

07/09/15

**Social
Care Institute
for
Excellence**

**Annual Report and Financial
Statements**

31 March 2015

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>Tony Hunter</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>First floor, Kinnaird House 1 Pall Mall East London SW1Y 5BP T: +44 (0)20 7766 7400 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 2015

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 2015.

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 22 to 24 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 2015

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 2015

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 the Audit and Risk Committee which meets 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 and Risk Committee
Lord Michael Bichard (Chair)	Appointed 2 April 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	
Sukhvinder Kaur - Stubbs	Appointed 19 November 2009	Chair
Mario Kreft	Appointed 20 January 2011	
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
Bev Searle	Appointed 17 September 2013	
Sally Warren	Appointed 17 September 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 £30,300 (2014 – £37,961) for services undertaken in the administration of SCIE. Two other trustees were paid a total of £12,250 (2014 – two trustees - £13,200) on the same basis.

Out of pocket travelling and subsistence expenses totalling £4,911 (2014 – £7,303) were reimbursed to 7 (2014 – 13) 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 (2014 – £6,360) and provides cover of up to a maximum of £2 million (2014 – £2 million).

Trustees' report (including the strategic report) Year to 31 March 2015

How SCIE works (continued)

SCIE's board of trustees (continued)

The charity made payments of £47,744 to Local Government Association, £11,828 to the Association of Directors of Adult Social Services (ADASS) and £370 to University of Birmingham during the year. These payments related to the provision of services at arm's length from which no trustee or senior executive benefited. To ensure full transparency, it is confirmed that Lord Michael Bichard is the Vice President of the Local Government Association, Peter Hay and David Archibald are members of ADASS, Tony Hunter is an associate member of ADASS and Sukhvinder Kaur-Stubbs is a Council Member of the University of Birmingham.

SCIE hosts the central team for the Think Local Act Personal (TLAP) partnership and also provides back office services such as facilities, finance and HR support. The funds are provided for TLAP by DH and details of the funds movement is provided in note 13. Alex Fox is a trustee of the TLAP partnership.

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.

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

Business plan, objectives and activities for 2014-15

At its meeting held in March 2014, the board agreed a business plan with a new vision, refreshed values and objectives:

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

Our values are to be:

- ◆ 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.
- ◆ 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 completed a programme of transformation to enable it to become a sustainable and vibrant organisation. The key themes of the transformation programme were to:

- ◆ 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 Department of Health 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.

Trustees' report (including the strategic report) Year to 31 March 2015

STRATEGIC REPORT (continued)

Annual performance (continued)

Business plan, objectives and activities for 2014-15 (continued)

Values (continued)

- ◆ Deliver the requirements of our contract with National Institute for Clinical Excellence (NICE) to provide the NICE Collaborating Centre for Social Care (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 and 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.
- ◆ 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.

In the year to 31 March 2015 our key achievements were to:

- ◆ Build productive partnerships and collaborations, including the development of improvement support with Skills for Care and Better Care with KPMG.
- ◆ Deliver a range of products and services to support the implementation of the Care Act with regard to Assessment & Eligibility, Adult Safeguarding, Transitions, and Advocacy.
- ◆ Deliver our programme of commissioned work for Northern Ireland and Wales.
- ◆ Complete the production, through the NCCSC, of draft guidance and associated documents for consultation by NICE on the Home Care and Long Term Medical Conditions guidelines.
- ◆ Provide our commercial, co-produced Care Act training offer to 77 Local Authorities and 4,000 of their staff by the end of May 2015.
- ◆ Work with KPMG and Public Private Limited (PPL) to support Better Care that has positioned SCIE strongly when bidding for work to support the health sector and in the integration of health and care.

Trustees' report (including the strategic report) Year to 31 March 2015

STRATEGIC REPORT (continued)

Annual performance (continued)

Business plan, objectives and activities for 2014-15 (continued)

Values (continued)

- ◆ Win two bids, in collaboration with new partners, to the Department for Education (DfE) Innovation Programme which strengthens our position in children's care. Our partnership with the NSPCC and The College of Social Work (TCSW) builds on the reputation established by SCIE's Learning Together offer and our joint work on the step change in the help Serious Care Reviews (SCRs) can provide to improve the safety and wellbeing of children. The successful bid with University College London to the evaluation framework for the DfE Innovation Programme has already led to one approach from a local authority focused on embedding evaluation and evidence use in practice.

