

**Social  
Care Institute  
for  
Excellence**

**Annual Report and Financial  
Statements**

31 March 2013

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 (Chair from 2 April 2013) Nadra Ahmad David Archibald Tina Coldham Alex Fox Peter Hay Sukhvinder Kaur-Stubbs Mario Kreft Mike Lauerman Ann Macfarlane Mary McKenna Terry Moran Bev Searle Stephanie Palmerone Sally Warren Ian Sutherland</p>
Company secretary	<p>Stephen Goulder</p>
Chief executive	<p>Andrea Sutcliffe</p>
Senior executives	<p>Amanda Edwards (Deputy Chief Executive and Director of NICE Collaborating Centre for Social Care) Stephen Goulder (Director of Corporate Services) Patricia Kearney (Director of Innovation and Development)</p>
Registered and principal office	<p>5th Floor 2 – 4 Cockspur Street London SW1Y 5BH T: +44 (0)20 7024 7650 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>

## Reference and administrative information

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
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** Year to 31 March 2013

The trustees of the Social Care Institute for Excellence (SCIE) present their report together with the financial statements for the year ended 31 March 2013.

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 26 to 28 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** Year to 31 March 2013

### **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 adequate 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 10 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 Year to 31 March 2013

### 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 at the time this report was approved and served throughout the year, except where shown:

Trustee	Appointed/resigned	Audit Committee	Remuneration Committee	Business Development Committee
Lord Michael Bichard (Chair)	Appointed 2 April 2013			
Allan Bowman (Chair from 1 April 2006)	Appointed 1 April 2006 Resigned 1 April 2013			Chair
Nadra Ahmed	Appointed 5 July 2007			
David Archibald	Appointed 16 November 2011			Member
Louise Brown	Appointed 19 November 2009 Resigned 1 May 2012		Member	
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		Chair	Member
Ann Macfarlane	Appointed 1 January 2007			
Mary McKenna	Appointed 17 September 2013			
Terry Moran	Appointed 17 September 2013			
Joanne Munyard	Appointed 5 July 2007 Resigned 18 July 2013	Member		
Andy Nash	Appointed 5 July 2007 Resigned 21 March 2013		Member	Member

## Trustees' report Year to 31 March 2013

### How SCIE works (continued)

SCIE's board of trustees (continued)

Trustee	Appointed/resigned	Audit Committee	Remuneration Committee	Business Development Committee
Jenny Owen	Appointed 1 January 2007 Resigned 17 January 2013			
Stephanie Palmerone	Appointed 19 November 2009	Member		
Bev Searle	Appointed 17 September 2013			
Ian Sutherland	Appointed 27 March 2008			
Sally Warren	Appointed 17 September 2013			

Allan Bowman completed the term of his appointment as chair of SCIE in March 2013. 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 £34,940 (2012 – £34,256) for services undertaken in the administration of SCIE. Two other trustees were paid a total of £13,200 (2012: one trustee - £4,600) on the same basis.

Out of pocket travelling and subsistence expenses totalling £8,521 (2012 – £6,115) were reimbursed to 10 (2012 – 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 £6,000 (2012 - £1,105) and provides cover of up to a maximum of £2 million (2012 - £2 million).

The charity made payments of £4,200 to the National Care Association, £15,824 to Skills for Care and £4,785 to the Association of Directors of Adult Services during the year ended 31 March 2013. These payments related to provision of services at arm's length from which no trustee benefited. To ensure full transparency, it is confirmed that Allan Bowman is a member of the Association of Directors of Adult Services, and Nadra Ahmad is the chair of the National Care Association and a trustee of Skills for Care.

### 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.

## **Trustees' report** Year to 31 March 2013

### **How SCIE works** (continued)

#### 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.

#### 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.

#### 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.

### **Annual performance**

SCIE successfully bid to provide the NICE Collaborating Centre for Social Care (NCCSC) for three years from 1 April 2013. An establishment plan has been agreed with NICE to ensure that the NCCSC can be launched in April 2013.

SCIE has worked with the Department of Health (DH) throughout 2012-13 to agree work that DH will commission in 2013-14 which concluded with the agreement to fund up to £2 million of work. Discussions also took place with the devolved administrations.

Despite a period of considerable uncertainty, SCIE delivered an extensive programme of work during 2012-13:

## **Trustees' report** Year to 31 March 2013

### **Annual performance** (continued)

#### **Think Local Act Personal (TLAP)**

SCIE continued to host and support the TLAP partnership during 2012-13 and was directly involved in the following work streams:

- ◆ Personalisation and Self Directed Support.
- ◆ National Market Development Forum (NMDF).
- ◆ Information, advice and brokerage.
- ◆ Building Community Capacity.
- ◆ Use of resources.
- ◆ Publications.

#### ***Personalisation and Self Directed Support***

SCIE and TLAP jointly commissioned the New Economics Foundation to develop a paper exploring the key connections between co-production and personal budgets and made practical recommendations in a paper entitled 'Personal Budgets and Beyond'.

#### ***Programme National Market Development Forum (NMDF)***

SCIE supported the work of the NMDF Quality Assurance and Improvement Task and Finish Group to produce a definitive paper on key principles and roles. The DH paper 'Bring Clarity to Quality' was revised as part of this work. SCIE also supported the work of the task group on Quality Assurance and Improvement.

#### ***Information, advice and brokerage***

SCIE led the information, advice and brokerage group which built upon the earlier work of the Putting People First consortium (PPF 2007), analysing information the public need, and approaches to its provision.

#### ***Building Community Capacity***

SCIE supported the TLAP Building Community Capacity work stream and contributed to the development of a paper called "Volunteering: unlocking the real wealth of people and communities"(TLAP 2012) which explains that people's voluntary and unpaid contributions are crucial to enabling them and others have maximum choice and control over their lives.

#### ***Use of Resources***

On behalf of TLAP and Towards Excellence in Adult Social Care (TEASC), SCIE lead the steering group to oversee the update of the Use of Resources document previously published by the DH.

## **Trustees' report** Year to 31 March 2013

**Annual performance** (continued)

**Think Local Act Personal (TLAP)** (continued)

### ***Publications***

In March 2013, TLAP published two sets of reports in which SCIE staff were heavily involved:

- *A Problem Shared* – a joint publication with the TEASC
- *Driving up Quality in Adult Social Care: Quality Assurance briefings.*

### **Towards Excellence in Adult Social Care**

SCIE has been an active member of the TEASC programme board working with councils to improve performance in adult social care.

### **Personalisation**

We launched the new edition of the Personalisation Rough Guide at the National Children and Adult Services Conference (NCAS) in October 2012. The guide is in a new digital format which links all SCIE personalisation resources together including Social Care TV and e-learning materials.

### **Mental capacity Act (MCA)**

#### ***MCA Transition of supervisory body functions from Primary Care Trusts to Local Authorities***

In November 2012 SCIE published guidance on the transition of supervisory body functions from Primary Care Trusts (PCTs) to Local Authorities. This guidance concerns the implementation of the deprivation of liberty safeguards in health settings from April 2013 onwards.

#### ***MCA Strategic Direction Project***

SCIE completed work to explore strategic thinking within social services departments in relation to people who lack capacity.

### **Independent Social Work Practice Pilots**

SCIE completed its support to seven pilot sites, each promoting different models of independent social work practice. SCIE published a Midpoint Review of the Social Work Practice Pilots in October 2012 and the final evaluation of the projects will be completed by Kings College London in June 2013.

## **Trustees' report** Year to 31 March 2013

### **Annual performance** (continued)

#### **Safeguarding Adults**

##### ***Pan West Midlands Adult Safeguarding policies and procedures***

In July 2012 SCIE launched the Pan West Midlands Adult Safeguarding policies and procedures at the University of Wolverhampton. There were over 180 people in attendance representing organisations as diverse as the West Mercia Police, NHS West Midlands and the Shropshire Fire and Rescue Service. This launch means that close to a third of all Local Authorities in England with adult safeguarding responsibilities are now either using or considering using SCIE facilitated policies and procedures documents.

##### ***Protecting adults at risk in London: good practice resource***

We launched a guide at NCAS designed to accompany the pan London Adult Safeguarding policies and procedures document. It gives practical pointers to help people assess the risk of abuse, recognise it when it does occur and respond to it appropriately.

In January 2013, SCIE launched e-learning materials which offer clear, concise and practical guidance on safeguarding policy and practice aimed at managers and team leaders who have responsibility for safeguarding adults.

##### ***Mediation and family group conferences***

At the beginning of September 2012, SCIE launched a resource supporting mediation and family group conferences.

#### **End of Life Care**

SCIE launched a social care TV film disseminating good practice in End of Life Care which now features on our end of life hub.

