

COMPANY REGISTRATION NUMBER: 02537035  
CHARITY REGISTRATION NUMBER: 1000971

---

**The Social Market Foundation**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 March 2022**

**BURGESS HODGSON LLP**  
Chartered accountants & statutory auditor  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN



# **The Social Market Foundation**

**Company Limited by Guarantee**

**Financial Statements**

**Year ended 31 March 2022**

---

	<b>Page</b>
Trustees' annual report (incorporating the director's report)	<b>1</b>
Trustees' responsibilities statement	<b>9</b>
Independent auditor's report to the members	<b>10</b>
Statement of financial activities (including income and expenditure account)	<b>15</b>
Statement of financial position	<b>16</b>
Statement of cash flows	<b>17</b>
Notes to the financial statements	<b>18</b>



# The Social Market Foundation

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2022

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2022.

#### Reference and administrative details

<b>Registered charity name</b>	The Social Market Foundation
<b>Charity registration number</b>	1000971
<b>Company registration number</b>	02537035
<b>Principal office</b>	11 Tufton Street London SW1P 3QB
<b>Registered office</b>	11 Tufton Street London SW1P 3QB

#### The trustees

Baroness Nicola Morgan	(resigned 30 November 2021)
Baroness Oly Grender MBE	
Caroline Escott	(appointed 8 March 2022)
Mary Ann Sieghart	(resigned 30 November 2021)
Melville Rodrigues	
Professor Tim Bale	
Professor Wendy Thomson CBE	
Rt Hon Dame Margaret Hodge MP	
Rt Hon Sir Robert Buckland MP	(appointed 8 February 2022)
Sir Trevor Phillips OBE	
Tom Ebbutt	

<b>Auditor</b>	Burgess Hodgson LLP Chartered accountants & statutory auditor Camburgh House 27 New Dover Road Canterbury Kent CT1 3DN
----------------	--

<b>Bankers</b>	Royal Bank Of Scotland 28 Cavendish Square London W1G 0DB
----------------	--



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2022**

---

#### **Structure, governance and management**

The Board of Trustees, who are also directors of the Company for the purposes of the Companies Act, and trustees for charity law purposes, present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

#### **Objectives and activities**

The Social Market Foundation has a charitable objective of educating the public in the social and economic sciences. Without prejudice to the generality of that objective, the charity studies the functioning of markets in goods, services and labour, and the social context in which those markets operate. We do this in order to originate and promote policies and ideas that can be used by politicians, policymakers and business leaders to improve the functioning of markets and thereby make Britain fairer and wealthier. The Charity seeks to use its publications and events and other activities to encourage a better-informed public debate about markets, public policy and social justice, and thereby promote better outcomes.

#### **Strategies to achieve objectives**

In 2021/22, the Charity remained true to those objectives despite ongoing challenges posed by the Covid-19 pandemic and the policies put in place to manage it.

Although the pandemic required ongoing changes in the way the Charity operated and delivered its work, our fundamental strategy remained unchanged: the publication of research reports on public policy and the convening of events where improvements to public policy were proposed and discussed, with politicians of all parties and other policymakers.

We also use contributions to media outlets to advance our charitable objective.

The themes of this work set out here, with notable highlights from the research and events programme. Full details of all SMF event and publications are available on the Charity's website. Our research is made available to the public, free of charge, in electronic form.

#### **Work, skills and labour markets**

We continued to work with Trust for London on a major project to measure and demonstrate businesses' action on poverty among their workforce and supply chains.

We carried out a major survey and several focus groups of "gig economy" workers including people who work with Deliveroo. This work explored the attitudes and outlook of such workers, and their choices in the labour market of 2021.

We published papers on signalling in education, on the social standing of non-graduate voters, and the introduction of a four-day working week.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2022**

---

#### **Fair markets**

Financial resilience and personal finance remained a priority for research. We published papers on pension policy and financial advice, on pensions auto-enrollment, on supporting vulnerable consumers, and on competition in the banking sector.

Working with the British Business Bank, we published research on and held public debate about BAME business ownership.

