

**Social  
Care Institute  
for  
Excellence**

**Annual Report and Financial  
Statements**

31 March 2017

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

Charity Registration Number  
1092778

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## Reference and administrative information Year to 31 March 2017

Status	<p>Social Care Institute for Excellence (SCIE) is a charitable company limited by guarantee, incorporated on 19 September 2001 and registered as a charity on 3 July 2002.</p> <p>In the event of the charity being wound up, members are required to contribute an amount not exceeding £1.</p>
Governing document	The organisation was established under a memorandum of association, which established the objects and powers of the organisation, and is governed under its articles of association.
Trustees	<p>Lord Michael Bichard (until 27 July 2017) Rt Hon Paul Burstow (from 27 July 2017) David Archibald Tina Coldham John Evans Alex Fox Peter Hay Annie Hudson Fionnuala McAndrew Mary McKenna Bev Searle Ossie Stuart Sally Warren</p>
Company secretary	Stephen Goulder
Chief executive	Tony Hunter
Senior executives	<p>Amanda Edwards (Director of Knowledge and Evidence until December 2016) Stephen Goulder (Director of Operations) Ewan King (Director of Business Development &amp; Delivery)</p>
Registered and principal office	<p>First floor, Kinnaird House 1 Pall Mall East London SW1Y 5BP T: +44 (0)20 7766 7400 E: <a href="mailto:info@scie.org.uk">info@scie.org.uk</a> W: <a href="http://www.scie.org.uk">www.scie.org.uk</a></p>
Company registration number	04289790 (England and Wales)
Charity registration number	1092778

**Reference and administrative information** Year to 31 March 2017

Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Solicitor	Anthony Collins Solicitors LLP St Philip's Gate 5 Waterloo Street Birmingham B2 5PG
Banker	Barclays Bank plc Public Sector Team Level 27 1 Churchill Place London E14 5HP

## **Trustees' report (including the strategic report) Year to 31 March 2017**

The trustees of the Social Care Institute for Excellence (SCIE) present their trustees' report (including the strategic report) together with the financial statements for the year ended 31 March 2017.

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

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 24 of the attached financial statements and comply with the charity's memorandum and articles of association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

### **How SCIE works**

#### ***SCIE's charitable object***

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

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

- ◆ Building a knowledge base about what works in social care;
- ◆ Translating the findings into resources to support improved practice and the quality of service delivery; and
- ◆ Disseminating good practice across the social care sector.

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

#### ***Statement of trustees' responsibilities***

The trustees (who are also directors of SCIE for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period.

**How SCIE works** (continued)

***Statement of trustees' responsibilities*** (continued)

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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

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

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

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

***SCIE's board of trustees***

Up to 15 people are able to sit on SCIE's board of trustees. At the time of this report, the board had 12 members, including its chair.

New trustees are elected by existing trustees and serve for a term of three years before retiring from office. Retiring trustees can be nominated to serve a second consecutive term provided that no trustee serves more than two consecutive terms of office, except with the unanimous support of all the other trustees.

## Trustees' report (including the strategic report) Year to 31 March 2017

### How SCIE works (continued)

#### **SCIE's board of trustees** (continued)

Constant regard is paid to the skills mix of the trustees to ensure that they have all the necessary skills required to contribute fully to the charity's development.

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

The board of trustees is supported by the Audit and Risk Committee which meets throughout the year.

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

Trustee	Appointed/resigned	Audit and Risk Committee
Lord Michael Bichard (Chair)	Appointed 2 April 2013 Resigned 27 July 2017	
David Archibald	Appointed 16 November 2011	
Tina Coldham	Appointed 22 March 2012	
John Evans	Appointed 21 January 2016	
Alex Fox	Appointed 17 September 2013	
Peter Hay	Appointed 17 September 2013	
Annie Hudson	Appointed 21 January 2016	
Mario Kreft	Appointed 20 January 2011 Resigned 2 February 2017	
Fionnuala McAndrew	Appointed 24 May 2014	
Mary McKenna	Appointed 17 September 2013	Member
Terry Moran	Appointed 17 September 2013 Resigned 31 March 2017	
Bev Searle	Appointed 17 September 2013	Chair
Dr Ossie Stuart	Appointed 21 January 2016	
Rachael Wallach	Appointed 21 January 2016 Resigned 1 September 2016	
Sally Warren	Appointed 17 September 2013	Member

In accordance with the charity's memorandum and articles of association, the Chair of the trustees was paid £30,300 (2016 - £30,300) during the year for services undertaken in the administration of the charity. One other trustee was paid a total of £8,400 (2016 – two trustees were paid an aggregate of £13,200) on the same basis. The payment for such services has been authorised by the Charity Commission.

Out of pocket travelling and subsistence expenses totalling £5,601 (2016 - £6,134) were reimbursed to 10 (2016 – 11) trustees during the year.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £6,757 (2016 - £7,075) and provides cover of up to a maximum of £2 million (2016 - £2 million).

**How SCIE works** (continued)

***SCIE's board of trustees*** (continued)

The charity made payments of £4,113 to the Association of Directors of Adult Social Services (ADASS) during the year. These payments related to the provision of services at arm's length from which no trustee or senior executive benefited. To ensure full transparency, it is confirmed that Peter Hay, Tony Hunter, David Archibald and Annie Hudson are members of ADASS.

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

***Structure***

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

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

***Key management personnel***

The key management personnel of the charity comprise the trustees together with the Chief Executive, Director of Knowledge and Evidence (to December 2016), Director of Operations, and the Director of Business Development and Delivery. The salaries of the staff members of key management are reviewed on a triennial basis through external benchmarking. Payments made to trustees are set out above with all such payments being approved by the board, those receiving such payments absenting themselves from such approval.

***Employees***

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

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

***Co-production Network***

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

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



## STRATEGIC REPORT

### Business plan and objectives for 2016-17

#### ***Vision and values***

We believe that our vision and values are entirely consistent with our aim to be a Small and Medium-sized Enterprise (SME), commissioned and contracted to improve the lives of those who need care and support.