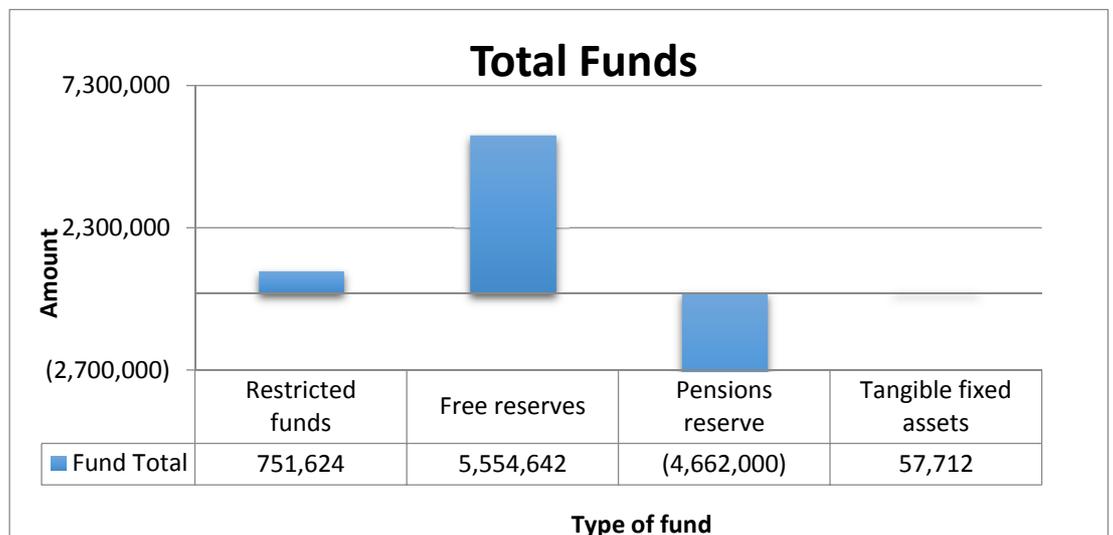
Staff development during 2014-15 included:

- ◆ Setting objectives and personal development plans for all staff that were supported by a Learning and Development strategy.
- ◆ Retaining our Investors in People recognition.
- ◆ Managing the transfer of the Social Care Research Ethics Committee from SCIE to the Health Research Agency, in accordance with the requirements of the Department of Health (DH).

Financial review for 2014–15

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

Figure 1: Total funds:



STRATEGIC REPORT (continued)

Financial review for 2014–15 (continued)

The balance sheet shows total funds of £1,765,129 at 31 March 2015. At this date, restricted funds amounted to £773,733. 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.

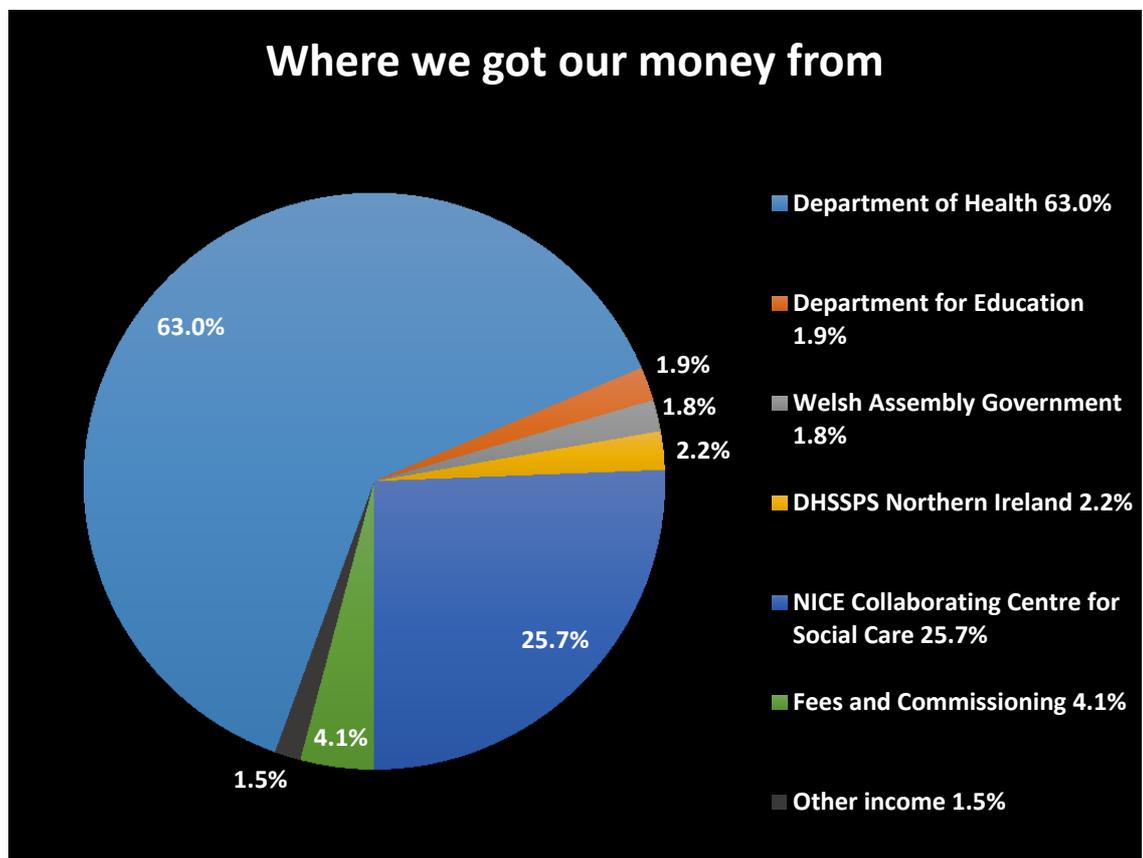
£49,982 of the total funds is represented by tangible fixed assets held under unrestricted funds.

