	—	37,740	161,427
Net book values					
At 31 March 2014	24,817	18,919	—	—	43,736
At 31 March 2013	26,627	37,839	260,684	—	325,150

10 Debtors

	2014 £	2013 £
Prepayments	32,587	36,005
Grants income receivable	131,145	476,299
Other debtors	311,632	263,686
	475,364	775,990

Notes to the financial statements 31 March 2014

11 Creditors: amounts falling due within one year

	2014	2013
	£	£
Expense creditors	312,253	572,628
Taxation and social security	176,075	118,580
Other creditors	—	74,584
Creditor in respect to Digital Services	—	362,729
Rent and service charge payable	—	116,182
Accruals	316,626	201,465
Deferred income (note 12)	23,100	80,240
	828,054	1,526,408

12 Deferred income

	2014	2013
	£	£
Balance at 1 April 2013	80,240	—
Income received in advance	23,100	80,240
Released to statement of financial activities	(80,240)	—
Balance at 31 March 2014 (note 11)	23,100	80,240

13 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trusts to be applied for specific purposes:

	At 1 April 2013 £	Incoming resources £	Resources expended		At 31 March 2014 £
			Direct costs £	Support costs £	
DH Commissions	—	875,200	(752,310)	(116,090)	6,800
Digital learning	—	773,060	(550,098)	(222,962)	—
Social Care Online	—	370,285	(245,195)	(125,000)	90
PRU	—	20,500	(20,500)	—	—
Neglect (VCS)	—	200,682	(200,682)	—	—
Social Care Practice Pilots	90,463	—	(53,550)	(36,913)	—
Direct Payments	300,000	500,000	(468,396)	(22,955)	308,649
Think Local Act Personal (TLAP)	500,074	1,060,195	(1,051,048)	(107,480)	401,741
E-learning Strategy in Social Care	173,518	—	(173,518)	—	—
DHSSPS	—	52,248	(52,248)	—	—
Social Care Research Ethics Committee	—	74,898	(64,900)	(9,998)	—
Service User and Carer Involvement In Social Work Education	11,456	—	(11,456)	—	—
Care Leavers Testimony	14,241	21,893	(31,438)	(4,696)	—
Supporting Carers in Employment	—	24,000	—	—	24,000
Social Care Research Gateway	27,304	—	(4,208)	—	23,096
CPRU Maltreatment	12,183	—	(400)	—	11,783
Other restricted funds	20,000	2,205	(1,781)	(424)	20,000
	1,149,239	3,975,166	(3,681,728)	(646,518)	796,159

The specific purposes for which the funds are to be used are as follows:

DH Commissions

The Department of Health provides funds to enable SCIE to continue to support DH policy development and sector led improvement through the development of guidance, products and services that support safe, high quality services.

Digital learning

The Department of Health provides funds to maintain our existing work on topics and policy priorities such as leadership, older people, and carers and provide social care TV films, E-Learning and digital resources to support the dissemination and adoption of good practice.

13 Restricted funds (continued)

Social Care Online

The Department of Health provides funds to maintain the provision of Social Care Online which is SCIE's most comprehensive searchable database of information and research on social care and social work. It is a valued and unique service providing social care information that supports the development of guidance and is used by practitioners and others.

PRU

The aim of this project was to contribute to the creation of a policy unit and it now supports that function.

Neglect (VCS)

This fund from the Department for Education supports the development of blended learning for multidisciplinary teams providing support to children at risk of neglect.

Direct payments in residential care pilot programme

This fund from the Department of Health is to pilot the provision of direct payments to people in residential care.

Social Care Practice Pilots

This is a DH funded programme to establish pilot sites that are led by social workers but independent of local authorities. They will provide the social work services for specific groups of adults in their community and their carers.

Think Local Act Personal (TLAP)

The Think Local Act Personal partnership is comprised of over 30 national and umbrella organisations representing the broad interest in personalisation and community-based support. SCIE hosts the central team and also provides back office services such as facilities, finance and HR support. The funds are provided by the DH.

E-learning Strategy in Social Care

This fund represents monies obtained from the DH to create an e-learning strategy for social care.

DHSSPS

This fund represents monies from the Department of Health, Social Services and Public Safety in Northern Ireland to fund the costs of the Northern Ireland Practice Development Manager.

Social Care Research Ethics Committee

This fund helps provide an ethical review of social care and social work research proposals.

Service User and Carer Involvement in Social Work Education

This fund supports a project to involve service users in the education of social workers.