#### *Vision*

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

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

#### *Values*

This vision is underpinned by the way we work, which is:

- ◆ ***Co productive and collaborative:*** *We co-produce our work with people who use services and their carers to identify what works and how that knowledge can be put into practice. We promote equality, and value diversity and human rights. We collaborate with partners to influence future policy and practice to increase our reach and impact.*
- ◆ ***Innovative and customer – focused:*** *We meet the changing needs of our diverse audiences and customers with new and better services and products that support the delivery of high quality services.*
- ◆ ***Enterprising and expert:*** *We seek new opportunities to promote our knowledge and skills throughout the care and support and other sectors. Our work is based on a rigorous approach to identifying good and developing practice.*

#### ***Business Objectives***

SCIE's key business objectives for 2016-17 were:

#### *Delivery programmes*

- ◆ Support providers to sustain and improve the quality of care and support services through a programme of work including the provision of the NICE Collaborating Centre for Social Care.
- ◆ Support the integration of health and social care services through a training, consultancy and research offer, and by validating and verifying the integration dashboard.
- ◆ Develop and deliver a training, consultancy and research offer to support the improvement of children's social care.

## STRATEGIC REPORT (continued)

### Business plan and objectives for 2016-17 (continued)

#### *Business Objectives (continued)*

##### *Delivery programmes (continued)*

- ◆ Develop and deliver a training, consultancy, and research offer that support the delivery of safe services for adults and children.

##### *Supporting Programmes*

- ◆ Develop and deliver a communications and marketing strategy to position SCIE as a leading improvement agency. Support each delivery priority with a marketing plan.
- ◆ Ensure that the co-production voice informs, and is influential in all aspects of our work.
- ◆ Through a programme of organisational and personal development build capacity and skill staff to achieve our business objectives.
- ◆ Operate within the agreed income and expenditure budgets, seeking efficiencies and new sources of income that minimise SCIE's operational deficit at 31 March 2017, and ensure its sustainability.

### Key achievements

In the year to 31 March 2017 our key achievements were:

- ◆ **Provider improvement:** The focus of our Department of Health (DH) commission was to build resource that supports provider stability and provides tools and materials that support the development of improved, personalised care.
- ◆ **Safeguarding:** An audit of the Church of England's safeguarding policies and practices.
- ◆ **Integration:** In Hampshire/Isle of Wight and now Croydon we secured work alongside PPL Consultants developing governance and systems leadership options for furthering integration in ways aligned to policy on devolution. We learn from such collaborations, linking policy and practice in improvement initiatives at national, regional and local levels.
- ◆ **NICE Collaborating Centre for Social Care:** We had a very positive annual contract review meeting in July 2016 when NICE colleagues emphasised the good work in guideline development and high quality of the guidelines that were published during 2015/16, in particular the guidelines on transitions from hospital to home and from children's to adults' services. We have an active programme of implementation support including local events to support the transition from children's to adults' guidelines. The social care programme is noted for the progress made in co – production. Feedback from members with learning disabilities indicates they have felt well supported in reviewing the evidence and working on the recommendations with the other guideline committee members.

## STRATEGIC REPORT (continued)

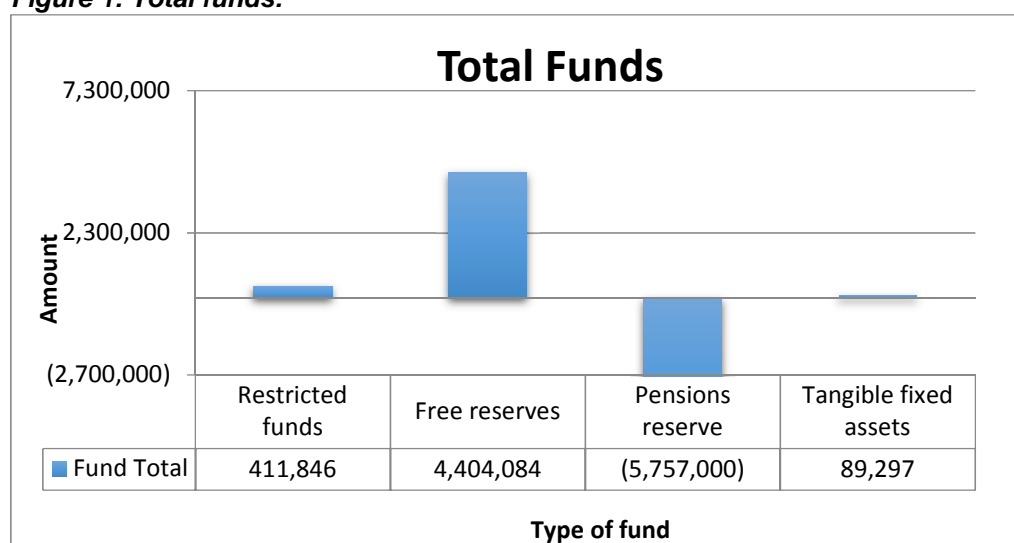
### Key achievements (continued)

- ♦ **Greater Manchester:** Greater Manchester (GM) health and social care policy and practice remains the focus of much national attention. With consultancy partners PPL, we examined the performance of all ten local authorities with a particular focus on asset based approaches.
- ♦ **Northern Ireland:** SCIE met with the Permanent Secretary and senior civil servants to discuss co-production principles and practices, and also facilitated a workshop with the Chief Medical Officer and around 100 health staff and service users. We are also supporting the development of the leadership systems to help deliver the Social Work Strategy, and working on an event to help embed principles of co-production in the Social Work Strategy.
- ♦ **Wales:** In Wales, there are new regulatory and inspection arrangements to whose development SCIE has contributed. We have developed a good relationship with the new Chief Executive of Social Care Wales, and are currently negotiating the 2017/18 commission.
- ♦ Other commercial opportunities won included:
  - ◇ Better Care Support Team: National support contract including regional events and how to guides.
  - ◇ Church of England: Safeguarding audits of dioceses continues into its second year.
  - ◇ NHS England: Evaluation of year 2 Sutton vanguard.
  - ◇ Oxfordshire County Council: Co-production support.

### Financial review for 2016–17

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

**Figure 1: Total funds:**



## STRATEGIC REPORT (continued)

### Financial review for 2016–17 (continued)

The balance sheet shows total funds to be in deficit by £851,773 at 31 March 2017. At this date, restricted funds amounted to £411,846. These monies have either been restricted for use on specific projects or they comprise donations subject to donor-imposed conditions. Full details of these restricted funds can be found in note 13 to the financial statements together with an analysis of movements in the year.