The actuaries have calculated SCIE's share of the deficit on the defined benefit pension fund at 31 March 2015 to be £4,662,000. 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 £5,554,642 at 31 March 2015.

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

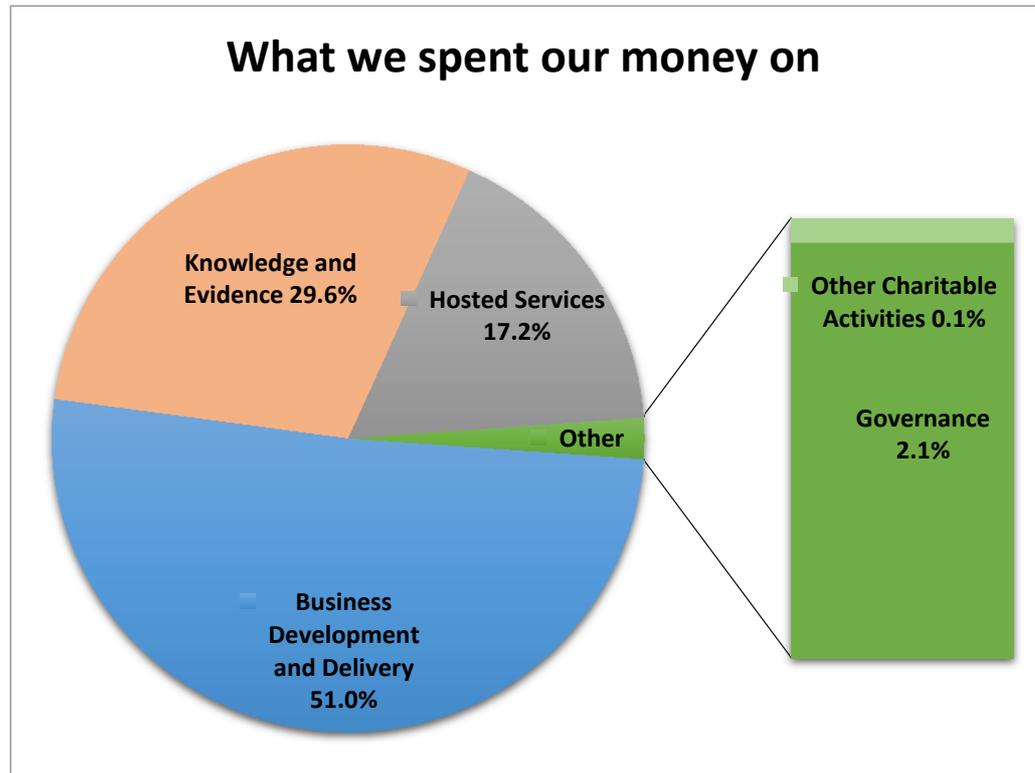
Figure 2: Incoming resources



STRATEGIC REPORT (continued)

Financial review for 2014–15 (continued)

Figure 3: Resources expended



Future plans

Strategic Context

The board agreed at its meeting in September 2014, an income generating strategy that had the key aim of developing and diversifying our sources of income so that we create a vibrant, sustainable organisation. This has formed a key part of our business plan for 2015-16.

We now have to move faster and further in the transformation of SCIE into a vision and values led SME, focused on the improvement of the lives of those who receive care and support through our commissioned and commercial work.

Business Objectives

SCIE's key business objectives for 2015-16 are to:

- ◆ Position SCIE 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 DH that supports the implementation of the Care Act and social care reform. Deliver programmes of work for the Welsh Government and Northern Ireland Assembly that meet their priorities.

Trustees' report (including the strategic report) Year to 31 March 2015

STRATEGIC REPORT (continued)

Future plans (continued)

Business Objectives (continued)

- ◆ Deliver the requirements of our contract with NICE to provide the NCCSC, continue the development of ten guidelines and support the implementation of four published guidelines and NICE quality standards relating to social care as required.
- ◆ Ensure that the co-productive voice of people who use services, their families and carers, is included in all aspects of our work and forms part of our commercial offer. Develop a co-production consultancy offer to support our work on all four priority areas.
- ◆ Successfully deliver a strategy for generating commercial income with four priority offers:
 - Improvement support.
 - Care Act implementation.
 - Integrating Health and Social Care.
 - Safeguarding.
- ◆ Through a programme of organisational and personal development, build capacity and skill staff to achieve our business objectives.
- ◆ Operate within the agreed income and expenditure budgets, seeking efficiencies and new sources of income that minimises SCIE's operational deficit at 31 March 2016 and ensure its sustainability.