13 Restricted funds (continued)

Care Leavers Testimony

Funded by the Heritage Lottery Fund, SCIE and partners (including the British Library) have trained a group of young care leavers in oral history interviewing. They commenced interviewing 25 care experienced adults on digital video. The videos are archived in the British Library and were used to produce a suite of SCTV films. The products were launched during national care leavers' week in October 2013.

Supporting Carers in Employment

Funding to support the development of pilots that will provide a range of new and innovative support to carers in employment.

Social Care Research Gateway

This fund represents funding from DH for SCIE, School for Social Care Research (SSCR) and the Social Care Workforce Research Unit (SCWRU) to jointly promote social care research and to improve quality in social care, by:

- promoting the specific contribution of social care research;
- building capacity within the social care research community;
- sound and participative methodologies for social care research; and
- active dissemination of social care research findings into practice

CPRU Maltreatment

This fund from Children's Policy Research Unit (CPRU), is used to deliver a project on child maltreatment for CPRU's healthcare provision theme.

14 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds		Total 2014 £
		General fund £	Tangible fixed assets fund £	
Fund balances at 31 March 2014 are represented by:				
Tangible fixed assets	—	—	43,736	43,736
Net current assets	796,159	5,901,055	—	6,697,214
Pension liability	—	(3,367,000)	—	(3,367,000)
Total net assets	796,159	2,534,055	43,736	3,373,950

15 Leasing commitments

Operating leases

At 31 March 2014, the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Operating leases which expire:				
Between one to two years	215,700	—	—	576
Between two to five years	—	516,396	—	—
	215,700	516,396	—	576

16 Pension commitments

The charity operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separate from those of the charity, being invested with the Essex County Council Pension Scheme. The contributions are determined on the basis of triennial valuations by a qualified actuary using the projected unit method.

The most recent triennial valuation at 31 March 2013, showed that the market value of the scheme's assets were £3,958 million and that the actuarial value of those assets represented 80% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The principal assumptions made were that the investment returns would be 6.0% per annum, the discount rate would be 5.8% per annum and that salary increases would average 4.5% per annum after 31 March 2015. For the two years to 31 March 2015, the assumed salary increases will be in line with the Consumer Price Index assumption, currently 2.7% per annum. No allowance was made for possible discretionary increases in pensions beyond those prescribed in the scheme rules. The next formal valuation is at 31 March 2016.

Trustees receive regular reports on the pension scheme and monitor its performance. The board has agreed a policy of building a reserve to meet its potential future liabilities.

FRS 17

Financial Reporting Standard 17 "Retirement Benefits" (FRS 17) requires the surplus or deficit on the Scheme as at 31 March 2014, calculated in accordance with the requirements of FRS 17, to be included on the balance sheet. For the purpose of FRS 17, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

In order to assess the actuarial value of the charity's assets and liabilities as at 31 March 2014, the actuaries have rolled forward the actuarial value of the assets and liabilities at 31 March 2013.

16 Pension commitments (continued)

FRS 17 (continued)

The major assumptions used by the actuary in preparing the FRS 17 figures were:

	2014 % per annum	2013 % per annum
Rate of increase in salaries	4.6	4.4
Rate of increase in pension payments	2.8	2.6
Discount rate	4.5	4.6
Rate of inflation - RPI	3.6	3.4
Rate of Inflation - CPI	2.8	2.6

The mortality assumptions used were as follows:

	2014 years	2013 years
Longevity at age 65 for current pensioners		
. Men	22.7	22.7
. Women	25.1	25.3
Longevity at age 65 for future pensioners		
. Men	24.9	24.2
. Women	27.4	26.9

The net movement in the FRS17 liability during the year was:

	2014 £'000s	2013 £'000s
Net deficit in scheme at 1 April	(5,550)	(5,612)
Current service cost	(401)	(512)
Net interest	(170)	(126)
Settlements and curtailments	(149)	—
Employer contributions	542	444
Actuarial gains	2,361	256
Net deficit in scheme at 31 March	(3,367)	(5,550)

Total expenditure recognised in the statement of financial activities (SOFA) was:

	2014 £000s	2013 £000s
Current service cost	(401)	(512)
Interest cost	(780)	(702)
Losses on curtailments	(149)	—
Expected return on scheme assets	610	576
Total expenditure recognised in SOFA	(720)	(638)
Employer contributions	542	444
FRS17 charge	(178)	(194)

16 Pension commitments (continued)

FRS 17 (continued)

Net gain recognised in the statement of total recognised gains and losses (STRGL)

	2014 £000s	2013 £000s
Actual return less expected return on pension scheme assets	386	652
Experience gains and losses arising on the scheme liabilities	1,641	10
Changes in the assumptions underlying the present value of scheme liabilities	334	(406)
Total amount credited to the STRGL	2,361	256

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since the year ended 31 March 2005 is a loss of £2,499,000.