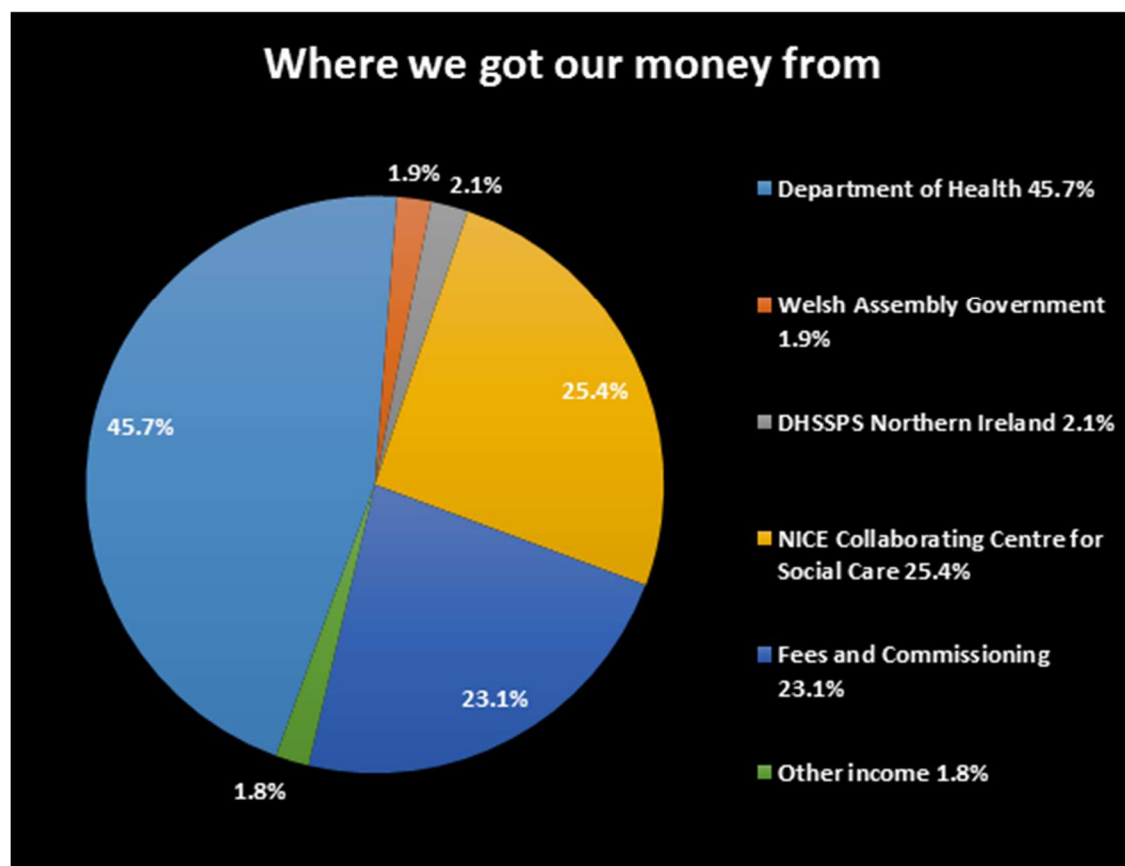
£89,297 of the total funds is represented by tangible fixed assets held in unrestricted funds.

The actuaries have calculated SCIE's share of the deficit on the defined benefit pension fund at 31 March 2017 to be £5,757,000. For further information, see note 16 to the financial statements.

The remaining general funds of SCIE (being unrestricted funds excluding tangible fixed assets but before the defined benefit pension fund liability) are 'free reserves' and total £4,404,084 at 31 March 2017.

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

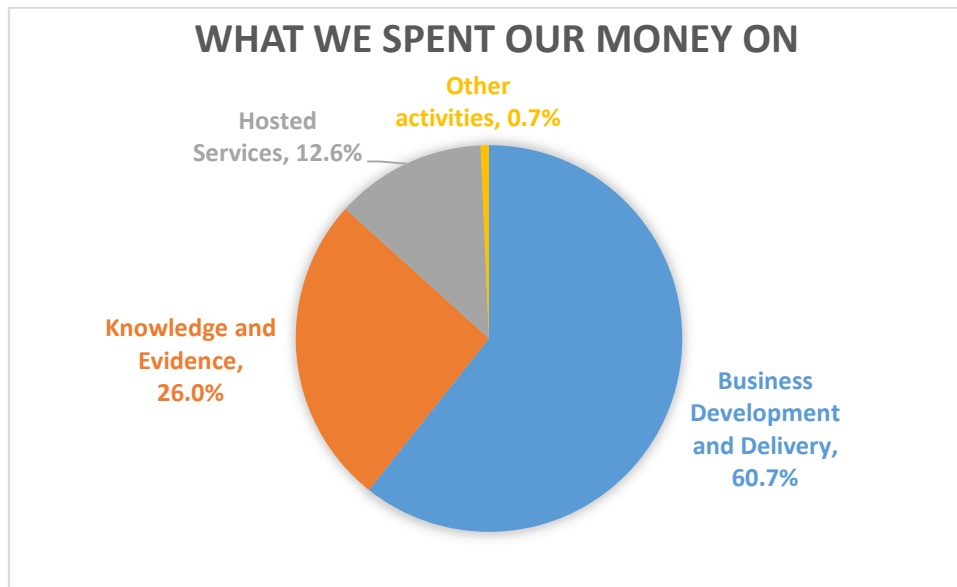
**Figure 2: Income**



**STRATEGIC REPORT** (continued)

**Financial review for 2016–17** (continued)

**Figure 3: Expenditure**



**Future plans 2017-18**

SCIE's key business objectives for 2017-18 are:

***Delivery programmes***

- ◆ Support providers to sustain and improve the quality of adult care and support services.
- ◆ Support the integration and transformation of health, care and support services through a training, consultancy, research, and evaluation offer and by the development of a balanced scorecard.
- ◆ Develop and deliver a training, consultancy, research, and evaluation offer to support the improvement of children's social care.
- ◆ Develop and deliver a training, consultancy, and research offer to support the delivery of safe services for adults.
- ◆ Develop and deliver a training, consultancy, research, and evaluation offer to support better ageing.

***Supporting Programmes***

- ◆ Develop and deliver a communications and marketing strategy that positions SCIE as a leading improvement agency. Support each delivery programme with a marketing campaign.
- ◆ Ensure that the co-production voice informs, and is influential in all aspects of our work.

## STRATEGIC REPORT (continued)

### Future plans 2017-18 (continued)

#### *Supporting Programmes (continued)*

- ◆ Through a programme of organisational and personal development build capacity and skill staff to achieve our business objectives.
- ◆ Operate within the agreed income and expenditure budgets, seeking efficiencies and new sources of income that minimises SCIE's operational deficit at 31 March 2018 and ensures its sustainability.