We continued to publish on gambling policy, including a paper jointly written by leading NHS clinicians making the case for a statutory gambling levy and reform of the way Whitehall departments manage gambling harm.

#### **Public services**

A collection of essays about general practice and the future of the NHS received widespread media and political attention, especially over the issue of GP shortages in low-income areas.

A series of seminars on the justice system attracted high-level engagement from political and legal figures, and resulted in several papers that received media and political attention. Some of this work was done in partnership with charities including EQUAL, LawWorks and the Centre for Women's Justice and allowed SMF to use its platform and profile to support the charitable work of those groups.

#### **Environment and energy**

We worked with the European Climate Foundation on a programme of work aimed at illuminating some of the more complex and politically challenging aspects of the Net Zero agenda.

Topics of interest included domestic heating and the installation of heat pumps. Our research on the skills and outlook of the workforce needed to carry out that installation led to close consultation with Government officials, as well prominent media coverage.

We also researched public opinion on transport issues, including a shift towards road-pricing as electric vehicles become more common.

A paper on the environmental case for alternative proteins was closely consulted in government, helping raise the salience of the topic in several areas of Whitehall work.

#### **People, Places and Democracy**

We carried out extensive work on the localised aspects of the Net Zero transition. Papers considered issues including the role councils and businesses can play in reaching Net Zero. We also carried out data analysis estimating each local authority area's capacity for green growth.

We continued to analyse and comment on immigration issues, with papers on topics including the EU Settlement Scheme and positive developments in UK public attitudes on migration issues.

A paper by SMF researchers Scott Corfe and Aveek Bhattacharya explored the UK's demographic outlook and examined the liberal case for policies aimed at encouraging a higher birth rate. This led to extensive media coverage and engagement with policymakers from across the political spectrum.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2022**

---

#### **Academic Partnerships**

The Charity continued its Impact Partnership with Manchester University's Policy @ Manchester impact hub, bringing the academic expertise of social scientists and others to Westminster in events and publications calibrated to make them accessible to busy policy professionals.

#### **Strategic report**

The following sections for achievements and performance and financial review form the strategic report of the charity.

#### **Achievements and performance**

At the end of the year, 12 full-time staff and two part-time staff members were employed to deliver the programme of work. One contractor worked part-time to support the Charity on financial management.

The Charity is consistently seen by the media and policymakers as a think-tank making an important contribution to economic and social policy and enjoys a broad range of support across political parties. This standing is reflected in the membership of the Board of Trustees and the Policy Advisory Board.

In 2021/22, staff from the Charity held virtual meetings with a wide range of policymakers and stakeholders on SMF areas of interest. SMF research was frequently covered in national media outlets and SMF staff contributed numerous oped articles and other content to newspapers and broadcasters. The Charity maintained an extensive social media presence, including through the use of live streamed video coverage of public events.

The Charity held a wide range of events online which debated a diverse range of public policy topics. These events were open to the public and free of charge. The shift to online events allowed us to expand to geographical range of our participants, meaning many of our attendees were based outside London.

At the autumn party conferences held by the Liberal Democrats, Labour and Conservatives, we held 13 events including public panel debates and roundtable discussions. Speakers and participants included frontbenchers from all three parties.

The Charity regularly monitors its impact on policymaking debate, using metrics including media mentions, references in Parliament, evidence given to Parliamentary inquiries and private consultations with officials and politicians. This monitoring shows that the Charity's work and expertise is regarded as having high quality and relevance by our audience of policymakers and policy influencers.

#### **Pandemic management and mitigation**

The Charity continued the flexible approach to working that was established in the previous financial year. Our office remained open and available to staff, in line with prevailing laws and regulations.

Aside from the party conferences, the majority of the Charity's events, both public and private, were delivered remotely via Zoom and other online platforms.

All staff had the equipment and autonomy to choose remote working when they wished to.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2022**

---

#### **Public benefit**

The Trustees confirm that they referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the charity and in planning future activities. In particular the trustees consider that the activities carried out, summarised in the Aims, Objectives and Activities section of this report, provide benefit to the community.

#### **Use of Volunteers**

The Charity does not make any use of volunteers.