#### **Supervision**

SCIE launched a research briefing on supervision of staff in October 2012 at NCAS and a Practice Guide which will be disseminated through two SCTV films.

#### **Co-Production**

##### ***Coproduction Charter***

The SCIE Co-production charter was launched externally at NCAS.

##### ***Older People with high support needs***

We have completed a report on co-production and participation by older people with high support needs, a key group who make up a large proportion of the users of social care services but are often underrepresented in co-production and participation activities.

## **Trustees' report** Year to 31 March 2013

### **Annual performance** (continued)

#### **Children and Families and Knowledge Transfer**

SCIE has collaborated with NICE to produce the draft scope for the NICE/SCIE joint guideline on the emotional and physical health of Looked After Children.

SCIE attended the Guideline Development Group and Technical Team meetings and contributed to research and analysis in relation to Experience of Care/Access chapters and the psychosocial context for the NICE/SCIE joint guideline on Conduct Disorder and on Autism.

#### **Action for Children**

SCIE was successful in a competitive tender to undertake research for Action for Children exploring the drivers of, and solutions to, short-term Local Authority decision-making, focusing particularly on children's services.

#### **Learning Together**

The Department for Education confirmed that they are satisfied with SCIE's performance with respect to its grant to develop Learning Together. SCIE was also involved in discussions with officials about the revision of Working Together. We have now completed the development of a sustainable business model for the Learning Together into 2013-14.

#### ***E-Learning and Social TV***

E learning resources have been developed for re-ablement, adult safeguarding, and person-centred practice for older people and people with mental health problems, supervision and dementia. Updating work is being carried out across our entire e-learning catalogues as part of our sustainability programme. The development of a learning management system (LMS), together with a comprehensive Qualification and Credit Framework mapping exercise will make all of our learning resources more useable and relevant to the workforce.

#### **Workforce**

##### ***Get Connected: Final Phase***

A short guide for social care providers regarding the use of ICT in activities for people with dementia was successfully launched at The National Care Association annual conference in November 2012.

SCIE also commissioned MORI to undertake a further survey of the sector, following surveys they undertook in 2006 and 2009, to assess the impact of Get Connected and the e-readiness of the social care sector. This was published in April 2013.

## **Trustees' report** Year to 31 March 2013

### **Annual performance** (continued)

#### **Find Me Good Care**

Since its launch in Autumn 2012, Find Me Good Care (FMGC) has established itself as a technically robust and well received service, and growing, number of contracts with care providers.

Over the same period the number of websites offering the same or similar information to FMGC (many of them free) continued to grow, saturating the market, and potentially weakening FMGC's position. More significantly, a re-invigorated NHS Choices was launching with a brief to be a "new single portal for health and care".

SCIE undertook a detailed review of FMGC future and agreed that the levels of income secured in 2012-13 justified continuing to improve the site to drive up income through a cost-neutral sales model, make modest investments in marketing and communications.

#### **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**

SCIE hosted a highly successful half-day seminar in NI on safeguarding; presenting our work on Learning Together This event was sponsored by the Department of Health, Social Services and Public Safety (DHSSPS) and attended by the newly appointed chair of the NI safeguarding board. The seminar was very successful and provided a basis for future collaboration.

Work is progressing well on the 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 in 2012-13 but further work will be required in 2013-14. The research review of kinship care will be completed in 2013-14.

The DHSSPS also funded consultancy support to the Western Health and Social Care Trust by SCIE in respect of the evaluation of the Safety in Partnership approach in 2012/13.

#### **Future Plans**

The business plan for 2013-14 is focused on the following key objectives:

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

## **Trustees' report** Year to 31 March 2013

### **Future Plans** (continued)

We will:

- ◆ Work in collaboration with leading agencies and partners to strengthen our influence in the sector.
- ◆ Influence the development of policy, particularly through our involvement in the national framework for the implementation of the Care Bill.
- ◆ Engage where appropriate in consultations and national initiatives to ensure the voice of social care is articulated and heard.

*Objective 2: Deliver a programme of commissioned work for the Department of Health, 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.*

Following detailed discussions, the DH has commissioned SCIE to:

- ◆ Continue to provide services that support existing priorities that would not be funded and would otherwise cease from 2013-14 with the loss of capability and capacity to support the sector.
- ◆ Develop digital services and products such as elearning and social care TV.
- ◆ Support the DH in the development and implementation of the Care Bill and subsequent Act.

In Wales, SCIE will continue to offer support to policy and practice in a number of areas critical to improving outcomes for adults, families and children in Wales.

In Northern Ireland, SCIE will conclude the review of its Service Level Agreement (SLA) to ensure that a firm basis is provided to deliver the agreed priorities for 2013-14.

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

Following a detailed review of FMGC it was agreed that the levels of income secured in 2012-13 justified continuing to improve the site to drive up income through a cost-neutral sales model.

SCIE has also developed 'Learning Together', an offer that directly supports the delivery of serious case reviews in children's services. SCIE provides training and support to local children's safeguarding boards and also provides associates who can undertake reviews using a systems approach. SCIE's reputation in children's social care provides a platform from which to tender for further business.

Using our experience from Learning Together, SCIE has established a training offer involving on site, and in house training for adult safeguarding and implementation of the Mental Capacity Act.

SCIE will also continue to build its consultancy offer.

## **Trustees' report** Year to 31 March 2013

### **Future Plans** (continued)

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

SCIE was awarded the contract from NICE to provide the NICE Collaborating Centre for Social Care (NCCSC) in January 2013. Our success in winning this three year contract provides the spring board to consolidate our reputation as the agency for evidence based improvement of the social care and support system. NCCSC will use NICE's methods and processes to develop social care guidance. NICE will use the guidance as a basis for its quality standards for social care. NCCSC will also support the adoption and dissemination of the guidance and quality standards across the social care sector.

NCCSC will work on up to six guidance topics at any one time, as well as supporting quality standards dissemination and adoption, and providing social care input to other health related topics.

*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 consists of two business units supported by one corporate services function.

NCCSC is led by a Director supported by a Head of Evidence and Guidance who will directly manage the research analysts and information scoping and searching team, as these are the key functions the NCCSC will need to deliver. The Head of Dissemination and Implementation will manage the dissemination and adoption of the guidance that the centre develops.

The Director of Innovation and Development Directorate (IDD) will be responsible for all fee for service (commissions, sales etc) business activity. She will be supported by the Head of Delivery who will manage the Practice Development Managers. The head of Digital Services will manage the digital team, including Social Care Online.

The Director of Corporate Services Directorate will lead the finance, HR, IT and facilities, communications and co-production teams.

The new structure was implemented with effect from 1 April 2013.

## Trustees' report Year to 31 March 2013

### Future Plans (continued)

*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.*

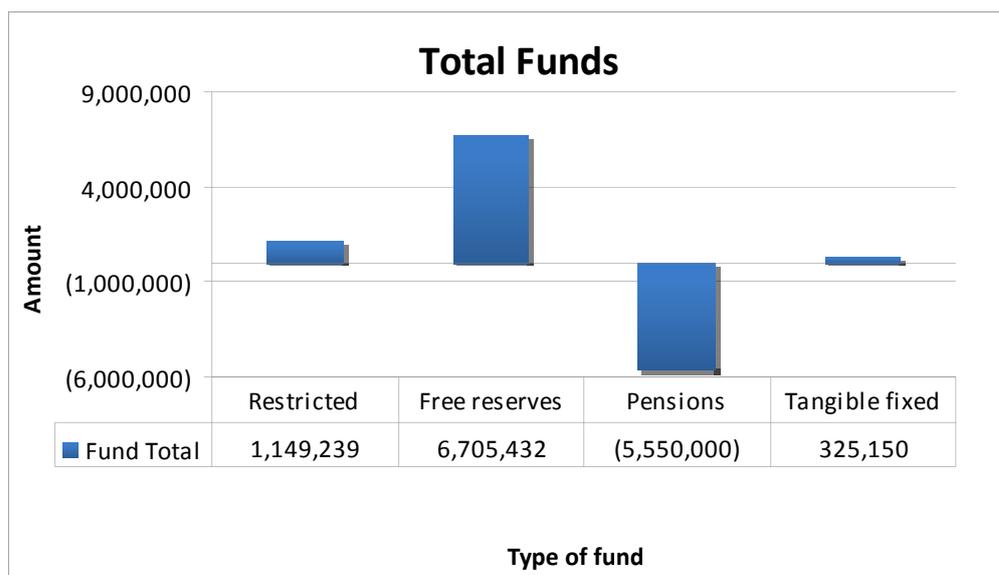
An income and expenditure model has been built that has identified potential sources of income; the income from each source; the variable costs of delivering the work required; and the contribution to overheads.