Our key priority offers will include:

- ◆ **Looked after children and care leavers:** Through competitive tenders we expect to expand the work currently underway on the mental health of looked after children and it is likely that SCIE will have a level of involvement in a pilot scheme commencing early in the new financial year. Our bid to the innovation fund for new belongings phase three has reached the final stages of the process with a final decision expected imminently. These together form a major programme of work and the foundation for the expansion of the children's offer in 2017/18. The progress of the Children and Social Work Bill, together with the expected work programme, will provide market intelligence about what the sector identifies as training, consultancy or other commercial products and services which it will require. Success of our training and consultancy offer indicates that products identified by the sector are likely to succeed.
- ◆ **Systems approach to safeguarding and improvement:** Learning Together (LT) continues to be a successful model which we utilise for serious case reviews and audits in both children's and adults' services for a wide range of organisations, including local authorities, national charities, Ofsted, and the Church of England. This year we will build on this by exploring the development of a wider improvement offer using the LT methodology, including using it to provide post inspection support to local authorities.
- ◆ **Integration:** We will continue to grow our reputation as a leading organisation supporting policy and delivery of integration, building on our work last year on Integration 2020 and the BCF Masterclasses. This year we will continue our work to develop and test an integration balanced scorecard, and will develop a number of services that will closely align to this work, including offers on co-production and integration; consultancy support to local areas to develop integration plans; and support to local areas to help them with evaluation and measurement.
- ◆ **Transformation:** Last year we launched Total Transformation of Care and Support, a study which looked at the potential for scaling up good practice in social care. We are also currently supporting the development of Greater Manchester's Adult Social Care Strategy. SCIE will continue to work in partnership with consultancies like PPL and KPMG to work with local areas to co-produce plans with citizens to transform services, based on the best available evidence.

## STRATEGIC REPORT (continued)

### Key risks

Key management regularly review the strategic risk register and have identified key risks and their mitigation. These include:

**1. SCIE is not financially sustainable at 31 March 2018.**

**Mitigation.** Our business plan for 2017-18 is based on agreements with Department of Health, the Welsh Assembly Government, Department of Health Northern Ireland and an analysis of our commercial sources of income. This is incorporated into an income and expenditure model from which income and expenditure targets are agreed. Income and expenditure is reported monthly. The pipeline is updated on won/highly likely/likely work monthly. Horizon-scanning identifies new and developing commercial opportunities and risks. A reserves policy has been agreed and supports the operation of SCIE and the investment in future products and services.

**2. Our commercial offers are not seen to support quality improvement and our customers do not purchase our products and services.**

**Mitigation.** We base our products and services on the experience we have gained in 2016/17 and market intelligence, including horizon scanning. We seek feedback on what we do through evaluation, surveys and measurement of repeat business. Client feedback and our impact is shared through case studies, articles, and summary impact reports via website and other channels. Our work is knowledge and evidence based, and developed with those who use services and their carers. Our improvement offers are based on the needs of our customers' stakeholders and partners and successfully marketed via digital channels, and stakeholder relationships.

**3. SCIE's children's offer is not endorsed by the Department for Education (DfE) or successful with the sector. DfE develops a 'What Works' Centre without SCIE whose children's offer then diminishes.**

**Mitigation.** SCIE has tendered for the What Works Centre for Children.

**4. SCIE does not have sufficient staff capacity with the skills and experience to deliver its commercial work and commissioned work, particularly in relation to integrated care and children's services.**

**Mitigation.** SCIE will review its organisation to ensure that it is positioned to become a more commercially successful organisation.

### Policies

#### *Reserves policy*

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

**STRATEGIC REPORT** (continued)

**Policies** (continued)

***Reserves policy*** (continued)

The trustees have examined the requirement for free reserves, that is, those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed. This has been undertaken by a regular consideration of pension liabilities both by the Audit Committee and the trustees, including the information from the triennial review and FRS 102 valuation. The trustees have assessed the risks arising from a more uncertain future.

In the current climate, SCIE is determined to keep a level of reserves commensurate with balancing the need to release funds for new streams of income generation with the need to retain sufficient funds for liabilities that may arise in respect to the pension scheme and in relation to future accommodation needs; and, in addition, having funds to support three months of operating costs in the unlikely event of a closure. The trustees believe the minimum level of free reserves should be £3.75 million.

The level of free reserves was £4,404,084 at 31 March 2017. The trustees acknowledge that whilst the level of free reserves at 31 March 2017 was higher than that required by the above reserves policy, they believe that at this time of continuing transition for the charity and general economic uncertainty, it is appropriate. The current free reserves provide a solid foundation to support SCIE's transformation by enabling investment in the development of its commercial offer, diversification of sources of income, and in meeting its future liabilities. The reserves policy will be kept under regular review.

The DH has confirmed that it will make a grant of up to £1,843,000 available to SCIE for 2017-18 which is in accordance with expectations.

Funding from Northern Ireland and Wales was agreed after negotiations.

***Investment policy***

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

**The charity's assets**

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

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

Paul Burstow

Trustee

Approved by the trustees on: 28 September 2017



## **Independent auditor's report 31 March 2017**

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

We have audited the financial statements of Social Care Institute for Excellence for the year ended 31 March 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and the auditor**

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report (including the strategic report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material inconsistencies we consider the implications for our report.

## **Independent auditor's report 31 March 2017**

### **Opinion on financial statements**

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other 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 charitable company 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

1 November 2017

## Statement of financial activities Year to 31 March 2017

	Notes	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>Income from:</b>					
Short term bank deposits					
. Interest receivable		21,027	—	<b>21,027</b>	34,904
Charitable activities					
. Contracts, grants, service level agreements and fees receivable	1	3,477,737	2,993,701	<b>6,471,438</b>	6,637,106
<b>Total income</b>		<b>3,498,764</b>	<b>2,993,701</b>	<b>6,492,465</b>	<b>6,672,010</b>
<b>Expenditure on:</b>					
Charitable activities					
. Provision and dissemination of knowledge and good practice in social care	2	4,308,345	3,213,700	<b>7,522,045</b>	7,614,181
<b>Total expenditure</b>		<b>4,308,345</b>	<b>3,213,700</b>	<b>7,522,045</b>	<b>7,614,181</b>
<b>Net expenditure for the year</b>	5	<b>(809,581)</b>	<b>(219,999)</b>	<b>(1,029,580)</b>	<b>(942,171)</b>
<b>Other recognised gains and losses</b>					
Actuarial (losses) gains in respect to defined benefit pension scheme	16	(1,561,000)	—	<b>(1,561,000)</b>	979,000
<b>Net movement in funds</b>		<b>(2,370,581)</b>	<b>(219,999)</b>	<b>(2,590,580)</b>	<b>36,829</b>
<b>Reconciliation of funds:</b>					
Fund balances brought forward at 1 April 2016		1,106,962	631,845	<b>1,738,807</b>	1,701,978
Fund balances carried forward at 31 March 2017		<b>(1,263,619)</b>	<b>411,846</b>	<b>(851,773)</b>	<b>1,738,807</b>