Business opportunities

We believe that SCIE is well placed to win work from a range of opportunities that have arisen from the contracts and commissions that we are currently delivering, for example Care Act training and the Better Care Fund. We have carefully assessed each of these opportunities, including its likelihood and the confidence that it will be achieved, to build a challenging but achievable target.

We are expanding our information, research and evaluation offer which now includes work in adults and children's social care – evaluation of Homeshare for Lloyds TSB and the partnership with UCL. Our successful bids, including to SCR Learning into a practice project have, and will continue to, consolidate our reputation for research synthesis and working with the sector to develop resources and capacity to use evidence in practice, as well as extending our skills and offer in evaluation. Children's safeguarding will remain a high priority for local authorities and local safeguarding children's boards. SCIE will review and adapt the Learning Together programme in response to sector needs.

STRATEGIC REPORT (continued)

Future plans (continued)

Supporting programmes

SCIE's aim is to position itself as the leading provider of high-quality, authoritative, effective, free and paid-for improvement and policy implementation support for care providers and commissioners of social care for children and adults. We do this through the commissions and contracts we win and deliver, partners that we collaborate with, and stakeholders we influence.

From discussions that we have had with our commissioners, customers and stakeholders we know that to build and maintain our position as an improvement agency we must deliver and demonstrate impact.

SCIE's commercial offer will be marketed alongside SCIE's 'free' services and will be part of SCIE's overall marketing, communication and stakeholder strategy. Activity will focus on promoting SCIE as a source of free and paid for authoritative improvement and policy implementation support, including consultancy services, product development, training, research, and evaluation.

For our priority service offers, we will develop integrated communication and marketing 'campaigns' which will involve the use of different promotional methods (such as think pieces, social media, web, events, publications and articles) that are intended to re-enforce each other and which will be sustained over a period of time. We will encourage staff and trustees to play a role in supporting these campaigns.

Co-production

Our co-production network consists of nearly 70 individuals and organisations which provide SCIE with a pool of people to involve in our projects and programmes. The network is chaired by Tina Coldham, a SCIE trustee, and managed by the co-production team. The network provides SCIE with quick access to a diverse range of users and carers who have a wide range of skills and experience.

Facilities and IT

SCIE's lease on its accommodation at 206 Marylebone Road ran to June 2015. Following a detailed selection SCIE has agreed a three year lease on premises at Kinnaird House, 1 Pall Mall East, London. SCIE will seek opportunities to generate income from hosting other organisations and hiring out meeting rooms to offset the increased rental charges.

Principal risks and uncertainties

The trustees reviewed the major risks to which SCIE is exposed. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining business risks faced by SCIE, they have established effective systems for the assessment, mitigation, and management of the strategic and operational risks.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

One of the key strategic risks is the future reduction in funding from DH and its mitigation through the development of diverse sources of funding.

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 the need to retain sufficient funds for liabilities that may arise in respect to the pension scheme and in relation to the new accommodation; and, in addition, having funds to support three months of operating costs in the unlikely event of a closure.

The level of free reserves was £5,554,642 at 31 March 2015. The trustees acknowledge that whilst the level of free reserves at 31 March 2015 was higher than that required by the above reserves policy, they believe that at this time of continuing transition for the charity and general economic uncertainty, it is appropriate. The current free reserves provide a solid foundation to support SCIE's transformation by enabling investment in the development of its commercial offer, diversification of sources of income, and in meeting its future liabilities. The reserves policy will be kept under regular review.

Commissioned work

The DH has made a grant of up to £1.6m available to SCIE for 2015-16 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.

Trustees' report (including the strategic report) Year to 31 March 2015

STRATEGIC REPORT (continued)

Policies (continued)

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:

Trustee

Approved by the trustees on:

Independent auditor's report 31 March 2015

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 2015 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Independent auditor's report 31 March 2015

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 2015 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