#### **Fundraising approach**

The Charity does not raise any funds from the public.

#### **Financial review**

The Charity disclosed net incoming resources £35,146 compared to net incoming resources of £7,271 for the preceding period. As a result, total funds at the disposition of the Charity increased from £250,535 to £285,681 with net current assets increasing from £245,574 to £279,544. We had a number of funders who provided sponsorship over the course of the year. The Charity is grateful for the support of these organisations, all of whom are critical in enabling the Charity to undertake its research and host public debates.

#### **Reserves policy and going concern**

A reserve fund covers the charity for fluctuations in income throughout the year, current liabilities and circumstances.

The Foundation aims for a reserve fund of 12 to 24 weeks' core running costs to be held in unrestricted funds which amounts to at least £150,000. Current level of free reserves, unrestricted reserves less funds tied up in fixed assets, are £210,205. The level of reserves is reviewed annually and budgetary control implemented to ensure the level of reserves is maintained at or near the appropriate level.

Trustees are responsible for ensuring the Charity remains a going concern. Despite the challenges of the pandemic, and reflecting previous years' strong financial performance, the Charity ended 2021/22 in good financial health.

Based on the financial performance of the Charity during this year and management plans for the future confirm that the Charity is a going concern with good prospects.

#### **Principal Financial Management Policies**

The Charity prepares budgets annually which are approved by the Board. Activities are managed in line with the approved budget with a view to ensuring that significant unplanned surpluses or deficits do not arise. Cash balances in excess of the Charity's immediate requirements are placed on the highest interest rate immediate access account available.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2022**

---

#### **Financial review**

#### **Major Risks**

The key risks faced by the charity are financial. Most of the funding is linked to projects and hence short-term in nature. The charity has a 30-year history of successfully raising sufficient funds to support its activities. The trustees review financial performance regularly and contingency plans are in place for reducing the cost base should this ever become necessary.

A further significant risk is regulatory: if the charity were to become overly involved in partisan political activity, this might run contrary to its charitable objectives. This risk is managed through the membership of the board of trustees, which includes members of three major political parties and others who are members of none; and all projects are reviewed by senior management to ensure that there is no overall partisanship across the charity's work or the perception of it.

#### **Transparency**

Given that they operate in proximity to public figures, think-tanks can be at reputational risk of being seen to advance the political or other interests of their financial supporters. The SMF maintains a strict policy of keeping editorial independence over all its outputs. It publishes the names and contributions of all its sponsors on an annual basis, and all publications are clearly marked to identify the sponsor. It does not accept anonymous donations or payments of any kind. All sponsors sign agreements accepting that the Charity retains editorial independence and that the Charity does not in any way guarantee or promise that any public figure will participate in any project or event.

#### **Plans for future periods**

The Charity will continue to advance the education of the public to promote a social market agenda, by producing and disseminating policy reports, and holding debates and discussions across the policy areas described earlier in this report.

- To advance the education of the public in public policy, all our reports will continue to be available free of charge for public download via the internet and events will be free to attend.
- We will continue to attempt to influence policy development in areas where we carry out research and events, in order to promote a social market approach to public policy.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2022**

#### **Structure, governance and management**

The Social Market Foundation's governing document is its Memorandum and Articles of Association dated 30th July 1990. Under the Memorandum and Articles, the liability of each member is limited to £1. The Subscribers to the Memorandum of Association are members of the Foundation as are others admitted to membership in accordance with the Articles of Association, having been approved by the directors.

Trustee recruitment and retention is reviewed annually. The body of trustees appoints new trustees and nominates the chair of trustees. When recruiting a new trustee, all members are circulated with invitations to nominate trustees prior to the relevant Board meeting. When considering co-opting trustees, the Board has regard to the requirement for any specialist skills needed. The management structure of the Social Market Foundation is as follows:

- Up to 10 Directors/Trustees
- Chief Executive (referred to as the "Director"), company secretary, other members of the senior management team and up to 12 permanent staff.
- A policy advisory board of around 25 members who are consulted from time to time for ideas about topics for future research projects.
- The Board met four times during the year. Its work is informed and supported by the Director, the senior management team and by the operation of ad hoc committees constituted to consider specific issues. The Charity's research and events programmes are delegated to the Director, subject to the provision of regular updates to the Board. Contracts for funding these activities are negotiated by the Director and senior management team based on standardised contracts as approved by the Board.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Baroness Nicola Morgan	(resigned 30 November 2021)
Baroness Oly Greider MBE	
Caroline Escott	(appointed 8 March 2022)
Mary Ann Sieghart	(resigned 30 November 2021)
Melville Rodrigues	
Professor Tim Bale	
Professor Wendy Thomson CBE	
Rt Hon Dame Margaret Hodge MP	
Rt Hon Sir Robert Buckland	(appointed 8 February 2022)
Sir Trevor Phillips OBE	
Tom Ebbutt	



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report)**

**Year ended 31 March 2022**

---

#### **Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on ..... and signed on behalf of the board of trustees by:



Dr Wendy Ann Thomson  
Trustee

---



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Trustees' Responsibilities Statement**

**Year ended 31 March 2022**

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Social Market Foundation**

**Year ended 31 March 2022**

#### **Opinion**

We have audited the financial statements of The Social Market Foundation (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Social Market Foundation** (continued)

**Year ended 31 March 2022**

---

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Social Market Foundation** (continued)

**Year ended 31 March 2022**

#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered; the nature of the industry, control environment and business performance with particular reference to the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets.

We also consider the results of our enquiries of management relating to their own identification and assessment of the risks of irregularities and possible related fraud. This includes reviewing available documentation on their policies and procedures and performing tests of controls to evidence their effectiveness.

Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. Key areas include timing of recognising income around the year end, posting of unusual journals and manipulating the Company's performance measures to meet remuneration targets and bank covenants. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Independent Auditor's Report to the Members of The Social Market Foundation** *(continued)*

#### **Year ended 31 March 2022**

---

Despite proper planning and audit work in accordance with auditing standards there are inherent limitations and unavoidable risk that we may not detect some irregularities and material misstatements in the financial statements. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



# **The Social Market Foundation**

**Company Limited by Guarantee**

## **Independent Auditor's Report to the Members of The Social Market Foundation** *(continued)*

---

**Year ended 31 March 2022**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Roderick Archibald (Senior Statutory Auditor)

---

For and on behalf of  
Burgess Hodgson LLP  
Chartered accountants & statutory auditor  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN



**The Social Market Foundation**  
**Company Limited by Guarantee**  
**Statement of Financial Activities**  
**(including income and expenditure account)**

**Year ended 31 March 2022**

		2022		2021
	Note	Unrestricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>				
Donations and legacies	5	65,627	65,627	22,100
Charitable activities	6	791,711	791,711	617,708
Other trading activities	7	267	267	47,457
Other income	8	—	—	9,345
<b>Total income</b>		<u>857,605</u>	<u>857,605</u>	<u>696,610</u>
<b>Expenditure</b>				
Expenditure on charitable activities	9,10	822,459	822,459	689,339
<b>Total expenditure</b>		<u>822,459</u>	<u>822,459</u>	<u>689,339</u>
<b>Net income and net movement in funds</b>		<u>35,146</u>	<u>35,146</u>	<u>7,271</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		250,535	250,535	243,264
<b>Total funds carried forward</b>		<u>285,681</u>	<u>285,681</u>	<u>250,535</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 18 to 26 form part of these financial statements.



**The Social Market Foundation**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**31 March 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	16	6,137	4,961
<b>Current assets</b>			
Debtors	17	164,026	132,562
Cash at bank and in hand		351,503	210,205
		<u>515,529</u>	<u>342,767</u>
<b>Creditors: amounts falling due within one year</b>	18	235,985	97,193
<b>Net current assets</b>		<u>279,544</u>	<u>245,574</u>
<b>Total assets less current liabilities</b>		<u>285,681</u>	<u>250,535</u>
<b>Net assets</b>		<u>285,681</u>	<u>250,535</u>
<b>Funds of the charity</b>			
Unrestricted funds		<u>285,681</u>	<u>250,535</u>
<b>Total charity funds</b>	21	<u>285,681</u>	<u>250,535</u>