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

## Balance sheet 31 March 2017

	Notes	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Tangible assets	9		<b>89,297</b>		152,487
<b>Current assets</b>					
Debtors	10	<b>707,044</b>		927,388	
Short term deposits		<b>3,000,000</b>		4,000,000	
Cash at bank and in hand		<b>2,249,804</b>		1,796,651	
		<b>5,956,848</b>		6,724,039	
<b>Creditors:</b> amounts falling due within one year	11	<b>(1,140,918)</b>		(1,164,719)	
<b>Net current assets</b>			<b>4,815,930</b>		5,559,320
<b>Total net assets excluding pension liability</b>			<b>4,905,227</b>		5,711,807
Pension liability	16		<b>(5,757,000)</b>		(3,973,000)
<b>Total net assets including pension liability</b>			<b>(851,773)</b>		1,738,807
<b>The funds of the charity</b>					
Restricted funds	13		<b>411,846</b>		631,845
Unrestricted funds					
. General fund					
.. Free reserves			<b>4,404,084</b>		4,927,475
.. Pension reserve	16		<b>(5,757,000)</b>		(3,973,000)
			<b>(1,352,916)</b>		954,475
. Tangible fixed assets fund			<b>89,297</b>		152,487
			<b>(851,773)</b>		1,738,807

Approved by the trustees  
and signed on their behalf by:

Bev Searle

Trustee  
Approved on: 28 September 2017

Company Registration No. 04289790 (England and Wales)

Charity Registration No.1092778

## Statement of cash flows Year to 31 March 2017

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	A	<b>(548,294)</b>	(715,654)
<b>Cash flows from investing activities:</b>			
Interest received		<b>21,027</b>	34,904
Proceeds from short term deposits		<b>1,000,000</b>	1,000,000
Purchase of tangible fixed assets		<b>(19,580)</b>	(178,722)
<b>Net cash provided by investing activities</b>		<b>1,001,447</b>	856,182
<b>Change in cash and cash equivalents in the year</b>		<b>453,153</b>	140,528
<b>Cash and cash equivalents at 1 April 2016</b>	B	<b>1,796,651</b>	1,656,123
<b>Cash and cash equivalents at 31 March 2017</b>	B	<b>2,249,804</b>	1,796,651

### Notes to the statement of cash flows for the year to 31 March 2017

#### A Reconciliation of net expenditure for the year to net cash used in operating activities

	2017 £	2016 £
<b>Net expenditure for the year (as per the statement of financial activities)</b>	<b>(1,029,580)</b>	(942,171)
<b>Adjustments for:</b>		
Depreciation charge	<b>82,770</b>	83,947
FRS 102 pension charge	<b>223,000</b>	290,000
Interest receivable	<b>(21,027)</b>	(34,904)
Decrease (increase) in debtors	<b>220,344</b>	(447,874)
(Decrease) increase in creditors	<b>(23,801)</b>	335,348
<b>Net cash used in operating activities</b>	<b>(548,294)</b>	(715,654)

#### B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<b>2,249,804</b>	1,796,651

## **Principal accounting policies 31 March 2017**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

### **Basis of preparation**

These financial statements have been prepared for the year to 31 March 2017 with comparative information provided in respect to the year to 31 March 2016.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the trustees to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ Estimating the useful economic life of tangible fixed assets for the purposes of calculating the depreciation charge;
- ◆ Estimating the recoverability of debtors and determining any necessary provision for bad or doubtful debts;
- ◆ Assessing the appropriateness of the underlying assumptions made by the actuary in the valuation of the defined benefit pension scheme; and
- ◆ Determining the basis for the allocation of support and governance costs across the charitable key areas of activity as shown in note 2.

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

**Assessment of going concern** (continued)

The trustees of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above. With regard to the next accounting period, the year ending 31 March 2018, the most significant issues that affect the carrying value of the assets held by the charitable company are the availability of grants and funding from government and other agencies and the impact of general economic conditions on the level of commercial sources of income.

**Income recognition**

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

Income comprises interest receivable on short term deposits with the charity's bankers, grants and funding from government and other agencies and income from commercial sources.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

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

Income of a contractual nature and income generated from commercial sources is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured. It is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to expenditure on charitable activities which is sub-divided into expenditure on Business, Development and Delivery, Knowledge and Evidence (including the NICE Collaborating Centre for Social Care), Hosted Services and other charitable activities.

**Expenditure recognition** (continued)

All expenditure is incurred on the charity's primary charitable purposes as described in the trustees' report. It includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include direct and support costs including governance costs.

All expenditure is stated inclusive of irrecoverable VAT.

**Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are allocated as described in note 3 to these financial statements.

**Tangible fixed assets**

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

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

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

**Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

**Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.



### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund structure**

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

The general fund represents those monies which are available for application towards achieving any charitable purpose that falls within the charity's objects. It is represented by free reserves and a pension reserve which represents the FRS 102 pension liability on the charity's defined benefit pension scheme as calculated by the scheme's actuary as at the balance sheet date.

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

### **Leased assets**

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

### **Pension costs**

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

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increases in the present value of the liabilities within the charity's defined benefit scheme expected to arise from employee service in the period is allocated to the respective expense category within the statement of financial activities. Actuarial gains and losses are recognised in the statement of financial activities as part of other recognised gains and losses for the period.