Income and expenditure budgets for 2013-14 have been prepared for each new Directorate.

### Financial review for 2012–13

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

**Figure 1: Total funds:**



The balance sheet shows total funds of £2,629,821 at 31 March 2013. At this date, restricted funds amounted to £1,149,239. 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 14 to the financial statements together with an analysis of movements in the year.

£325,150 of the total funds is represented by tangible fixed assets held under unrestricted funds.

## Trustees' report Year to 31 March 2013

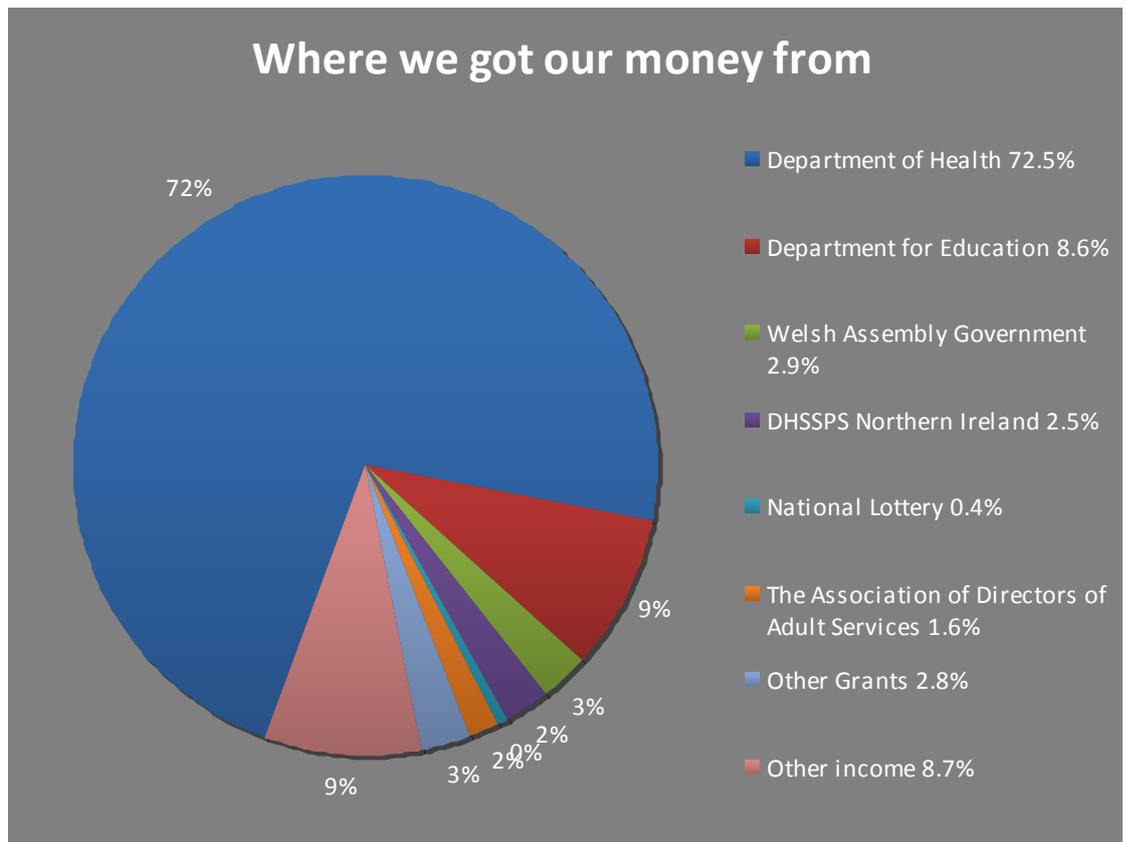
### Financial review for 2012–13 (continued)

The actuaries have calculated SCIE's share of the deficit on the defined benefit pension fund at 31 March 2013 to be £5,550,000. For further information, see note 17 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 £6,705,432 at 31 March 2013. The trustees consider that this level of free reserves is adequate but not excessive and provides a solid foundation on which to build.

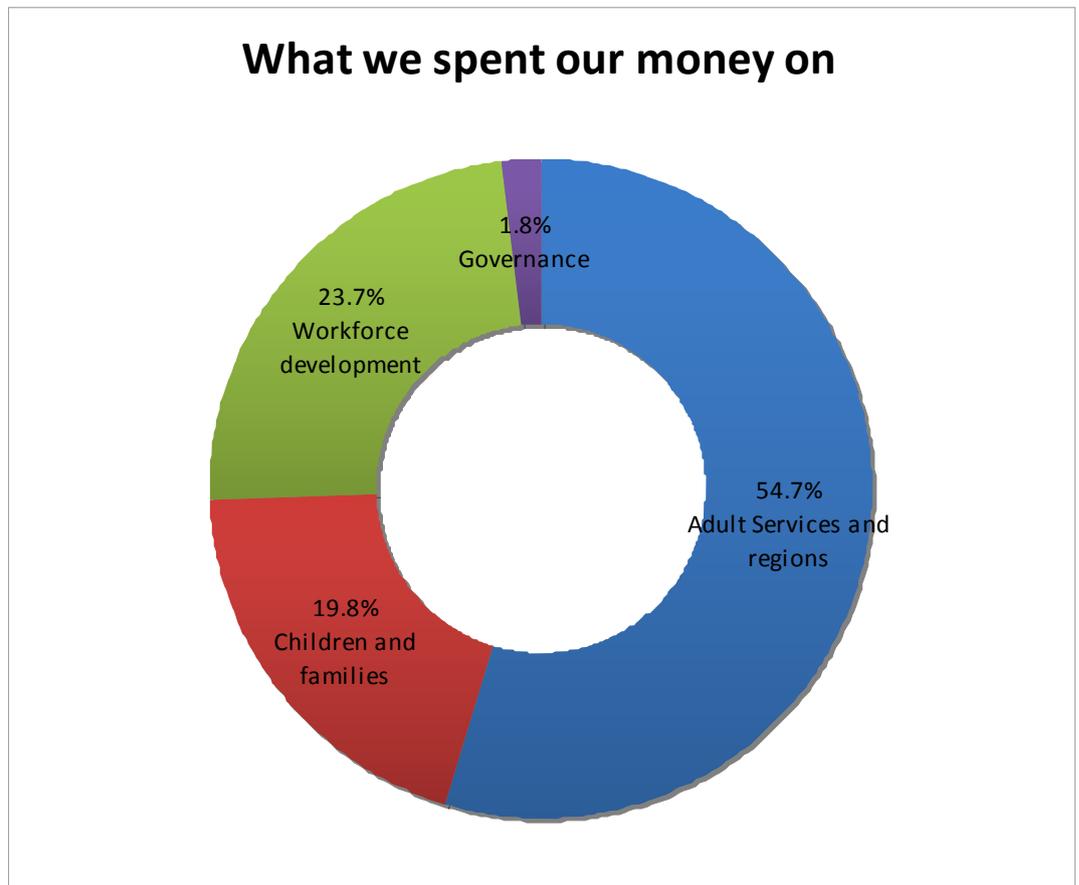
SCIE received its income mainly in the form of grants and spent its money on charitable activities set out in service level agreements and in restricted fund agreements.

**Figure 2: Incoming resources**



**Financial review for 2012–13 (continued)**

**Figure 3: Resources expended**



**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** Year to 31 March 2013

### **Policies** (continued)

The level of free reserves was £6,705,432 at 31 March 2013. The trustees consider that this level of free reserves is adequate but not excessive and provides a solid foundation on which to build.

### Commissioned work

The DH has made a grant of up to £2m available to SCIE for 2013-14 which is in accordance with expectations. In addition, SCIE has won a competitive bid to become the NICE collaborating centre for social care.

Funding from Northern Ireland is based on the application of the Barnett Formula to the core grant agreed by the DH.

### 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 10).

### **Post balance sheet events**

SCIE entered into negotiations with its landlord after 31 March 2013 with the intention of surrendering the office lease and vacating the premises at Cockspur Street by 31 October 2013. Had the decision to vacate the premises been taken prior to 31 March 2013, accelerated depreciation of £209,995 against leasehold improvement costs, previously capitalised in relation to the premises, would have been charged in the financial statements for the year ended 31 March 2013. Similarly, the lease related rent free accrual (incurred as a result of a rent free period provided by the landlord when the charity first entered into the lease) of £75,900 would be credited to the financial statements for the year ended 31 March 2013. The net effect of these two adjustments would be to increase the net outgoing resources for the year ended 31 March 2013 by £134,095 to £4,238,383. Since the decision to vacate the premises was taken after 31 March 2013, the necessary accounting adjustments will be made in the financial statements for the year ending 2014.

