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Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
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**The Social Market Foundation
Company Limited by Guarantee
Financial Statements
31 March 2024**

The Social Market Foundation
Company Limited by Guarantee
Financial Statements
Year ended 31 March 2024

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The Social Market Foundation
Company Limited by Guarantee

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

Year ended 31 March 2024

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 2024.

Reference and administrative details

Registered charity name The Social Market Foundation

Charity registration number 1000971

Company registration number 02537035

Principal office

3rd Floor
5-6 St. Matthew Street
London
SW1P 2JT
England

Registered office

3rd Floor
5-6 St. Matthew Street
London
SW1P 2JT
England

The trustees

Baroness Oly Grender MBE
Caroline Escott
Melville Rodrigues
Professor Tim Bale
Professor Wendy Thomson CBE
Rt Hon Dame Margaret Hodge MP (Resigned 12 June 2024)
Sir Trevor Phillips OBE
Tom Ebbutt

Auditor

Burgess Hodgson LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Bankers

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) (continued)

Year ended 31 March 2024

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 2024.

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 2023/24, the Charity remained true to those objectives, continuing to publish research reports on public policy, convening events to discuss issues in public policy and using contributions in the media to advance our charitable objective.

Work, skills and education

This year we published a paper written by former education secretary Baroness Nicky Morgan, making the case for greater emphasis on character in the school system.

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. In this financial year, we published a report focused on poverty among public sector workers.

We also published a report, sponsored by Santander, on how to effectively integrate financial education into the primary school curriculum.

The Social Market Foundation Company Limited by Guarantee

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

Year ended 31 March 2024

Objectives and activities *(continued)*

Fair markets

This has been another busy year of promoting fairer markets across a range of policy areas. Our biggest project involved examining housing policy across the 'Anglosphere' (English speaking countries), with a grant from the Nuffield Foundation. In total we published five papers: overview, homeownership support, renter protections, cooperative/social housing, planning reform. Within the housing space, we also looked at social housing regeneration, sponsored by Clarion.

We have also continued to develop our expertise and standing on pensions policy, with a series of papers on the merits of 'member choice' (including one sponsored by Cushon), a proposal under review by the government.

Extending our partnership with Citizens Advice, we published analysis of social tariffs across key markets and how to extend them.

We also worked with RSPCA to look at the implications of alternative proteins for animal welfare. With funding from Omaze, we examined charity policy.

We published research into small business scale-ups, and what the government can do to support them, sponsored by OakNorth. We looked at the mutual sector and how it interacts with policy, thanks to Nationwide and Royal London.

We also published a number of papers by guest authors: from John Handley on how UK living standards compare to peer countries; Stephen Gibson on better regulation, Alex Lawrence-Archer & Ravi Naik's analysis of the Data Protection and Digital Information Bill.

Public services

Within our public services workstream, our biggest piece of work was a series published in partnership with the Chartered Management Institute on leadership and management across education, healthcare and local government.

We also published a series on public health policy, looking at the effectiveness, political constraints and economic trade-offs around more and less interventionist approaches.

We published a number of guest essays by former health minister Norman Warner, Nick Bosanquet & Andrew Haldenby, and Max Thilo on the state of the NHS and how to reform it.

We also collaborated with the Police Federation of England and Wales to publish analysis of police pay and morale.

Environment and energy

We continued our work with the European Climate Foundation on the practicalities of net zero. This led to our first of its kind transport poverty model, which will help to illuminate the trade-offs around public transport investment and motoring taxes. With ECF we also looked at support and incentives for decarbonising home heat, which was also the subject of a joint project with the UCL International Public Policy Observatory.

The Social Market Foundation

Company Limited by Guarantee

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

Year ended 31 March 2024

Objectives and activities *(continued)*

People, Places and Democracy

We continued to carve out a position as a leading voice in the debate on fraud - a key social and political challenge. We published headline findings from a global survey on fraud, sponsored by Santander, at the government's fraud summit. We examined public attitudes on fraud, with support from Nationwide. We also convened a roundtable in partnership with Stop Scams to identify areas of agreement across the fraud chain.

Jonathan Thomas continued to develop and utilize his expertise on migration policy, with analysis of the politics of migration, options for international collaboration on refugees, the impact of migration on labour shortages, and options for reforming asylum seekers' right to work.

Professor Rob Ford of the University of Manchester published analysis of the education divide among voters, funded by UK in a Changing Europe, with accompanying events at Conservative, Labour and Liberal Democrat conferences, as well as a launch event in Westminster.

In partnership with Visa, we developed our work on towns policy, with a 'Town Vitality Roadmap' for future government.

Building on research conducted for the Gordon Brown Commission on the UK's future, Research Director Aweek Bhattacharya published a paper with recommendations for reforming the British Business Bank.

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.

The Social Market Foundation

Company Limited by Guarantee

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

Year ended 31 March 2024

Achievements and performance

At the end of the year, 13 full-time and one part-time staff 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 2023/24, staff from the Charity held virtual meetings with a wide range of policymakers and stakeholders, including ministers, shadow ministers, MPs, peers and civil servants. SMF research was frequently covered in national media outlets and SMF staff contributed numerous opinion articles to newspapers. 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, in person and online, which debated a diverse range of public policy topics. These events were open to the public and free of charge.