**1 Contracts, grants, service level agreements and fees receivable**

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Department of Health				
. Project grants	—	2,955,361	<b>2,955,361</b>	2,826,588
Welsh Assembly Government	123,500	—	<b>123,500</b>	123,500
Department of Health, Social Services and Public Safety Northern Ireland	135,000	—	<b>135,000</b>	153,460
NSPCC	—	—	—	498,551
J P Morgan Chase	—	—	—	61,596
Local Government and care partnerships	—	—	—	96,250
NICE Collaborating Centre for Social Care (NCCSC)	1,646,059	—	<b>1,646,059</b>	1,598,821
Fees and commissioning	1,491,704	—	<b>1,491,704</b>	1,223,927
Other funders	81,474	38,340	<b>119,814</b>	54,413
<b>2017 Total funds</b>	<b>3,477,737</b>	<b>2,993,701</b>	<b>6,471,438</b>	<b>6,637,106</b>
2016 Total funds	3,059,098	3,578,008	6,637,106	

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

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Business, Development & Delivery (BDD)	1,753,667	2,144,576	<b>3,898,243</b>	4,006,517
Knowledge and Evidence (including NCCSC)	1,649,666	20,500	<b>1,670,166</b>	1,615,296
Hosted Services	—	810,785	<b>810,785</b>	970,232
Other activities	74,404	17,840	<b>92,244</b>	45,061
<b>2017 Total funds</b>	<b>3,477,737</b>	<b>2,993,701</b>	<b>6,471,438</b>	<b>6,637,106</b>
2016 Total funds	3,059,098	3,578,008	6,637,106	

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

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>Business, Development &amp; Delivery (BDD)</b>				
Staff costs	1,005,948	1,629,574	<b>2,635,522</b>	2,330,286
Office costs	81,370	3,656	<b>85,026</b>	88,404
Premises costs	241,526	—	<b>241,526</b>	246,108
Commissioning costs	322,527	126,162	<b>448,689</b>	614,538
Electronic access and publication costs	33	1,821	<b>1,854</b>	2,506
Publicity and dissemination	11,771	1,618	<b>13,389</b>	29,749
Support costs (note 3)	452,818	262,385	<b>715,203</b>	724,164
	<u>2,115,993</u>	<u>2,025,216</u>	<u><b>4,141,209</b></u>	<u>4,035,755</u>
<b>Knowledge and Evidence (incl NCCSC)</b>				
Staff costs	835,721	20,500	<b>856,221</b>	1,022,661
Office costs	112,132	—	<b>112,132</b>	122,449
Premises costs	246,809	—	<b>246,809</b>	241,431
Commissioning costs	530,107	—	<b>530,107</b>	409,140
Electronic access and publication costs	141	—	<b>141</b>	4,005
Publicity and dissemination	473	—	<b>473</b>	415
Support costs (note 3)	466,969	270,585	<b>737,554</b>	746,792
	<u>2,192,352</u>	<u>291,085</u>	<u><b>2,483,437</b></u>	<u>2,546,893</u>
<b>Hosted Services</b>				
Staff costs	—	670,443	<b>670,443</b>	738,741
Office costs	—	3,540	<b>3,540</b>	5,755
Commissioning costs	—	5,414	<b>5,414</b>	10,546
Electronic access and publication costs	—	39,531	<b>39,531</b>	28,915
Publicity and dissemination	—	72,515	<b>72,515</b>	104,606
Other costs	—	276	<b>276</b>	—
Support costs (note 3)	—	105,680	<b>105,680</b>	142,970
	<u>—</u>	<u>897,399</u>	<u><b>897,399</b></u>	<u>1,031,533</u>
<b>2017 Total funds</b>	<u>4,308,345</u>	<u>3,213,700</u>	<u><b>7,522,045</b></u>	<u>7,614,181</u>
<b>2016 Total funds</b>	<u>3,916,394</u>	<u>3,697,787</u>	<u>7,614,181</u>	

### 3 Support costs

	Business, Development and Delivery (BDD) £	Knowledge services and Evidence (including NCCSC) £	Hosted Services £	2017 Total funds £	2016 Total funds £
Staff costs	497,299	512,839	10,217	<b>1,020,355</b>	1,010,833
Premises costs	53,655	55,331	53,625	<b>162,611</b>	159,068
Office costs	22,418	23,118	2,195	<b>47,731</b>	52,609
Electronic access and publication costs	6,244	6,440	—	<b>12,684</b>	5,298
Publicity and dissemination costs	37,702	38,882	—	<b>76,584</b>	123,922
Governance costs (excluding staff costs) (note 4)	50,748	52,334	—	<b>103,082</b>	112,906
Other costs	47,137	48,610	39,643	<b>135,390</b>	149,290
	<b>715,203</b>	<b>737,554</b>	<b>105,680</b>	<b>1,558,437</b>	<b>1,613,926</b>

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

Other costs include the net interest charge on the charity's defined benefits pension scheme of £144,000 (2016 – £158,000) (see note 16).

### 4 Governance costs

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Legal and professional fees	19,907	—	<b>19,907</b>	24,669
Trustees' expenses, payments to trustees and other governance and organisational related costs, including staff costs	95,060	—	<b>95,060</b>	86,981
Co-production Network costs	24,893	—	<b>24,893</b>	37,969
<b>2017 Total funds</b>	<b>139,860</b>	<b>—</b>	<b>139,860</b>	<b>149,619</b>
2016 Total funds	150,039	(420)	149,619	

The above governance costs include £36,778 in relation to staff costs (2016 - £36,713).

## Notes to the financial statements 31 March 2017

### 5 Net expenditure for the year

This is stated after charging (crediting):

	2017 Total funds £	2016 Total funds £
Staff costs (note 6)	5,181,023	5,069,235
Auditor's remuneration		
. Statutory audit services		
.. Current year	22,800	22,500
.. Previous year	(3,193)	3,000
. Other services	—	3,045
Depreciation	82,770	83,947
Operating lease rentals	365,767	322,294

### 6 Employees and staff costs

Staff costs during the period were as follows:

	2017 £	2016 £
Wages and salaries	3,210,347	3,220,525
Social security costs	348,935	297,138
Other pension costs	492,657	476,061
FRS 102 pension charge (note 16)	79,000	132,000
	4,130,939	4,125,724
Payments to agency staff and consultants	774,719	611,278
Other staff related costs	275,365	332,233
	5,181,023	5,069,235

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

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

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

	2017 No.	2016 No.
Charitable activities		
. Business, Development & Delivery (BDD)	32	32
. Knowledge and Evidence	33	33
. Hosted services	6	6
Governance	1	1
	72	72

**6 Employees and staff costs** (continued)

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

	2017 No.	2016 No.
£60,001 - £70,000	4	4
£70,001 - £80,000	2	1
£80,001 - £90,000	—	2
£90,001 - £100,000	2	—
£140,001 - £150,000	1	1

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

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees, the Chief Executive, the Director of Knowledge and Evidence, the Director of Operations and the Director of Business Development and Delivery. The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £429,804 (2016 - £473,945).