Approved by the trustees and signed on their behalf by:

Michael Bichard

Trustee

Approved by the trustees on: 17 September 2013

## **Independent auditor's report 31 March 2013**

### **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 2013 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 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 2013**

### **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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the trustees' 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.

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

17 October 2013



## Balance sheet 31 March 2013

	Notes	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Tangible assets	10		<b>325,150</b>		424,889
<b>Current assets</b>					
Debtors	11	<b>775,990</b>		583,453	
Short term deposits		<b>6,000,000</b>		9,000,000	
Cash at bank and in hand		<b>2,605,089</b>		3,355,383	
		<b>9,381,079</b>		12,938,836	
<b>Creditors:</b> amounts falling due within one year	12	<b>(1,526,408)</b>		(1,273,616)	
<b>Net current assets</b>			<b>7,854,671</b>		11,665,220
<b>Total net assets excluding pension liability</b>			<b>8,179,821</b>		12,090,109
Pension liability	17	<b>(5,550,000)</b>		(5,612,000)	
<b>Total net assets including pension liability</b>			<b>2,629,821</b>		6,478,109
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<b>Income funds:</b>					
Restricted funds	14		<b>1,149,239</b>		7,397,169
Unrestricted funds					
. General fund					
.. Free reserves			<b>6,705,432</b>		4,269,840
.. Pension reserve	17		<b>(5,550,000)</b>		(5,612,000)
			<b>1,155,432</b>		(1,342,160)
. Tangible fixed assets fund			<b>325,150</b>		423,100
			<b>2,629,821</b>		6,478,109

Approved by the trustees  
and signed on their behalf by:

Sukhvinder Kaur

Trustee  
Approved on: 17 September 2013

Company Registration No. 04289790 (England and Wales)

Charity Registration No.1092778

## Cash flow statement Year to 31 March 2013

	Notes	2013 £	2012 £
<b>Net cash outflow from operating activities</b>	A	<b>(3,758,597)</b>	(4,558,236)
<b>Returns on investment and servicing of finance</b>	B	<b>73,545</b>	151,790
<b>Capital expenditure</b>	B	<b>(65,242)</b>	(527,311)
		<b>(3,750,294)</b>	(4,933,757)
<b>Management of liquid resources</b>	B	<b>3,000,000</b>	(6,500,000)
<b>Decrease in cash</b>	C	<b>(750,294)</b>	(11,433,757)

### Notes to the cash flow statement for the year to 31 March 2013

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

	2013 £	2012 £
Net outgoing resources for the year	<b>(4,104,288)</b>	(5,332,121)
FRS17 pension charge	<b>194,000</b>	62,000
Interest receivable	<b>(73,545)</b>	(151,790)
Depreciation charge	<b>164,981</b>	147,672
Surplus on disposal of tangible fixed assets	<b>—</b>	(2,425)
(Increase) decrease in debtors	<b>(192,537)</b>	795,924
Increase (decrease) in creditors	<b>252,792</b>	(77,496)
<b>Net cash outflow from operating activities</b>	<b>(3,758,597)</b>	(4,558,236)

#### B Gross cash flows

	2013 £	2012 £
<b>Returns on investment and servicing of finance</b>		
Interest received	<b>73,545</b>	151,790
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	<b>(65,242)</b>	(532,344)
Proceeds from disposal of tangible fixed assets	<b>—</b>	5,033
	<b>(65,242)</b>	(527,311)
<b>Management of liquid resources</b>		
Decrease (increase) in cash invested in short term deposits	<b>3,000,000</b>	(6,500,000)

## Cash flow statement Year to 31 March 2013

### C Analysis of changes in net funds

	At 1 April 2012 £	Cash flows £	At 31 March 2013 £
Cash in hand and at bank	3,355,383	(750,294)	<b>2,605,089</b>
Short term deposits	9,000,000	(3,000,000)	<b>6,000,000</b>
	<u>12,355,383</u>	<u>(3,750,294)</u>	<u><b>8,605,089</b></u>

## **Principal accounting policies 31 March 2013**

### **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. 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.

## Principal accounting policies 31 March 2013

### 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 (see note 18)

### 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 2013**

### **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 2013

### 1 Contracts, grants and service agreements

	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
Department of Health				
. Section 64 Core Grant	2,500,000	750,000	<b>3,250,000</b>	4,400,000
. Project grants	—	690,000	<b>690,000</b>	670,000
	<u>2,500,000</u>	<u>1,440,000</u>	<u><b>3,940,000</b></u>	<u>5,070,000</u>
Department for Education	42,420	424,208	<b>466,628</b>	2,254,693
Welsh Government	156,000	—	<b>156,000</b>	178,000
Department of Health, Social Services and Public Safety (Northern Ireland)	135,270	—	<b>135,270</b>	164,280
National Childrens Bureau	—	—	<b>—</b>	212,882
National Lottery	—	23,900	<b>23,900</b>	—
The Association of Directors of Adult Services	—	86,703	<b>86,703</b>	780,000
Other funders	—	152,095	<b>152,095</b>	269,288
	<u>2,833,690</u>	<u>2,126,906</u>	<u><b>4,960,596</b></u>	<u>8,929,143</u>

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

	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
Adult services	1,662,884	1,235,158	<b>2,898,042</b>	4,068,163
Families	751,521	693,058	<b>1,444,579</b>	2,275,748
Workforce development	359,896	198,690	<b>558,586</b>	2,503,879
Other	59,389	—	<b>59,389</b>	81,353
	<u>2,833,690</u>	<u>2,126,906</u>	<u><b>4,960,596</b></u>	<u>8,929,143</u>

### 2 Other incoming resources

	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
Administrative services	—	—	<b>—</b>	95,187
Consultancy services	326,871	—	<b>326,871</b>	72,438
Other income	71,758	833	<b>72,591</b>	29,127
	<u>398,629</u>	<u>833</u>	<u><b>399,462</b></u>	<u>196,752</u>

## Notes to the financial statements 31 March 2013

### 3 Cost of charitable activities

	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
<b>Adult services</b>				
. Staff costs	864,457	1,256,588	<b>2,121,045</b>	1,894,176
. Office costs	137,653	22,357	<b>160,010</b>	146,560
. Premises costs	275,297	—	<b>275,297</b>	288,724
. Commissioning costs	50,841	923,820	<b>974,661</b>	971,171
. Electronic access and publication costs	7,768	116,098	<b>123,866</b>	84,667
. Publicity and dissemination	18,080	103,379	<b>121,459</b>	114,328
. Other costs	—	—	<b>—</b>	19
. Support costs (note 5)	1,442,223	—	<b>1,442,223</b>	1,263,414
	<u>2,796,319</u>	<u>2,422,242</u>	<u><b>5,218,561</b></u>	<u>4,763,059</u>
<b>Families</b>				
. Staff costs	298,726	618,832	<b>917,558</b>	837,534
. Office costs	54,553	20,802	<b>75,355</b>	95,666
. Premises costs	111,657	—	<b>111,657</b>	132,393
. Commissioning costs	(38,524)	299,043	<b>260,519</b>	362,751
. Electronic access and publication costs	2,589	46,803	<b>49,392</b>	60,168
. Publicity and dissemination	218	3,145	<b>3,363</b>	31,030
. Other costs	—	2,640	<b>2,640</b>	6
. Support costs (note 5)	464,193	—	<b>464,193</b>	440,726
	<u>893,412</u>	<u>991,265</u>	<u><b>1,884,677</b></u>	<u>1,960,274</u>
<b>Workforce development</b>				
. Staff costs	291,763	465,565	<b>757,328</b>	2,192,521
. Office costs	28,902	13,220	<b>42,122</b>	54,405
. Premises costs	59,156	—	<b>59,156</b>	51,340
. Commissioning costs	35,291	501,851	<b>537,142</b>	4,016,385
. Electronic access and publication costs	251,141	34,142	<b>285,283</b>	133,497
. Publicity and dissemination	99,772	20,621	<b>120,393</b>	499,629
. Other costs	3,776	—	<b>3,776</b>	41,345
. Support costs (note 5)	456,370	—	<b>456,370</b>	763,925
	<u>1,226,171</u>	<u>1,035,399</u>	<u><b>2,261,570</b></u>	<u>7,753,047</u>
<b>Total</b>	<u>4,915,902</u>	<u>4,448,906</u>	<u><b>9,364,808</b></u>	<u>14,476,380</u>

## Notes to the financial statements 31 March 2013

### 4 Governance costs

	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
Legal and professional fees	24,640	—	<b>24,640</b>	18,000
Trustees' expenses, payments to trustees and other trustee related costs	122,928	—	<b>122,928</b>	93,909
Co-production Network costs	25,515	—	<b>25,515</b>	21,517
	<b>173,083</b>	<b>—</b>	<b>173,083</b>	<b>133,426</b>

Governance costs include £45,451 in relation to staff costs (2012 - £41,444).