Statement of financial activities Year to 31 March 2015

	Notes	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
<i>Income and expenditure</i>					
Incoming resources					
Incoming resources from generated funds					
. Interest receivable		39,202	—	39,202	39,263
Incoming resources from charitable activities					
. Contracts, grants, service level agreements and fees receivable	1	2,306,363	4,711,961	7,018,324	6,483,112
Other incoming resources		—	—	—	45,533
Total incoming resources		2,345,565	4,711,961	7,057,526	6,567,908
Resources expended					
Charitable activities					
. Provision and dissemination of knowledge and good practice in social care	2	2,447,935	4,750,976	7,198,911	8,034,397
Governance costs	3	151,067	5,520	156,587	150,382
Total resources expended		2,599,002	4,756,496	7,355,498	8,184,779
<i>Statement of total recognised gains and losses</i>					
Net outgoing resources for the year i.e. net expenditure	5	(253,437)	(44,535)	(297,972)	(1,616,871)
Other recognised gains and losses					
Actuarial (losses) gains in respect to defined benefit pension scheme	16	(1,374,000)	—	(1,374,000)	2,361,000
Net movement in funds		(1,627,437)	(44,535)	(1,671,972)	744,129
Fund balances brought forward at 1 April 2014		2,577,791	796,159	3,373,950	2,629,821
Fund balances carried forward at 31 March 2015		950,354	751,624	1,701,978	3,373,950

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 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	9		57,712		43,736
Current assets					
Debtors	10	479,514		475,364	
Short term deposits		5,000,000		5,500,000	
Cash at bank and in hand		1,656,123		1,549,904	
		7,135,637		7,525,268	
Creditors: amounts falling due within one year	11	(829,371)		(828,054)	
Net current assets			6,306,266		6,697,214
Total net assets excluding pension liability			6,363,978		6,740,950
Pension liability	16	(4,662,000)		(3,367,000)	
Total net assets including pension liability			1,701,978		3,373,950
Represented by:					
Funds and reserves					
Income funds:					
Restricted funds	13		751,624		796,159
Unrestricted funds					
. General fund					
.. Free reserves			5,554,642		5,901,055
.. Pension reserve	16		(4,662,000)		(3,367,000)
			892,642		2,534,055
. Tangible fixed assets fund			57,712		43,736
			1,701,978		3,373,950

Approved by the trustees
and signed on their behalf by:

Trustee
Approved on:

Company Registration No. 04289790 (England and Wales)

Charity Registration No.1092778

Cash flow statement Year to 31 March 2015

	Notes	2015 £	2014 £
Net cash outflow from operating activities	A	(432,983)	(1,571,338)
Returns on investment and servicing of finance	B	39,202	39,263
Capital expenditure	B	—	(23,110)
		(393,781)	(1,555,185)
Management of liquid resources	B	500,000	500,000
Decrease in cash in hand and at bank	C	106,219	(1,055,185)

Notes to the cash flow statement for the year to 31 March 2015

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

	2015 £	2014 £
Net outgoing resources for the year	(297,972)	(1,616,871)
FRS17 pension (credit) charge	(79,000)	178,000
Interest receivable	(39,202)	(39,263)
Depreciation charge	36,032	304,524
(Increase) decrease in debtors	(4,150)	300,626
Decrease in creditors	(48,691)	(698,354)
Net cash outflow from operating activities	(432,983)	(1,571,338)

B Gross cash flows

	2015 £	2014 £
Returns on investment and servicing of finance		
Interest received	39,202	39,263
Capital expenditure		
Payments to acquire tangible fixed assets	—	(23,110)
Management of liquid resources		
Decrease in cash invested in short term deposits	500,000	500,000

C Analysis of changes in net funds

	At 1 April 2014 £	Cash flows £	At 31 March 2015 £
Cash in hand and at bank	1,549,904	106,219	1,656,123
Short term deposits	5,500,000	(500,000)	5,000,000
	7,049,904	(393,781)	6,656,123

Principal accounting policies 31 March 2015

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 2015

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 2015

1 Contracts, grants, service level agreements and fees receivable

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Department of Health				
. Project grants	—	4,421,249	4,421,249	3,527,800
Department for Education	—	133,719	133,719	200,682
Welsh Government	123,500	—	123,500	130,000
Department of Health, Social Services and Public Safety (Northern Ireland)	96,000	55,000	151,000	132,249
Public Health England	—	—	—	55,000
National Lottery	—	2,865	2,865	21,035
NICE Collaborating Centre for Social Care (NCCSC)	1,800,970	—	1,800,970	1,798,819
Fees and commissioning	285,893	—	285,893	509,924
Other funders	—	99,128	99,128	107,603
	2,306,363	4,711,961	7,018,324	6,483,112

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

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Business, Development & Delivery (BDD)	498,879	3,292,867	3,791,746	2,840,195
Knowledge and Evidence (including NCCSC)	1,800,970	82,966	1,883,936	2,502,209
Hosted Services	—	1,317,100	1,317,100	1,060,195
Other	6,514	19,028	25,542	80,513
	2,306,363	4,711,961	7,018,324	6,483,112