**7 Payments in relation to trustees**

In accordance with the charity's memorandum and articles of association, the Chair of the trustees was paid £30,300 (2016 - £30,300) during the year for services undertaken in the administration of the charity. One other trustee was paid a total of £8,400 (2016 – two trustees were paid an aggregate of £13,200) on the same basis. The payment for such services has been authorised by the Charity Commission.

Out of pocket travelling and subsistence expenses totalling £5,601 (2016 - £6,134) were reimbursed to 10 (2016 – 11) trustees during the year.

The charity has purchased insurance to protect it from any loss arising from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £6,757 (2016 - £7,075) and provides cover of up to a maximum of £2 million (2016 - £2 million).

The charity made payments of £4,113 to the Association of Directors of Adult Social Services (ADASS) during the year. These payments related to the provision of services at arm's length from which no trustee or senior executive benefited. To ensure full transparency, it is confirmed that Peter Hay, Tony Hunter, David Archibald and Annie Hudson are members of ADASS.

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

## 8 Taxation

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

SCIE is registered for VAT but is partially exempt and so only able to recover a proportion of its input tax.

## 9 Tangible fixed assets

	Unrestricted funds			Restricted funds	
	Computer and IT equipment £	Office furniture and fittings £	Leasehold improve - ments £	Computer and IT equipment £	Total £
<b>Cost</b>					
At 1 April 2016	106,771	75,681	213,701	37,740	<b>433,893</b>
Additions	19,580	—	—	—	<b>19,580</b>
At 31 March 2017	126,351	75,681	213,701	37,740	<b>453,473</b>
<b>Depreciation</b>					
At 1 April 2016	96,751	75,681	71,234	37,740	<b>281,406</b>
Charge for year	11,536	—	71,234	—	<b>82,770</b>
At 31 March 2017	108,287	75,681	142,468	37,740	<b>364,176</b>
<b>Net book values</b>					
At 31 March 2017	18,064	—	71,233	—	<b>89,297</b>
At 31 March 2016	10,020	—	142,467	—	<b>152,487</b>

## 10 Debtors

	2017 £	2016 £
Prepayments	<b>155,822</b>	162,175
Grants receivable	—	27,940
Rent deposit	<b>45,721</b>	91,442
Fees and other income receivable	<b>505,501</b>	645,831
	<b>707,044</b>	927,388

## 11 Creditors: amounts falling due within one year

	2017 £	2016 £
Expense creditors	<b>212,103</b>	212,311
Taxation and social security	<b>241,247</b>	212,918
Accruals	<b>646,875</b>	566,268
Deferred income (note 12)	<b>40,693</b>	173,222
	<b>1,140,918</b>	1,164,719

## 12 Deferred income

	2017 £	2016 £
Balance at 1 April 2016	173,222	46,601
Income received in advance	40,693	173,222
Released to statement of financial activities	(173,222)	(46,601)
Balance at 31 March 2017 (note 11)	40,693	173,222

Deferred income comprises funding received in advance from government and other agencies.

## 13 Restricted funds

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

	At 1 April 2016 £	Income £	Expenditure		At 31 March 2017 £
			Direct costs £	Support costs £	
DH Commissions	—	358,000	266,000	92,000	—
Digital learning	—	665,000	481,280	183,720	—
Social Care Online	—	305,000	222,000	83,000	—
PRU	—	20,500	20,500	—	—
Integrated Scorecard	—	598,155	464,405	133,750	—
Direct Payments	152,164	—	104,396	—	47,768
Think Local Act Personal (TLAP)	395,755	828,625	791,722	105,680	326,978
Digital Library	—	150,000	109,500	40,500	—
JP Morgan Chase Foundation	41,064	—	41,064	—	—
3D Smart Homes	29,487	21,720	51,207	—	—
Post Diagnosis Support Hub	13,375	25,405	1,680	—	37,100
Dementia e learning videos	—	21,296	21,296	—	—
	631,845	2,993,701	2,575,050	638,650	411,846

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

### ***DH Commissions***

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



### 13 Restricted funds (continued)

#### ***Digital learning***

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

#### ***Social Care Online***

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

#### ***PRU***

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

#### ***Integrated Scorecard***

This project resulted in a report presenting the findings from a programme of scoping research and engagement to better understand what excellent integrated health and social care should look like in 2020; to test out the Integration Standard with national stakeholders and local areas; and to provide feedback and support for further development of the standard. The research, involving engagement with national stakeholders, local areas and people who use health and care services, was undertaken by SCIE on behalf of the Department of Health. The research will inform the government's future plans for the further integration of health and social care.

#### ***Direct payments in residential care pilot programme***

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

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

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

#### ***Digital Library***

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

### 13 Restricted funds (continued)

#### ***J P Morgan Chase Foundation***

SCIE was commissioned by the JPMorgan Chase Foundation to undertake a research study into workforce readiness, recruitment and progression in the social care sector.

#### ***3D Smart Homes***

3D Smart Homes is an app designed to support living with dementia in their own homes. The design tool funded by the Local Government and Care Partnerships enables people to understand how best to optimise their own personal space, watch 'how to' videos and purchase products and services.

#### ***Post Diagnosis Support Hub***

In the past few years, the emphasis on helping people with dementia has focused on early diagnosis. Evidence is now emerging that whilst diagnostic rates have improved, support and information on what to do afterwards has not. SCIE has been funded by the Local Government and Care Partnerships to build a new central repository of information on best practise for health and social care commissioners to develop better local services.

#### ***Dementia e-learning videos***

SCIE is developing an all new dementia e-learning course in partnership with Kings College aimed at the residential care workforce. Much of the learning guidance needs video to illustrate best practise and approaches, and this grant from the Local Government and Care Partnerships has enabled us to create both actuality film content and some dramatic reconstruction.

### 14 Analysis of net assets between funds

		Unrestricted funds		
	Restricted funds	General fund	Tangible fixed assets fund	Total 2017
	£	£	£	£
<b>Fund balances at 31 March 2017 are represented by:</b>				
Tangible fixed assets	—	—	89,297	<b>89,297</b>
Net current assets	411,846	4,404,084	—	<b>4,815,930</b>
Pension liability	—	(5,757,000)	—	<b>(5,757,000)</b>
<b>Total net assets</b>	<b>411,846</b>	<b>(1,352,916)</b>	<b>89,297</b>	<b>(851,773)</b>

## 15 Leasing commitments

### *Operating leases*

At 31 March 2017, the charity had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2017	2016
	£	£
Operating lease payments which fall due:		
Within one year	354,494	365,767
Between one and two years	—	354,494
	<u>354,494</u>	<u>720,261</u>

## 16 Pension commitments

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

The most recent triennial valuation at 31 March 2016, showed that the market value of the scheme's assets were £4,993 million and that the actuarial value of those assets represented 89% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The principal assumptions made were that the investment returns would be 6.4% per annum, the discount rate would be 5.1% per annum and that salary increases would average 3.9% per annum after 31 March 2020. For the three years to 31 March 2020, the assumed salary increases would be in line with the Consumer Price Index assumption, currently 2.4% per annum. No allowance was made for possible discretionary increases in pensions beyond those prescribed in the scheme rules. The next formal valuation is at 31 March 2019.