### 5 Support costs

	Adult services £	Families £	Workforce development £	2013 Total funds £	2012 Total funds £
Staff costs	1,024,547	329,760	324,202	<b>1,678,509</b>	1,705,055
Premises costs	131,228	42,237	41,525	<b>214,990</b>	251,978
Refurbishment costs	—	—	—	—	44,749
Office costs	64,114	20,636	20,288	<b>105,038</b>	116,462
Electronic access and publication costs	6,908	2,223	2,186	<b>11,317</b>	24,619
Publicity and dissemination costs	110,996	35,725	35,123	<b>181,844</b>	205,755
Other costs	104,430	33,612	33,046	<b>171,088</b>	119,447
	<b>1,442,223</b>	<b>464,193</b>	<b>456,370</b>	<b>2,362,786</b>	<b>2,468,065</b>

Support costs are allocated to the activities they are supporting on the basis of the numbers of staff working on each activity.

Other costs include net interest on the pension scheme of £126,000 (2012: £81,000) (see note 18).

### 6 Net outgoing resources for the year before transfers between funds

This is stated after charging:

	Unrestricted funds £	Restricted funds £	2013 Total funds £	2012 Total funds £
Staff costs (note 7)	3,229,764	2,290,127	<b>5,519,891</b>	6,670,730
Auditor's remuneration				
. Statutory audit services				
.. Current year	20,000	—	<b>20,000</b>	18,000
.. Previous year	4,640	—	<b>4,640</b>	—
. Other services	—	3,780	<b>3,780</b>	1,560
Depreciation	388,820	36,845	<b>425,665</b>	147,673
Surplus on disposal of tangible fixed assets	—	—	—	2,425
Operating lease rentals	400,717	—	<b>400,717</b>	301,845

## Notes to the financial statements 31 March 2013

### 7 Employees and staff costs

Staff costs during the period were as follows:

	2013 £	2012 £
Wages and salaries	3,245,499	3,757,407
Social security costs	304,792	358,289
Other pension costs	449,814	481,575
FRS17 charge (credit) (note 18)	68,000	(19,000)
	<b>4,068,105</b>	4,578,271
Payments to agency staff and consultants	1,009,892	1,556,387
Other staff related costs	441,894	536,072
	<b>5,519,891</b>	6,670,730

Included within wages and salaries are 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:

	2013 No.	2012 No.
Charitable activities		
. Adult services	43	43
. Families	14	15
. Workforce development	14	26
Governance	1	1
	<b>72</b>	85

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:

	2013 No.	2012 No.
£60,001 - £70,000	6	6
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	1	3
£140,001 - £150,000	1	—
£150,001 - £160,000	—	1

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

The lowest and the highest paid full time equivalent salaries (including taxable benefits but excluding employer pension contributions) in the year to 31 March 2013 were £17,233 and £140,000 respectively.

## Notes to the financial statements 31 March 2013

### 8 Payments in relation to trustees

In accordance with the charity's memorandum and articles of association, the Chair of the trustees was paid £34,940 (2012 - £34,256) during the year for services undertaken in the administration of the charity. Two other trustees were paid a total of £13,200 (2012: one trustee – £4,600) on the same basis. The payment for such services has been authorised by the Charity Commission.

Out of pocket travelling and subsistence expenses totalling £8,521 (2012 - £6,115) were reimbursed to 10 (2012 – 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 £6,000 (2012 - £1,105) and provides cover of up to a maximum of £2 million (2012 - £2 million).

The charity made payments of £4,200 to the National Care Association, £15,824 to Skills for Care and £4,785 to the Association of Directors of Adult Services during the year ended 31 March 2013. These payments related to provision of services at arm's length from which no trustee benefited. To ensure full transparency, it is confirmed that Allan Bowman is a member of the Association of Directors of Adult Services, and Nadra Ahmad is the chair of the National Care Association and a trustee of Skills for Care.

### 9 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 but most of its activities are categorised as non business. Therefore, only a limited amount of VAT suffered on expenditure can be reclaimed.

## Notes to the financial statements 31 March 2013

### 10 Tangible fixed assets

	Unrestricted funds			Restricted funds	Total £
	Computer and IT equipment £	Office furniture and fittings £	Leasehold improvements £	Computer and IT equipment £	
<b>Cost</b>					
At 1 April 2012	118,971	75,681	434,476	2,684	<b>631,812</b>
Additions	30,186	—	—	35,056	<b>65,242</b>
Elimination of fully depreciated items	(80,525)	—	—	—	<b>(80,525)</b>
At 31 March 2013	<u>68,632</u>	<u>75,681</u>	<u>434,476</u>	<u>37,740</u>	<b>616,529</b>
<b>Depreciation</b>					
At 1 April 2012	100,210	18,921	86,897	895	<b>206,923</b>
Charge for year	22,320	18,921	86,895	36,845	<b>164,981</b>
Elimination of fully depreciated items	(80,525)	—	—	—	<b>(80,525)</b>
At 31 March 2013	<u>42,005</u>	<u>37,842</u>	<u>173,792</u>	<u>37,740</u>	<b>291,379</b>
<b>Net book values</b>					
At 31 March 2013	<u>26,627</u>	<u>37,839</u>	<u>260,684</u>	<u>—</u>	<b>325,150</b>
At 31 March 2012	<u>18,761</u>	<u>56,760</u>	<u>347,579</u>	<u>1,789</u>	<b>424,889</b>

### 11 Debtors

	2013 £	2012 £
Prepayments	<b>36,005</b>	221,777
Grants income receivable	<b>476,299</b>	164,083
Other debtors	<b>263,686</b>	197,593
	<u><b>775,990</b></u>	<u>583,453</u>

### 12 Creditors: amounts falling due within one year

	2013 £	2012 £
Expense creditors	<b>572,628</b>	409,674
Taxation and social security	<b>91,835</b>	118,670
Amount due to TCSW (see below)	<b>—</b>	377,163
Other creditors	<b>101,329</b>	140,289
Creditor in respect to Digital Services	<b>362,729</b>	—
Rent and service charge payable	<b>116,182</b>	185,805
Accruals	<b>201,465</b>	42,015
Deferred income (note 13)	<b>80,240</b>	—
	<u><b>1,526,408</b></u>	<u>1,273,616</u>

The College of Social Work ("TCSW") was incorporated as a company limited by guarantee (Company Number 07499397, England and Wales) on 20 January 2011. On 31 March 2012, the assets and activities of TCSW were transferred from SCIE to TCSW which became operational from 1 April 2012.

## Notes to the financial statements 31 March 2013

### 13 Deferred income

	2013 £	2012 £
Balance at 1 April 2012	—	7,071
Income received in advance	<b>80,240</b>	—
Released to statement of financial activities	—	(7,071)
Balance at 31 March 2013 (note 12)	<b>80,240</b>	—

### 14 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 2012 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2013 £
Service User and Carer Involvement In Social Work Education	42,871	3,475	(34,890)	—	<b>11,456</b>
Care Leavers Testimony PRU	—	23,900	(9,659)	—	<b>14,241</b>
Learning Together Pilots	14,465	—	(2,668)	(11,797)	—
Learning Together (VCS)	—	424,208	(370,340)	(53,868)	—
E-learning Strategy in Social Care	1,099,539	750,000	(1,576,021)	(100,000)	<b>173,518</b>
Sustainable Development	3,202	—	(1,260)	(1,942)	—
Mental Capacity Act Training	231,743	—	(155,902)	(75,841)	—
Personal Budgets and User Experiences	45,032	—	(35,499)	(9,533)	—
Safeguarding Adults	143,046	—	(87,276)	(55,770)	—
Think Local Act Personal	886,345	503,616	(855,710)	(34,177)	<b>500,074</b>
Social Care Research Ethics Committee	—	71,190	(61,190)	(10,000)	—
Direct Payments in residential Care Pilot	—	300,000	—	—	<b>300,000</b>
Adult Workforce Development Strategy	492,193	—	(165,480)	(326,713)	—
Social Care Practice Pilots	355,019	—	(254,556)	(10,000)	<b>90,463</b>
E Enablement in Social Care	3,691,764	—	(795,077)	(2,896,687)	—
The College of Social Work (TCSW)	337,145	—	—	(337,145)	—
Dignity in Care	3,786	—	(496)	(3,290)	—
Social Care Research Gateway	20,000	—	(2,696)	—	<b>17,304</b>
CPRU Maltreatment	31,019	—	(18,836)	—	<b>12,183</b>
Other restricted funds	—	30,000	—	—	<b>30,000</b>
	<b>7,397,169</b>	<b>2,127,739</b>	<b>(4,448,906)</b>	<b>(3,926,763)</b>	<b>1,149,239</b>

## Notes to the financial statements 31 March 2013

### 14 Restricted funds (continued)

Transfers from restricted funds are in respect to the reimbursement of unrestricted funds for general overhead costs incurred during the year and which are chargeable to specific restricted fund projects; the reimbursement of unrestricted funds for general overhead costs incurred in prior years but not charged to specific restricted funds in those years; and a transfer agreed with funders to recognise and compensate for the reduction in the core Section 64 grant between 2012 and 2013. All transfers relate to the reimbursement of, or compensation payable to, unrestricted funds in respect to expenditure in the year to 31 March 2013 or earlier years.