Notes to the financial statements 31 March 2015

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

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Business, Development & Delivery (BDD)				
Staff costs	252,568	1,843,501	2,096,069	1,686,800
Office costs	98,104	11,331	109,435	153,344
Premises costs	130,945	—	130,945	360,028
Commissioning costs	—	816,402	816,402	870,821
Electronic access and publication costs	12,139	10,586	22,725	20,781
Publicity and dissemination	28,324	5,679	34,003	12,912
Other costs	948	785	1,733	1,703
Support costs (note 4)	179,552	361,682	541,234	972,996
	702,580	3,049,966	3,752,546	4,079,385
Knowledge and Evidence (incl NCCSC)				
Staff costs	958,444	64,217	1,022,661	933,982
Office costs	105,810	—	105,810	142,944
Premises costs	129,279	—	129,279	346,757
Commissioning costs	351,509	6,496	358,005	371,705
Electronic access and publication costs	20,610	1,203	21,813	2,627
Publicity and dissemination	2,434	1,053	3,487	6,693
Support costs (note 4)	177,269	357,078	534,347	948,689
	1,745,355	430,047	2,175,402	2,753,397
Hosted Services				
Staff costs	—	823,970	823,970	762,656
Office costs	—	3,237	3,237	2,291
Commissioning costs	—	117,476	117,476	188,817
Electronic access and publication costs	—	100,666	100,666	31,453
Publicity and dissemination	—	109,204	109,204	63,356
Other costs	—	4,857	4,857	2,475
Support costs (note 4)	—	102,375	102,375	107,480
	—	1,261,785	1,261,785	1,158,528
Other charitable activities				
Staff costs	—	6,900	6,900	16,761
Commissioning costs	—	2,278	2,278	23,744
Publicity and dissemination	—	—	—	2,582
	—	9,178	9,178	43,087
Total	2,447,935	4,750,976	7,198,911	8,034,397

Notes to the financial statements 31 March 2015

3 Governance costs

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Legal and professional fees	17,308	5,520	22,828	26,301
Trustees' expenses, payments to trustees and other governance and organisational related costs, including staff costs	84,789	—	84,789	103,890
Co-production Network costs	48,970	—	48,970	20,191
	151,067	5,520	156,587	150,382

Governance costs include £38,921 in relation to staff costs (2014 - £42,776).

4 Support costs

	Business, Development and Delivery (BDD) £	Knowledge services and evidence (including NCCSC) £	Hosted services £	2015 total funds £	2014 total funds £
Staff costs	398,481	393,410	11,224	803,115	1,349,826
Premises costs	48,246	47,632	38,530	134,408	259,810
Office costs	29,118	28,748	12,606	70,472	96,445
Electronic access and publication costs	2,461	2,430	—	4,891	1,101
Publicity and dissemination costs	62,350	61,556	—	123,906	103,430
Other costs	578	571	40,015	41,164	218,553
	541,234	534,347	102,375	1,177,956	2,029,165

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 includes net interest credit on the pension scheme of £32,000 (2014 – £170,000 net interest charge) (see note 16).

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

	2015 Total funds £	2014 Total funds £
This is stated after charging:		
Staff costs (note 6)	4,791,636	4,792,802
Auditor's remuneration		
. Statutory audit services		
.. Current year	22,828	24,000
.. Previous year	—	2,302
. Other services	3,040	6,248
Depreciation	36,032	304,524
Operating lease rentals	305,113	365,120

Notes to the financial statements 31 March 2015

6 Employees and staff costs

Staff costs during the period were as follows:

	2015 £	2014 £
Wages and salaries	2,961,944	2,708,560
Social security costs	275,231	257,268
Other pension costs	420,616	596,494
FRS17 charge (note 16)	(47,000)	8,000
	3,610,791	3,570,322
Payments to agency staff and consultants	857,486	914,619
Other staff related costs	323,359	307,861
	4,791,636	4,792,802

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:

	2015 No.	2014 No.
Charitable activities		
. Business, Development & Delivery (BDD)	30	28
. Knowledge and Evidence	30	27
. Hosted services	4	3
Governance	1	1
	65	59

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:

	2015 No.	2014 No.
£60,001 - £70,000	4	3
£70,001 - £80,000	1	4
£80,001 - £90,000	2	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 £30,300 (2014 - £37,961) during the year for services undertaken in the administration of the charity. Two other trustees were paid a total of £12,250 (2014 – two trustees – £13,200) on the same basis. The payment for such services has been authorised by the Charity Commission.

Notes to the financial statements 31 March 2015

7 Payments in relation to trustees (continued)

Out of pocket travelling and subsistence expenses totalling £4,911 (2014 - £7,303) were reimbursed to 7 (2014 – 13) 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 (2014 - £6,360) and provides cover of up to a maximum of £2 million (2014 - £2 million).