FRS 17 (continued) Reconciliation of opening and closing balances of the present value of the charity's share of scheme liabilities:

	2014 £000s	2013 £000s
Scheme liabilities at 1 April	16,716	15,414
Current service cost	401	512
Interest cost	780	702
Contributions by scheme participants	143	181
Losses on curtailments	149	—
Actuarial (gains) losses	(1,838)	396
Benefits paid	(327)	(489)
Scheme liabilities at 31 March	16,024	16,716

The above reconciliation includes the following amounts arising from wholly unfunded liabilities.

Unfunded scheme liabilities comprised:

	2014 £000s	2013 £000s
Unfunded scheme liabilities at 1 April	81	79
Interest cost	4	4
Change in financial and demographic assumptions	1	—
Actuarial losses	—	2
Benefits paid	(4)	(4)
Unfunded scheme liabilities at 31 March	82	81

Notes to the financial statements 31 March 2014

16 Pension commitments (continued)

FRS 17 (continued)

Reconciliation of opening and closing balances of the fair value of the charity's share of the scheme assets:

	2014 £000s	2013 £000s
Fair value of scheme assets at 1 April	11,166	9,802
Expected return on scheme assets	610	576
Actuarial gains	523	652
Contributions by employer	542	444
Contributions by scheme participants	143	181
Benefits paid	(327)	(489)
Fair value of scheme assets at 31 March	12,657	11,166

The actual return on the scheme assets in the year ended 31 March 2014 was a gain of £937,000 (2013: gain of £1,229,000).

The charity's share of the assets in the scheme and the expected rates of return were:

	%	Value at 31 March 2014 £'000	%	Value at 31 March 2013 £'000
Equities	67%	8,439	64%	7,146
Government bonds	8%	1,008	7%	782
Other bonds	8%	1,008	8%	893
Property	11%	1,446	12%	1,340
Cash	2%	252	4%	447
Alternative assets	4%	504	5%	558
Total market value of assets		12,657		11,166

Amounts for the current and previous four periods are as follows:

	31 March 2014 £'000s	31 March 2013 £'000s	31 March 2012 £'000s	31 March 2011 £'000s	31 March 2010 £'000s
Fair value of assets	12,657	11,166	9,802	9,329	8,769
Present value of scheme liabilities	(16,024)	(16,716)	(15,414)	(12,238)	(11,454)
Deficit in scheme	(3,367)	(5,550)	(5,612)	(2,909)	(2,685)
Experience adjustment on scheme assets	523	652	(497)	(263)	1,806
Percentage of scheme assets	4.1%	5.8%	(5.1%)	(2.8%)	20.6%
Experience adjustment on scheme liabilities	1,504	10	3	568	—
Percentage of scheme liabilities	9.4%	0.1%	(0.0%)	(4.6%)	0%

Notes to the financial statements 31 March 2014

16 Pension commitments (continued)

FRS 17 (continued)

Contributions

The total contributions payable by the employer in the year, were £596,494 (2013 - £449,814). This included £43,913 outstanding at 31 March 2014 (2013 - £nil).

The best estimate of contributions to be paid by the charity to the scheme for the year ending 31 March 2015 is £509,649.

Appendix A: Explanation of SCIE's resources

What is a knowledge review?

Knowledge reviews pull together knowledge from service user, research and practice. They describe what knowledge is available, highlight the evidence that has emerged and draw practice points from the evidence. Knowledge reviews are available both in hard copy and online.

What is a position paper?

Position papers present a summary of a particular policy question, for example whether service user involvement has made a difference to social care services. They identify issues and key messages and are available both in hard copy and online.

What is a practice guide?

Practice guides are online resources which bring together information, research and current good practice about particular areas of social care. The guides give users the opportunity to develop their own knowledge about what works well and apply it effectively in their day-to-day work.

What is a resource guide?

Resource guides direct people to information about a particular area of social care, especially where there is a lot of information and it is hard to know what information to use, or where there is a new area of social care, such as social care education, that people need to know about. Resource guides are available both in hard copy and online.

What is a report?

SCIE produces reports about various areas of social care. SCIE's reports are available both in hard copy and online.

What is a research briefing?

A research briefing is a summary of information on a particular topic to update practice at the health and social care interface. It is a concise document summarising the knowledge base in a particular area to act as a 'launch pad' or signpost to more in-depth material.