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

#### *Service User and Carer Involvement in Social Work Education*

This fund represented monies from the DH to build and sustain strategies and practice for user and carer participation in the social work degree, through supporting the development of service user and carer controlled organisations.

#### *Case 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 have now commenced interviewing 25 care experienced adults on digital video. The videos will be archived in the British Library and used to produce a suite of SCTV films. The products will be launched during national care leavers' week, 24 – 30 October 2013.

#### *PRU*

The aim of this project was to contribute to the creation of a Policy Research Unit. It had four key research themes, each of which was input from four cross cutting themes, of which social care was one.

#### *Learning Together Pilots*

The "Learning Together" project was focussed on developing a new methodology for how people conduct case reviews and serious case reviews of multi-agency safeguarding and child protection work to underpin service improvement. SCIE won individual contracts with different regions in England to train up and collaborate with three different local authorities and their partners in each region to conduct "pilot" case reviews using this new "systems" methodology.

#### *Learning Together (VCS)*

This was an award from the Department for Education's (DfE) Voluntary and Community Sector grant. The funding supported the development of SCIE's systems model to organisational learning in child protection, known as "SCIE Learning Together".

SCIE also received Capacity Building Grant of £42,420 from the DfE during the year which has been treated as unrestricted income within the financial statements.

#### *E-learning Strategy in Social Care*

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

## Notes to the financial statements 31 March 2013

### 14 Restricted funds (continued)

#### *Sustainable Development*

This fund represented SCIE's work in support of the DH achieving its commitments within the terms of its sustainable development plan.

#### *Mental Capacity Act Training*

This fund represented monies paid to SCIE by the DH to develop a training programme as well as training materials to support the induction of Independent Mental Capacity Advocates as set out in the Mental Capacity Act 2005.

#### *Personal Budgets and User Experiences*

This project represented monies to fund an evaluation of the outcomes, systems, practice and cost-effectiveness of personal budgets for older people.

#### *Safeguarding Adults*

These monies, provided by the DH, were to facilitate SCIE's work on various aspects of safeguarding of adults.

#### *Think Local Act Personal*

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.

#### *Social Care Research Ethics Committee*

This was to provide an ethical review of the social care research proposals.

#### *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.

#### *Adult Workforce Development Strategy*

This fund enabled SCIE to lead and provide additional support which would build workforce development and capability in the sector.

#### *Social Work 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.

#### *Enablement in Social Care*

This fund was to enable SCIE to facilitate the purchase and implementation of new technology in adult social care.

#### *The College of Social Work*

These funds represented monies provided by the DH to contribute to the development of the national college of social work.

## Notes to the financial statements 31 March 2013

### 14 Restricted funds (continued)

#### *Dignity in Care*

These monies were provided by the DH to review and update SCIE's Dignity in Care practice guide.

#### *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.

### 15 Analysis of net assets between funds

	Restricted funds £	Unrestricted funds		Total 2013 £
		General fund £	Tangible fixed assets fund £	
<b>Fund balances at 31 March 2013 are represented by:</b>				
Tangible fixed assets	—	—	325,150	<b>325,150</b>
Net current assets	1,149,239	6,705,432	—	<b>7,854,671</b>
Pension liability	—	(5,550,000)	—	<b>(5,550,000)</b>
<b>Total net assets</b>	<b>1,149,239</b>	<b>1,155,432</b>	<b>325,150</b>	<b>2,629,821</b>

### 16 Leasing commitments

#### Operating leases

At 31 March 2013, the charity had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire:				
Between one to two years	—	—	576	1,727
Between two to five years	<b>516,396</b>	400,717	—	—
	<b>516,396</b>	<b>400,717</b>	<b>576</b>	<b>1,727</b>

See note 18 in relation to changes to lease arrangements after 31 March 2013.

## Notes to the financial statements 31 March 2013

### 17 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 2010, showed that the market value of the scheme's assets were £3,085 million and that the actuarial value of those assets represented 71.4% 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 6.75% per annum and that salary increases would average 4.5% 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 2013.

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 2013, 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 2013, the actuaries have rolled forward the actuarial value of the assets and liabilities at 31 March 2010.

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

	<b>2013</b> %	2012 %
	<b>per annum</b>	per annum
Rate of increase in salaries	<b>4.4</b>	4.3
Rate of increase in pension payments	<b>2.6</b>	2.5
Discount rate	<b>4.6</b>	4.6
Rate of inflation - RPI	<b>3.4</b>	3.3
Rate of Inflation - CPI	<b>2.6</b>	2.5

The mortality assumptions used were as follows:

	<b>2013</b> <b>years</b>	2012 years
Longevity at age 65 for current pensioners		
. Men	<b>22.7</b>	22.7
. Women	<b>25.3</b>	25.3
Longevity at age 65 for future pensioners		
. Men	<b>24.2</b>	24.1
. Women	<b>26.9</b>	26.8

## Notes to the financial statements 31 March 2013

### 17 Pension commitments (continued)

*FRS 17 (continued)*

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

	2013 £'000s	2012 £'000s
Net deficit in scheme at 1 April	(5,612)	(2,909)
Current service cost	(512)	(453)
Net interest	(126)	(81)
Employer contributions	444	472
Actuarial gains (losses)	256	(2,641)
<b>Net deficit in scheme at 31 March</b>	<b>(5,550)</b>	<b>(5,612)</b>

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

	2013 £000s	2012 £000s
Current service cost	(512)	(453)
Interest cost	(702)	(683)
Expected return on scheme assets	576	602
<b>Total expenditure recognised in SOFA</b>	<b>(638)</b>	<b>(534)</b>
Employer contributions	444	472
<b>FRS17 charge</b>	<b>(194)</b>	<b>(62)</b>

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

	2013 £000s	2012 £000s
Actual return less expected return on pension scheme assets	652	(497)
Experience gains and losses arising on the scheme liabilities	10	(3)
Changes in the assumptions underlying the present value of scheme liabilities	(406)	(2,141)
<b>Total amount credited (charged) to the STRGL</b>	<b>256</b>	<b>(2,641)</b>

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 £4,860,000.

## Notes to the financial statements 31 March 2013

### 17 Pension commitments (continued)

*FRS 17 (continued)*

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

	2013 £000s	2012 £000s
Scheme liabilities at 1 April	15,414	12,238
Current service cost	512	453
Interest cost	702	683
Contributions by scheme participants	181	203
Actuarial losses	396	2,144
Benefits paid	(489)	(307)
<b>Scheme liabilities at 31 March</b>	<b>16,716</b>	<b>15,414</b>

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

	2013 £000s	2012 £000s
Unfunded scheme liabilities at 1 April	79	73
Interest cost	4	4
Actuarial losses	2	6
Benefits paid	(4)	(4)
<b>Unfunded scheme liabilities at 31 March</b>	<b>81</b>	<b>79</b>

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

	2013 £000s	2012 £000s
Fair value of scheme assets at 1 April	9,802	9,329
Expected return on scheme assets	576	602
Actuarial gains (losses)	652	(497)
Contributions by employer	444	472
Contributions by scheme participants	181	203
Benefits paid	(489)	(307)
<b>Fair value of scheme assets at 31 March</b>	<b>11,166</b>	<b>9,802</b>

The actual return on the scheme assets in the year ended 31 March 2013 was a gain of £1,229,000 (2012: gain of £106,000).

## Notes to the financial statements 31 March 2013

### 17 Pension commitments (continued)

FRS 17 (continued)

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

	Expected return at 31 March 2013 %	Value at 31 March 2013 £'000	Expected return at 31 March 2012 %	Value at 31 March 2012 £'000
Equities	64%	7,146	70%	6,862
Government bonds	7%	782	4%	392
Other bonds	8%	893	10%	980
Property	12%	1,340	14%	1,372
Cash	4%	447	2%	196
Alternative assets	5%	558	0%	—
<b>Total market value of assets</b>		<b>11,166</b>		<b>9,802</b>

None of the fair values of the assets shown above include any of the charity's own financial instruments or any property occupied by, or other assets used by, the charity. The equity investments and bonds which are held in scheme assets are quoted and are valued at the current bid.