The charity made payments of £47,744 to Local Government Association, £11,828 to the Association of Directors of Adult Social Services (ADASS) and £370 to University of Birmingham during the year. These payments related to the provision of services at arm's length from which no trustee or senior executive benefited. To ensure full transparency, it is confirmed that Lord Michael Bichard is the Vice President of the Local Government Association, Peter Hay and David Archibald are members of ADASS, Tony Hunter is an associate member of ADASS and Sukhvinder Kaur-Stubbs is a Council Member of the University of Birmingham.

SCIE hosts the central team for the Think Local Act Personal (TLAP) partnership and also provides back office services such as facilities, finance and HR support. The funds are provided for TLAP by DH and details of the funds movement is provided in note 13. Alex Fox is a trustee of the TLAP partnership.

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 improve - ments £	Computer and IT equipment £	
Cost					
At 1 April 2014	91,742	75,681	—	37,740	205,163
Additions	7,730	—	42,278	—	50,008
At 31 March 2015	99,472	75,681	42,278	37,740	255,171
Depreciation					
At 1 April 2014	66,925	56,762	—	37,740	161,427
Charge for year	17,113	18,919	—	—	36,032
At 31 March 2015	84,038	75,681	—	37,740	197,459
Net book values					
At 31 March 2015	15,434	—	42,278	—	57,712
At 31 March 2014	24,817	18,919	—	—	43,736

Notes to the financial statements 31 March 2015

10 Debtors

	2015 £	2014 £
Prepayments	70,356	32,587
Grants income receivable	56,553	131,145
Rent deposit	107,850	107,850
Fees and other income receivable	244,755	203,782
	479,514	475,364

11 Creditors: amounts falling due within one year

	2015 £	2014 £
Expense creditors	233,977	312,253
Taxation and social security	188,248	176,075
Accruals	360,545	316,626
Deferred income (note 12)	46,601	23,100
	829,371	828,054

12 Deferred income

	2015 £	2014 £
Balance at 1 April	23,100	80,240
Income received in advance	46,601	23,100
Released to statement of financial activities	(23,100)	(80,240)
Balance at 31 March (note 11)	46,601	23,100

Notes to the financial statements 31 March 2015

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 2014 £	Incoming resources £	Resources expended		At 31 March 2015 £
			Direct costs £	Support costs £	
DH Commissions	6,800	1,300,000	(975,407)	(324,996)	6,397
Digital learning	—	700,000	(522,004)	(174,996)	3,000
Social Care Online	90	350,000	(262,354)	(87,504)	232
PRU	—	12,300	(12,300)	—	—
Neglect (VCS)	—	133,719	(133,719)	—	—
Implementation of Care Act	—	86,136	(49,071)	(37,065)	—
Direct Payments	308,649	500,000	(565,593)	—	243,056
Think Local Act Personal (TLAP)	401,741	1,317,100	(1,159,410)	(102,375)	457,056
DHSSPS	—	55,000	(55,000)	—	—
Digital Library	—	150,000	(110,344)	(37,500)	2,156
Social Care Research Ethics Committee	—	70,666	(60,670)	(9,996)	—
Delivering a better life through social care	—	16,162	(6,928)	(9,234)	—
Care Leavers Testimony	—	2,865	(234)	(2,631)	—
Supporting Carers in Employment	24,000	18,013	(22,286)	—	19,727
Social Care Research Gateway	23,096	—	(41)	(23,055)	—
CPRU Maltreatment	11,783	—	—	(11,783)	—
Other restricted funds	20,000	—	—	—	20,000
	796,159	4,711,961	(3,935,361)	(821,135)	751,624

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.

Implementation of Care Act

SCIE was commissioned to support a series of groups established by the Department of Health to support the development of sector requirements for support in implementing the Care Act, particularly with regard to Assessment & Eligibility and Adult Safeguarding.

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.

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 DH.

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.

Digital Library

This fund has supported the development of a prevention library which is a single bank of evidence for preventive interventions in care and support to improve the way evidence is used and accessed. This resource was launched alongside other DH commissioned implementation support tools for the Care Act.

Social Care Research Ethics Committee

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

Notes to the financial statements 31 March 2015

13 Restricted funds (continued)

Delivering a better life through social care

This project was commissioned by the Joseph Rowntree Foundation to disseminate the results of a programme of work on support for older people with high support needs to the social care workforce. It involved the production of an At a Glance Summary and two Social Care TV films.

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 2015 £
		General fund £	Tangible fixed assets fund £	
Fund balances at 31 March 2015 are represented by:				
Tangible fixed assets	—	—	57,712	57,712
Net current assets	751,624	5,554,642	—	6,306,266
Pension liability	—	(4,662,000)	—	(4,662,000)
Total net assets	751,624	892,642	57,712	1,701,978

15 Leasing commitments

Operating leases

At 31 March 2015, the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Between one to two years	—	215,700	—	—
Between two to five years*	365,767	—	—	—
	365,767	215,700	—	—

* The charity signed a three year lease agreement commencing 30 March 2015 in respect to accommodation at Kinnaird House, 1 Pall Mall East, London, SW1Y 5BP.