These financial statements were approved by the board of trustees and authorised for issue on ....., and are signed on behalf of the board by:



Dr Wendy Ann Thomson  
Trustee



# The Social Market Foundation

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net income	35,146	7,271
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	2,179	1,800
Interest payable and similar charges	197	209
Accrued (income)/expenses	(40,265)	1,115
<i>Changes in:</i>		
Trade and other debtors	19,036	99,741
Trade and other creditors	128,557	(39,246)
Other operating cash flow changes	—	(77,446)
Cash generated from operations	144,850	(6,556)
Interest paid	(197)	(209)
Net cash from/(used in) operating activities	144,653	(6,765)
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(3,355)	—
Net cash used in investing activities	(3,355)	—
<b>Net increase/(decrease) in cash and cash equivalents</b>	141,298	(6,765)
<b>Cash and cash equivalents at beginning of year</b>	210,205	216,970
<b>Cash and cash equivalents at end of year</b>	351,503	210,205

The notes on pages 18 to 26 form part of these financial statements.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements**

**Year ended 31 March 2022**

---

#### **1. General information**

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 11 Tufton Street, London, SW1P 3QB.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.



**The Social Market Foundation**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2022**

---

**3. Accounting policies** *(continued)*

**Incoming resources**

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

**Resources expended**

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.



# **The Social Market Foundation**

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2022**

#### **3. Accounting policies *(continued)***

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 10% straight line
Computers and equipment	- 25% straight line

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

##### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

##### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.



# The Social Market Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

#### 3. Accounting policies *(continued)*

##### Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

##### Government grant income

Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

#### 4. Limited by guarantee

The charity is a company limited by guarantee and has no share capital. Every member of the Foundation undertakes to contribute to the assets of the Foundation in the event of the same being wound up during the time that they are a member, or within one year after they cease to be a member for payment of the debts and liabilities of the Foundation contracted before the time at which they cease to be a member, and the costs, charges and expenses of winding up the same, and for the adjustment of the of of rights of the contributories amongst themselves, such amount as may be required not exceeding One Pound (£1).

#### 5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
<b>Other donations and legacies</b>				
Donations	65,627	65,627	10,000	10,000
Business forum membership	—	—	12,000	12,000
Other	—	—	100	100
	<u>65,627</u>	<u>65,627</u>	<u>22,100</u>	<u>22,100</u>

#### 6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Conference and event sponsorship	233,677	233,677	167,950	167,950
Research and project sponsorship	558,034	558,034	449,758	449,758
	<u>791,711</u>	<u>791,711</u>	<u>617,708</u>	<u>617,708</u>



# The Social Market Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

#### 7. Other trading activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Rental	–	–	47,055	47,055
Publication	267	267	402	402
	<u>267</u>	<u>267</u>	<u>47,457</u>	<u>47,457</u>

#### 8. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Government grant income	–	–	9,345	9,345
	<u>–</u>	<u>–</u>	<u>9,345</u>	<u>9,345</u>

#### 9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Fundraising and publicity	745,190	745,190	578,384	578,384
Support costs	77,269	77,269	110,955	110,955
	<u>822,459</u>	<u>822,459</u>	<u>689,339</u>	<u>689,339</u>

#### 10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2022 £	Total fund 2021 £
Fundraising and publicity	745,190	72,428	817,618	682,239
Governance costs	–	4,841	4,841	7,100
	<u>745,190</u>	<u>77,269</u>	<u>822,459</u>	<u>689,339</u>

#### 11. Analysis of support costs

	Fundraising and publicity £	Total 2022 £	Total 2021 £
Communications and IT	10,049	10,049	7,790
General office	62,379	62,379	96,065
Governance costs	4,841	4,841	7,100
	<u>77,269</u>	<u>77,269</u>	<u>110,955</u>



**The Social Market Foundation**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2022**

**12. Net income**

Net income is stated after charging/(crediting):

	<b>2022</b>	2021
	£	£
Depreciation of tangible fixed assets	2,179	1,800
Operating lease rentals	<u>1,276</u>	<u>1,312</u>