The expected long term return on cash is equal to bank base rates. The expected return on bonds is determined by reference to UK long dated gilt and bond yields. The expected rates of return on equities and property have been determined by setting an appropriate risk premium above gilt/bond yields having regard to market conditions.

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

	31 March 2013 £'000s	31 March 2012 £'000s	31 March 2011 £'000s	31 March 2010 £'000s	31 March 2009 £'000s
Fair value of assets	11,166	9,802	9,329	8,769	6,081
Present value of scheme liabilities	(16,716)	(15,414)	(12,238)	(11,454)	(7,494)
Deficit in scheme	(5,550)	(5,612)	(2,909)	(2,685)	(1,413)
Experience adjustment on scheme assets	652	(497)	(263)	1,806	1,956
Percentage of scheme assets	5.8%	(5.1%)	(2.8%)	20.6%	32.2%
Experience adjustment on scheme liabilities	10	3	568	—	—
Percentage of scheme liabilities	0.1%	(0.0%)	(4.6%)	0%	0%

#### Contributions

The total contributions made by the employer in the year, were £449,814 (2012 - £481,575). The level of contribution will be reviewed as a result of the triennial valuation of the scheme as at 31 March 2013.

The best estimate of contributions to be paid by the charity to the scheme for the year ending 31 March 2014 is £389,000.

## **Notes to the financial statements 31 March 2013**

### **18 Post balance sheet event**

SCIE entered into negotiations with its landlord after 31 March 2013 with the intention of surrendering the office lease and vacating the premises at Cockspur Street by 31 October 2013. Had the decision to vacate the premises been taken prior to 31 March 2013, accelerated depreciation of £209,995 against leasehold improvement costs, previously capitalised in relation to the premises, would have been charged in the financial statements for the year ended 31 March 2013. Similarly, the lease related rent free accrual (incurred as a result of a rent free period provided by the landlord when the charity first entered into the lease) of £75,900 would be credited to the financial statements for the year ended 31 March 2013. The net effect of these two adjustments would be to increase the net outgoing resources for the year ended 31 March 2013 by £134,095 to £4,238,383. Since the decision to vacate the premises was taken after 31 March 2013, the necessary accounting adjustments will be made in the financial statements for the year ending 2014.

## 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?**

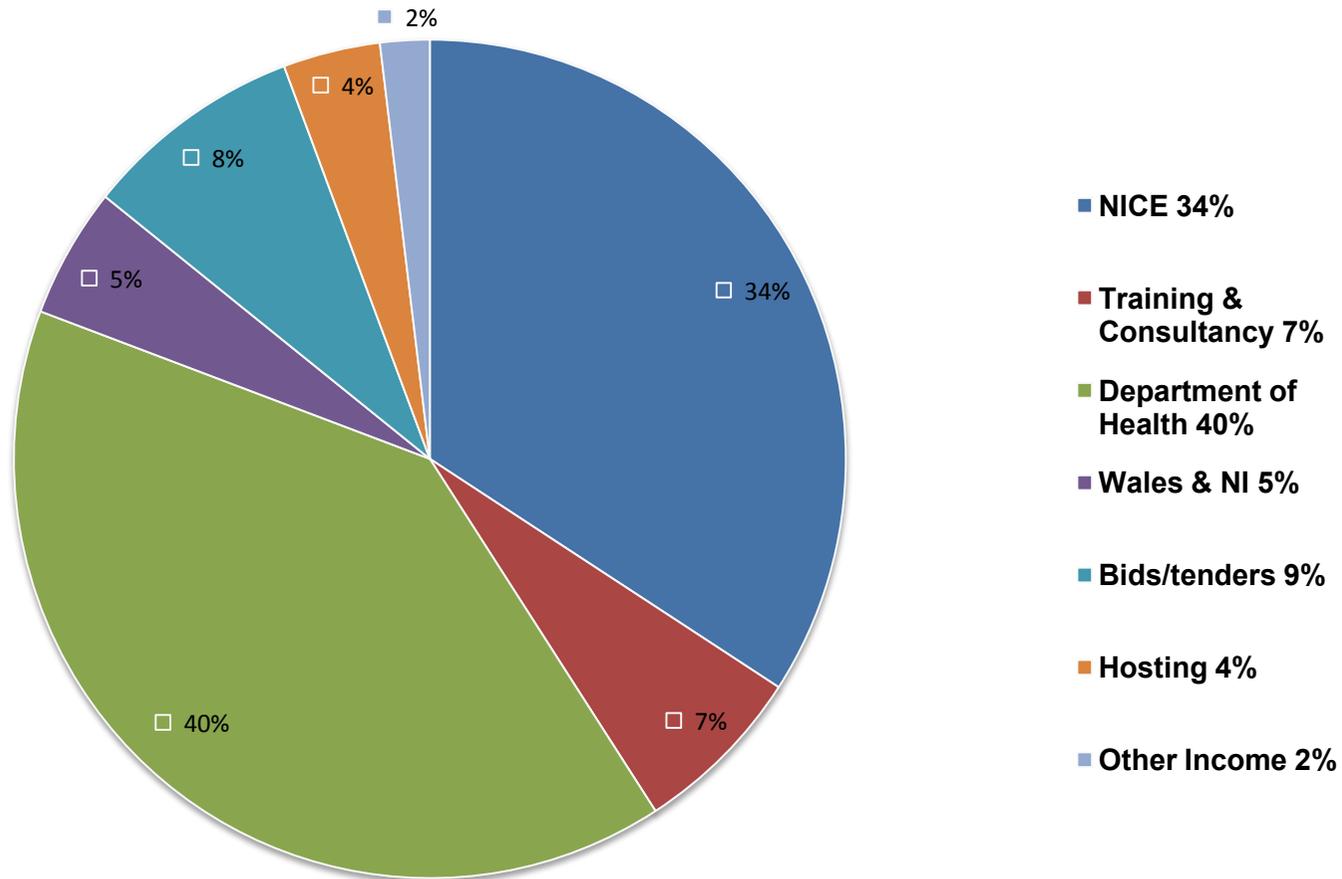
SCIE produces reports about various areas of social care. SCIE's reports are available both in hard copy and online.