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 2015, 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 2015, the actuaries have rolled forward the actuarial value of the assets and liabilities at 31 March 2013.

Notes to the financial statements 31 March 2015

16 Pension commitments (continued)

FRS 17 (continued)

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

	2015 % per annum	2014 % per annum
Rate of increase in salaries	4.2	4.6
Rate of increase in pension payments	2.4	2.8
Discount rate	3.4	4.5
Rate of inflation - RPI	3.3	3.6
Rate of Inflation - CPI	2.4	2.8

The mortality assumptions used were as follows:

	2015 years	2014 years
Longevity at age 65 for current pensioners		
. Men	22.8	22.7
. Women	25.2	25.1
Longevity at age 65 for future pensioners		
. Men	25.1	24.9
. Women	27.6	27.4

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

	2015 £'000s	2014 £'000s
Net deficit in scheme at 1 April	(3,367)	(5,550)
Current service cost	(415)	(401)
Net interest credit (charge)	32	(170)
Settlements and curtailments	—	(149)
Employer contributions	462	542
Actuarial (losses) gains	(1,374)	2,361
Net deficit in scheme at 31 March	(4,662)	(3,367)

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

	2015 £000s	2014 £000s
Current service cost	(415)	(401)
Interest cost	(725)	(780)
Losses on curtailments	—	(149)
Expected return on scheme assets	757	610
Total expenditure recognised in SOFA	(383)	(720)
Employer contributions	462	542
FRS17 credit (charge)	79	(178)

Notes to the financial statements 31 March 2015

16 Pension commitments (continued)

FRS 17 (continued)

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

	2015 £000s	2014 £000s
Actual return less expected return on pension scheme assets	991	386
Experience gains and losses arising on the scheme liabilities	(2)	1,641
Changes in the assumptions underlying the present value of scheme liabilities	(2,363)	334
Total amount (charged) credited to the STRGL	(1,374)	2,361

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 £2,049,000.

Reconciliation of opening and closing balances of the present value of the charity's share of scheme liabilities:

	2015 £000s	2014 £000s
Scheme liabilities at 1 April	16,024	16,716
Current service cost	415	401
Interest cost	725	780
Contributions by scheme participants	171	143
Losses on curtailments	—	149
Actuarial losses (gains)	2,365	(1,838)
Benefits paid	(397)	(327)
Scheme liabilities at 31 March	19,303	16,024

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

Unfunded scheme liabilities comprised:

	2015 £000s	2014 £000s
Unfunded scheme liabilities at 1 April	82	81
Interest cost	4	4
Change in financial and demographic assumptions	8	1
Benefits paid	(4)	(4)
Unfunded scheme liabilities at 31 March	90	82

Notes to the financial statements 31 March 2015

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:

	2015 £000s	2014 £000s
Fair value of scheme assets at 1 April	12,657	11,166
Expected return on scheme assets	757	610
Actuarial gains	991	523
Contributions by employer	462	542
Contributions by scheme participants	171	143
Benefits paid	(397)	(327)
Fair value of scheme assets at 31 March	14,641	12,657

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

	%	Value at 31 March 2015 £'000	%	Value at 31 March 2014 £'000
Equities	67%	9,850	67%	8,439
Government bonds	4%	643	8%	1,008
Other bonds	10%	1,401	8%	1,008
Property	11%	1,590	11%	1,446
Cash	2%	321	2%	252
Alternative assets	6%	836	4%	504
Total market value of assets		14,641		12,657

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

	31 March 2015 £'000s	31 March 2014 £'000s	31 March 2013 £'000s	31 March 2012 £'000s	31 March 2011 £'000s
Fair value of assets	14,641	12,657	11,166	9,802	9,329
Present value of scheme liabilities	(19,303)	(16,024)	(16,716)	(15,414)	(12,238)
Deficit in scheme	(4,662)	(3,367)	(5,550)	(5,612)	(2,909)
Experience adjustment on scheme assets	991	523	652	(497)	(263)
Percentage of scheme assets	6.8%	4.1%	5.8%	(5.1%)	(2.8%)
Experience adjustment on scheme liabilities	(2)	1,504	10	3	568
Percentage of scheme liabilities	(0.0%)	9.4%	0.1%	(0.0%)	(4.6%)

Notes to the financial statements 31 March 2015

16 Pension commitments (continued)

Contributions

The total contributions payable by the employer in the year, were £460,987 (2014 - £596,494). At 31 March 2015, there was no outstanding amount due (2014 - £43,913).

The best estimate of contributions to be paid by the charity to the scheme for the year ending 31 March 2016 is £409,000.

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.