At the autumn party conferences held by the Labour, Conservative and Liberal Democrat Parties, we held 20 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.

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 outgoing resources of £10,124, compared to net incoming resources of £77,302 for the preceding period. As a result, total funds at the disposition of the Charity has fallen from £362,983 to £352,859 with net current assets falling from £355,372 to £345,799. 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.

The Social Market Foundation **Company Limited by Guarantee**

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

Year ended 31 March 2024

Financial review (continued)

Reserves policy and going concern

A reserve fund covers the charity for fluctuations in income throughout the year, current liabilities and unplanned expenditure due to: funding being dependent on short term contracts that are subject to fluctuation, requiring protection against, and the ability to continue operating, despite adverse 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 £100,000. Current level of free reserves, unrestricted reserves less funds tied up in fixed assets, are £150,726. 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 2023/24 in good financial health.

On the basis of 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.

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 35-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.

The Social Market Foundation

Company Limited by Guarantee

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

Year ended 31 March 2024

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, in general our reports will continue to be available free of charge and as much as possible our public 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.

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 13 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 Oly Grender MBE
Caroline Escott
Melville Rodrigues
Professor Tim Bale
Professor Wendy Thomson CBE
Rt Hon Dame Margaret Hodge MP
Sir Trevor Phillips OBE
Tom Ebbutt

The Social Market Foundation
Company Limited by Guarantee

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

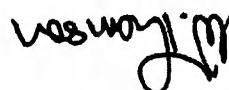
Year ended 31 March 2024

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 01/12/24 and signed on behalf of the board of trustees by:



Professor Wendy Thomson CBE
 Trustee

The Social Market Foundation
Company Limited by Guarantee
Trustees' Responsibilities Statement
Year ended 31 March 2024

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 2024

Opinion

We have audited the financial statements of The Social Market Foundation (the 'charity') for the year ended 31 March 2024 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 2024 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 2024

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 2024

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 2024

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

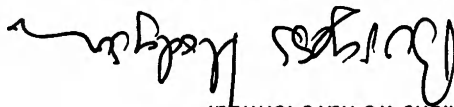
Independent Auditor's Report to the Members of The Social Market Foundation
(continued)

Year ended 31 March 2024

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 2024

	2024	2023
Unrestricted funds	£	£
Total funds	£	£
Income and endowments		
Donations and legacies	130,157	120,326
Charitable activities	820,881	934,215
Other trading activities	249	320
Total income	951,287	1,054,861
Expenditure		
Expenditure on charitable activities	961,411	977,559
Total expenditure	961,411	977,559
Net (expenditure)/income and net movement in funds	(10,124)	77,302
Reconciliation of funds		
Total funds brought forward	362,983	285,681
Total funds carried forward	352,859	362,983

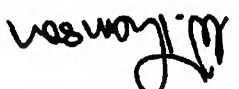
The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 18 to 25 form part of these financial statements.

The Social Market Foundation
Company Limited by Guarantee
Statement of Financial Position
31 March 2024

	2024	2023
Fixed assets		
Tangible fixed assets	15	7,060
Current assets		
Debtors	16	259,316
Cash at bank and in hand		370,788
		630,104
Creditors: amounts falling due within one year	17	274,732
Net current assets		355,372
Total assets less current liabilities		362,983
Net assets		362,983
Funds of the charity		
Unrestricted funds		362,983
Total charity funds	20	362,983

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


Professor Wendy Thomson CBE
Trustee

The notes on pages 18 to 25 form part of these financial statements.

The Social Market Foundation
Company Limited by Guarantee
Statement of Cash Flows
Year ended 31 March 2024

	2024	2023
	£	£
Cash flows from operating activities		
Net (expenditure)/income	(10,124)	77,302
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	3,906	2,982
Interest payable and similar charges	313	190
Accrued (income)/expenses	(243,906)	59,585
<i>Changes in:</i>		
Trade and other debtors	111,597	(99,165)
Trade and other creditors	(78,180)	(16,963)
Cash generated from operations	(216,394)	23,931
Interest paid	(313)	(190)
Net cash (used in)/from operating activities	(216,707)	23,741
Cash flows from investing activities		
Purchase of tangible assets	(3,355)	(4,456)
Net cash used in investing activities	(3,355)	(4,456)
Net (decrease)/increase in cash and cash equivalents	(220,062)	19,285
Cash and cash equivalents at beginning of year	370,788	351,503
Cash and cash equivalents at end of year	150,726	370,788

The notes on pages 18 to 25 form part of these financial statements.

The Social Market Foundation
Company Limited by Guarantee
Notes to the Financial Statements
Year ended 31 March 2024

- 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 3rd Floor, 5-6 St. Matthew Street, London, SW1P 2JT, England.
- 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 2024

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 2024

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.

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.

The Social Market Foundation Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

3. Accounting policies (continued)

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 or rights of the contributors amongst themselves, such amount as may be required not exceeding One Pound (£1).