### **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.

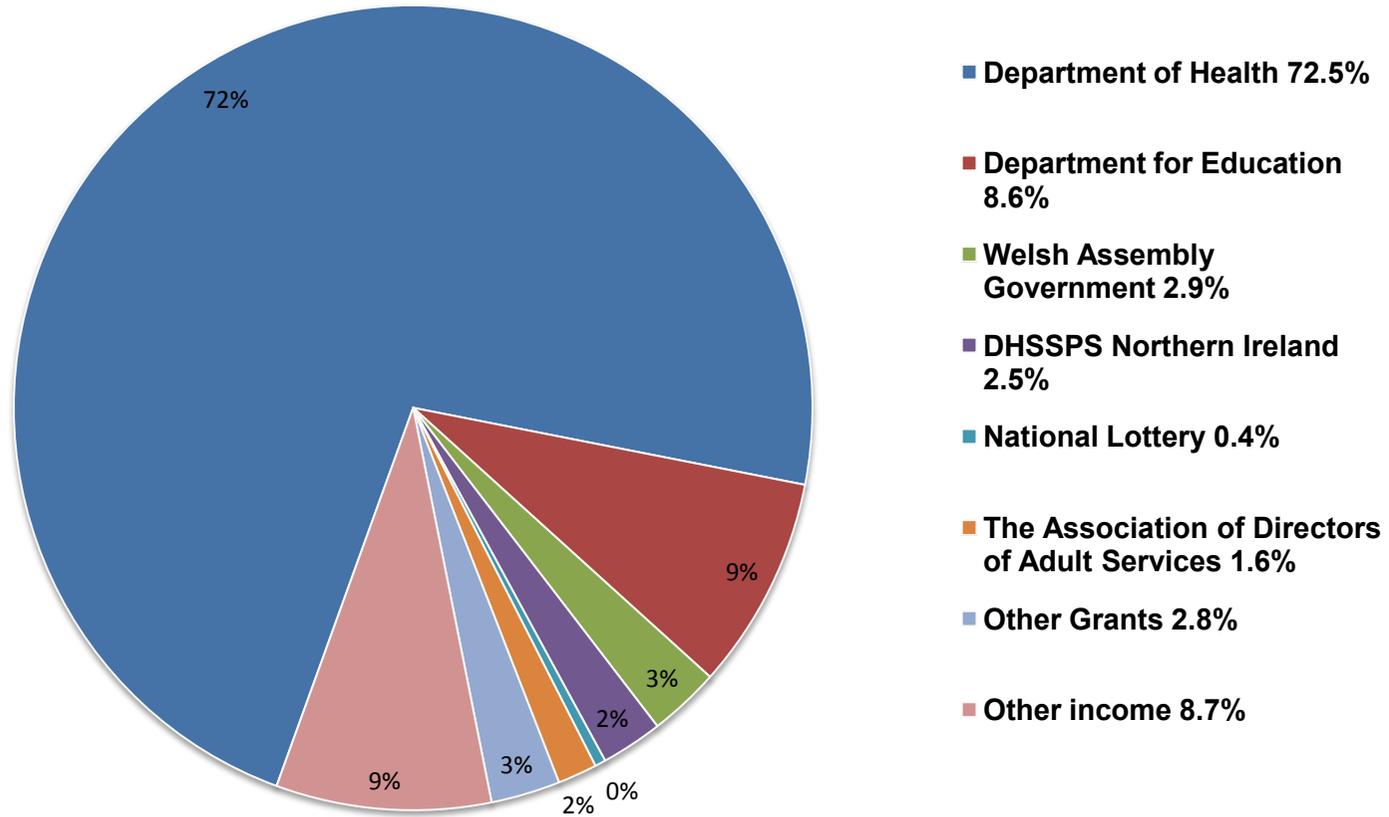
# Appendix B: 2013/2014 Budgeted Income

## Budgeted Income



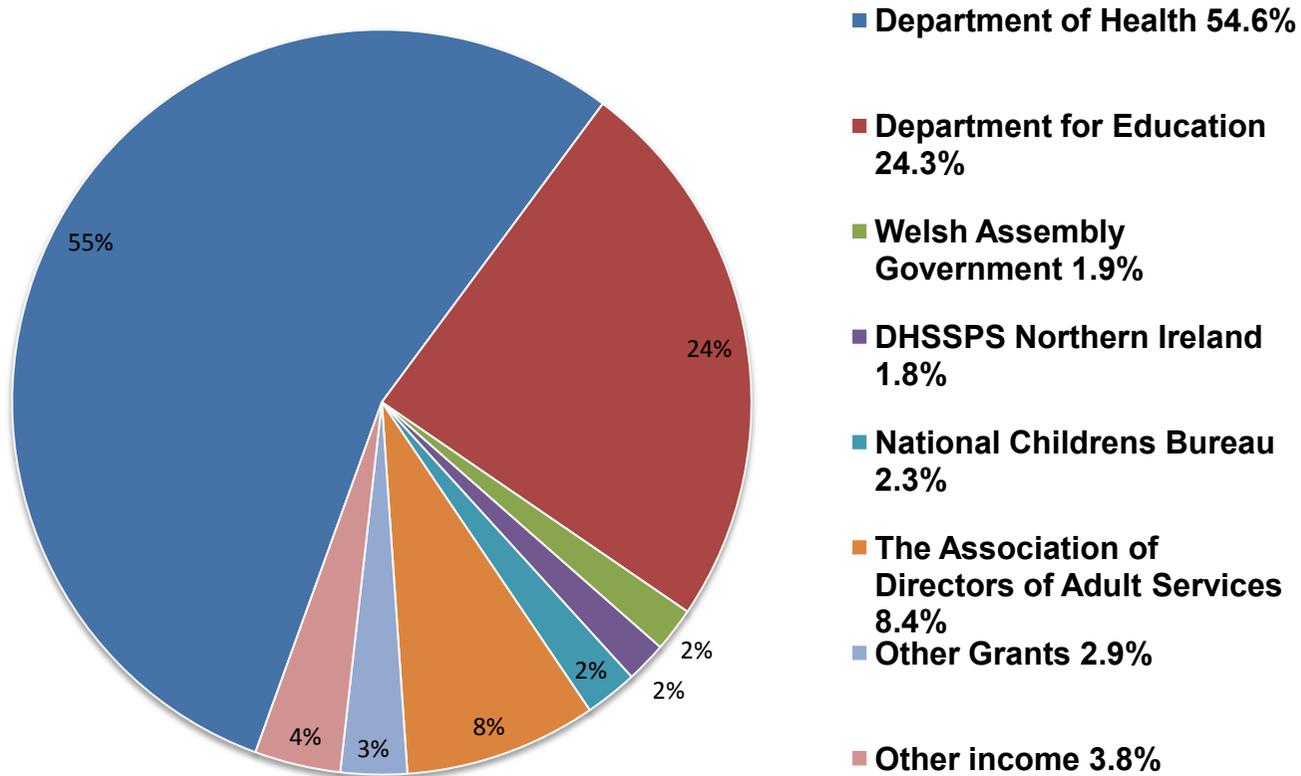
# 2012/13

## Where we got our money from



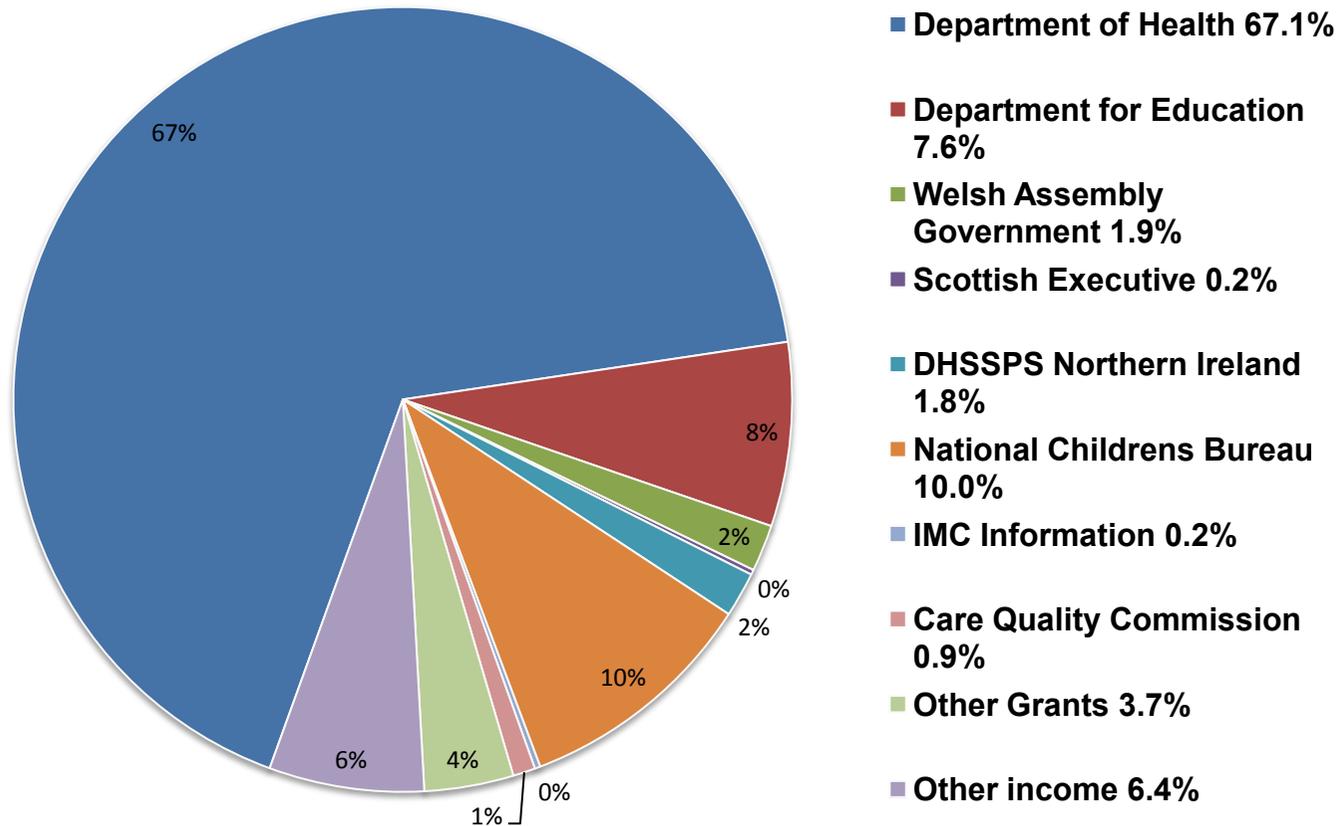
**2011/12**

**Where we got our money from**



# 2010/11

## Where we got our money from



# 2009/10

## Where we got our money from