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

### *FRS 102*

Financial Reporting Standard 102 (FRS 102) requires the surplus or deficit on the Scheme as at 31 March 2017, calculated in accordance with the requirements of FRS 102, to be included on the balance sheet. For the purpose of FRS 102, the assets of the scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary.

In order to assess the actuarial value of the charity's assets and liabilities as at 31 March 2017, the actuaries have rolled forward the actuarial value of the assets and liabilities at 31 March 2016.

## 16 Pension commitments (continued)

### FRS 102 (continued)

The major assumptions used by the actuary in preparing the FRS 102 figures were:

	2017 % per annum	2016 % per annum
Rate of increase in salaries	4.2	4.2
Rate of increase in pension payments	2.7	2.4
Discount rate	2.8	3.7
Rate of inflation - RPI	3.6	3.3
Rate of Inflation - CPI	2.7	2.4

The mortality assumptions used were as follows:

	2017 years	2016 years
Longevity at age 65 for current pensioners		
. Men	22.1	22.9
. Women	24.6	25.3
Longevity at age 65 for future pensioners		
. Men	24.3	25.2
. Women	26.9	27.7

The net movement in the FRS 102 liability during the year was:

	2017 £'000s	2016 £'000s
Net deficit in scheme at 1 April	(3,973)	(4,662)
Service cost	(561)	(597)
Net interest	(138)	(151)
Administration expenses	(6)	(7)
Employer contributions	482	465
Re-measurement of the defined liability	(1,561)	979
<b>Net deficit in scheme at 31 March</b>	<b>(5,757)</b>	<b>(3,973)</b>

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

	2017 £000s	2016 £000s
Service cost	(561)	(597)
Net interest on the defined liability	(138)	(151)
Administration expenses	(6)	(7)
<b>Total expenditure recognised in SOFA</b>	<b>(705)</b>	<b>(755)</b>
Employer contributions	482	465
<b>FRS 102 charge</b>	<b>(223)</b>	<b>(290)</b>

## Notes to the financial statements 31 March 2017

### 16 Pension commitments (continued)

#### *FRS 102 (continued)*

The net (loss) gain recognised in the re-measurements in other comprehensive income was:

	2017 £000s	2016 £000s
Return of fund assets in excess of interest	2,431	(146)
Experience gains on the defined benefit obligation	945	1
Other actuarial losses	(683)	—
Change in demographic assumptions	279	—
Changes in financial assumptions	(4,533)	1,124
<b>Remeasurement of the defined liability</b>	<b>(1,157)</b>	<b>979</b>

Asset and benefit obligation reconciliation for the year to 31 March 2017:

	2017 £000s	2016 £000s
Opening defined benefit obligation	19,172	19,303
Current service cost	561	597
Interest cost	706	652
Contributions by scheme participants	181	184
Change in financial assumptions	4,533	(1,124)
Experience loss on defined benefit obligation	(945)	(1)
Benefits paid	(366)	(439)
Change in demographic assumptions	(279)	—
<b>Closing defined benefit obligation</b>	<b>23,563</b>	<b>19,172</b>

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

Unfunded benefit obligation reconciliation for the year to 31 March 2017:

	2017 £000s	2016 £000s
Opening defined benefit obligation	85	90
Interest cost	3	3
Change in demographic assumptions	(4)	—
Change in financial assumptions	12	(3)
Experience gain on defined benefit obligation	(2)	(1)
Benefits paid	(4)	(4)
<b>Unfunded scheme liabilities at 31 March</b>	<b>90</b>	<b>85</b>

**16 Pension commitments** (continued)

**FRS 102** (continued)

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

	2017 £000s	2016 £000s
Fair value of scheme assets at 1 April	15,199	14,641
Interest on assets	568	501
Return on assets less interest	2,431	(146)
Other actuarial losses	(683)	—
Contributions by employer	482	465
Contributions by fund participants	181	184
Administration expenses	(6)	(7)
Benefits paid	(366)	(439)
<b>Fair value of scheme assets at 31 March</b>	<b>17,806</b>	<b>15,199</b>

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

		Value at 31 March 2017 £'000		Value at 31 March 2016 £'000
	%		%	
Equities	68%	12,161	68%	10,286
Government bonds	4%	674	3%	448
Other bonds	4%	724	5%	730
Property	10%	1,732	12%	1,810
Cash	3%	536	3%	494
Alternative assets	7%	1,188	4%	676
Other managed Funds	4%	791	5%	755
<b>Total market value of assets</b>		<b>17,806</b>		<b>15,199</b>

**16 Pension commitments** (continued)

**FRS 102** (continued)

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

	<b>31 March 2017 £'000s</b>	<b>31 March 2016 £'000s</b>	<b>31 March 2015 £'000s</b>	<b>31 March 2014 £'000s</b>	<b>31 March 2013 £'000s</b>
Fair value of assets	<b>17,806</b>	15,199	14,641	12,657	12,657
Present value of scheme liabilities	<b>(23,563)</b>	(19,172)	(19,303)	(16,024)	(16,024)
Deficit in scheme	<b>(5,757)</b>	(3,973)	(4,662)	(3,367)	(3,367)
Experience adjustment on scheme assets	<b>2,431</b>	146	991	523	523
Percentage of scheme assets	<b>13.7%</b>	1.0%	6.8%	4.1%	4.1%
Experience adjustment on scheme liabilities	<b>945</b>	1	(2)	1,504	1,504
Percentage of scheme liabilities	<b>4.0%</b>	0.0%	(0.0%)	9.4%	9.4%

**Contributions**

The total contributions payable by the employer in the year, were £492,657 (2016 - £476,061). At 31 March 2017, there was no outstanding amount due (2016 - £nil).

The best estimate of contributions to be paid by the charity to the scheme for the year ending 31 March 2018 is £505,000