5. Donations and legacies

Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds
2024	2024	2023	2023
£	£	£	£
130,157	130,157	120,326	120,326
Total Funds	Total Funds	Total Funds	Total Funds

Other donations and legacies

Donations

6. Charitable activities

Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds
2024	2024	2023	2023
£	£	£	£
268,167	268,167	172,700	172,700
552,714	552,714	761,515	761,515
820,881	820,881	934,215	934,215
Total Funds	Total Funds	Total Funds	Total Funds

Conference and event sponsorship
Research and project sponsorship

7. Other trading activities

Unrestricted Funds	Unrestricted Funds	Unrestricted Funds	Unrestricted Funds
2024	2024	2023	2023
£	£	£	£
249	249	320	320
Total Funds	Total Funds	Total Funds	Total Funds

Publication

The Social Market Foundation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

8. Expenditure on charitable activities by fund type	Funds			
	Unrestricted	2024	2023	Total Funds
Fundraising and publicity	876,870	876,870	880,576	880,576
	84,541	84,541	96,983	96,983
Support costs	961,411	961,411	977,559	977,559
9. Expenditure on charitable activities by activity type	Activities undertaken directly			
	Support costs	£	£	Total fund
Fundraising and publicity	876,870	876,870	955,726	971,127
	—	5,685	5,685	6,432
Governance costs	876,870	84,541	961,411	977,559
10. Analysis of support costs	Fundraising and publicity			
	£	£	£	Total 2023
Communications and IT	6,592	6,592	7,923	7,923
	72,263	72,263	82,628	82,628
General office	5,685	5,685	6,432	6,432
Governance costs	84,540	84,540	96,983	96,983
11. Net (expenditure)/income	Net (expenditure)/income is stated after charging/(crediting):			
	2024	2023	£	£
Depreciation of tangible fixed assets	3,906	2,982	£	£
	337	1,342	£	£
12. Auditors remuneration	Fees payable for the audit of the financial statements			
	2024	2023	£	£
	4,354	4,340	£	£

The Social Market Foundation
Company Limited by Guarantee
Notes to the Financial Statements (continued)
Year ended 31 March 2024

13. Staff costs

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

	2024	2023
Wages and salaries	594,521	593,763
Social security costs	55,257	60,898
Employer contributions to pension plans	23,524	31,943
	<u>673,302</u>	<u>686,604</u>

The average head count of employees during the year was 14 (2023: 14). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
Number of staff - Events	4	4
Number of staff - Research	9	9
Number of staff - General	1	1
	<u>14</u>	<u>14</u>

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

	2024	2023
£60,000 to £69,999	—	1
£70,000 to £79,999	1	—
£90,000 to £99,999	—	1
	<u>1</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 £108,639 (2023: £92,750).

14. 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.

The Social Market Foundation
Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

15. Tangible fixed assets

	Fixtures and fittings	Equipment	Total
Cost			
At 1 April 2023	14,812	23,811	38,623
Additions	–	3,355	3,355
At 31 March 2024	14,812	27,166	41,978
Depreciation			
At 1 April 2023	12,374	18,638	31,012
Charge for the year	251	3,655	3,906
At 31 March 2024	12,625	22,293	34,918
Carrying amount			
At 31 March 2024	2,187	4,873	7,060
At 31 March 2023	2,438	5,173	7,611

16. Debtors

Trade debtors	£	2024	2023
Prepayments and accrued income	248,585	58,935	173,431
	307,520	£	259,316

17. Creditors: amounts falling due within one year

Trade creditors	£	2024	2023
Accruals and deferred income	57,985	5,643	167,154
Social security and other taxes	17,305	100,103	1,832
Other creditors	36,577	274,732	112,447
	580		

18. Deferred income

Amount deferred in year	£	2024	2023
	10,000	£	75,744

19. 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 £23,524 (2023: £31,943).

The Social Market Foundation Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 March 2024

20. Analysis of charitable funds

Unrestricted funds	At			
	1 April 2023	Income	Expenditure	31 March 2024
General funds	£ 362,983	£ 951,287	£ (961,411)	£ 352,859
	At			At
	1 April 2023			31 March 2024
	£ 362,983	£ 951,287	£ (961,411)	£ 352,859

Unrestricted funds

21. Analysis of net assets between funds

Unrestricted Funds	At			
	1 April 2023	Income	Expenditure	31 March 2024
General funds	£ 362,983	£ 951,287	£ (961,411)	£ 352,859
	At			At
	1 April 2023			31 March 2024
	£ 362,983	£ 951,287	£ (961,411)	£ 352,859

22. Analysis of changes in net debt

Cash at bank and in hand	At			
	1 Apr 2023	Cash flows	31 Mar 2024	At
	£ 370,788	£ (220,062)	£ 150,726	£ 150,726

23. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:	At			
	1 April 2023	Cash flows	31 Mar 2024	At
	£ 370,788	£ (220,062)	£ 150,726	£ 150,726

Not later than 1 year
Later than 1 year and not later than 5 years

2024	2023
£ 75,900	£ 75,900
25,300	25,300
50,600	50,600
75,900	75,900