**13. Auditors remuneration**

	<b>2022</b>	2021
	£	£
Fees payable for the audit of the financial statements	<u>4,000</u>	<u>4,500</u>

**14. Staff costs**

The total staff costs and employee benefits for the reporting period are analysed as follows:

	<b>2022</b>	2021
	£	£
Wages and salaries	515,871	444,757
Social security costs	50,818	44,201
Employer contributions to pension plans	<u>22,834</u>	<u>21,816</u>
	<u>589,523</u>	<u>510,774</u>

The average head count of employees during the year was 12 (2021: 11). The average number of full-time equivalent employees during the year is analysed as follows:

	<b>2022</b>	2021
	No.	No.
Number of staff - Events	4	4
Number of staff - Research	7	6
Number of staff - General	<u>1</u>	<u>1</u>
	<u>12</u>	<u>11</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	<b>2022</b>	2021
	No.	No.
£60,000 to £69,999	1	1
£90,000 to £99,999	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

**Key Management Personnel**

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £90,667 (2021:£90,000).



**The Social Market Foundation**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2022**

**15. Trustee remuneration and expenses**

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

**16. Tangible fixed assets**

	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>			
At 1 April 2021	20,160	94,632	114,792
Additions	—	3,355	3,355
Disposals	(7,856)	(76,124)	(83,980)
<b>At 31 March 2022</b>	<u>12,304</u>	<u>21,863</u>	<u>34,167</u>
<b>Depreciation</b>			
At 1 April 2021	20,160	89,671	109,831
Charge for the year	—	2,179	2,179
Disposals	(7,856)	(76,124)	(83,980)
<b>At 31 March 2022</b>	<u>12,304</u>	<u>15,726</u>	<u>28,030</u>
<b>Carrying amount</b>			
<b>At 31 March 2022</b>	<u>—</u>	<u>6,137</u>	<u>6,137</u>
At 31 March 2021	<u>—</u>	<u>4,961</u>	<u>4,961</u>

**17. Debtors**

	<b>2022</b> £	2021 £
Trade debtors	78,936	103,300
Prepayments and accrued income	85,090	29,262
	<u>164,026</u>	<u>132,562</u>

**18. Creditors: amounts falling due within one year**

	<b>2022</b> £	2021 £
Trade creditors	24,555	1,171
Accruals and deferred income	141,533	37,965
Social security and other taxes	69,028	57,779
Other creditors	869	278
	<u>235,985</u>	<u>97,193</u>

**19. Deferred income**

	<b>2022</b> £	2021 £
Amount deferred in year	<u>105,833</u>	<u>12,500</u>



# The Social Market Foundation

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

#### 20. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £22,834 (2021: £21,816).

#### 21. Analysis of charitable funds

##### Unrestricted funds

	At 1 April 2021	Income	Expenditure	At 31 March 2022
	£	£	£	£
General funds	<u>250,535</u>	<u>857,605</u>	<u>(822,459)</u>	<u>285,681</u>

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
General funds	<u>243,264</u>	<u>696,610</u>	<u>(689,339)</u>	<u>250,535</u>

#### 22. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2022
	£	£
Tangible fixed assets	6,137	6,137
Current assets	515,529	515,529
Creditors less than 1 year	<u>(235,985)</u>	<u>(235,985)</u>
<b>Net assets</b>	<u>285,681</u>	<u>285,681</u>

	Unrestricted Funds	Total Funds 2022
	£	£
Tangible fixed assets	4,961	4,961
Current assets	342,767	342,767
Creditors less than 1 year	<u>(97,193)</u>	<u>(97,193)</u>
<b>Net assets</b>	<u>250,535</u>	<u>250,535</u>

#### 23. Analysis of changes in net debt

	At 1 Apr 2021	Cash flows	At 31 Mar 2022
	£	£	£
Cash at bank and in hand	<u>210,205</u>	<u>141,298</u>	<u>351,503</u>



**The Social Market Foundation**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 March 2022**

---

**24. Operating lease commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	17,031	34,601
Later than 1 year and not later than 5 years	-	123,987
	<u>17,031</u>	<u>158,588</u>