

NatCen

Social Research that works for society

Annual Report and Accounts

Year Ended 30th June 2015

THE NATIONAL CENTRE FOR SOCIAL RESEARCH

Company Registration Number: 04392418

Charity Registration Number: 1091768

Scotland Charity Registration Number: SC038454

At **NatCen** we believe that social research has the power to make life better. By really understanding the complexity of people's lives and what they think about the issues that affect them, we give the public a powerful and influential role in shaping decisions and services that can make a difference to everyone. And as an independent not for profit organisation we are able to focus our time and energy on meeting our clients' needs and delivering social research that works for society.

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Chairman's Introduction

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1. Chairman's Introduction

The National Centre for Social Research also trades under the name "NatCen Social Research" and is referred to throughout this report as "NatCen".

The Trustees present this annual report with the audited financial statements for the year to 30th June 2015. At NatCen we are driven by the belief that social research has the power to make life better. Our research works for society by providing a rich understanding of people's views, circumstances and behaviours to underpin social policy-making and help address the many challenges society faces.

NatCen has achieved much this year including the delivery of projects across the full social policy spectrum. We have continued to share our findings with decision-makers, opinion-formers and practitioners. These included ten national statistics surveys, complex policy evaluations and work in challenging areas such as Electoral Fraud and homophobic, biphobic and transphobic bullying.

NatCen is committed to delivering public benefit. This year we have continued to play a key role in building social research capacity in the UK and will be accepting our first Q Step placement students as part of our commitment to rebuilding the quantitative skill base of social science graduates. We are committed to methodological innovation and tackling the many research challenges the research community faces.

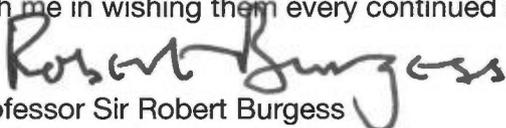
We are sharing our extensive knowledge of people and society, and findings from our studies, more widely through events and making our data available to others for analysis through data archives. We have drawn regularly on data from our annual surveys of attitudes, British Social Attitudes and Scottish Social Attitudes, to influence the news agenda and contribute to topical policy debates throughout the year, most markedly around Scottish independence and racial prejudice.

This impressive impact has been achieved despite a difficult financial year. Along with other research organisations we continued to experience the impact of a changing landscape for the social research market, reflected in fewer, smaller commissions that are attracting greater competition. Our financial results reflect this and we continue to reorganise our operations to meet the market challenges which we face. We have seen success in terms of the delivery of our research projects and our impact, but NatCen continues to face a difficult market and, this has resulted in NatCen recording a further deficit this year.

Our Chief Executive, Penny Young, left in May 2015, and the Company is being led by an Interim Chief Operating Officer while we recruit a new Chief Executive. Working with the Senior Management Team, the Interim COO has produced a new 3 year plan for the Company which has been approved by the Board of Trustees. The Company aims to return to financial health over this period.

Our role as Trustees is to provide stewardship of the organisation. We have overseen many changes within the organisation to modernise and streamline our business, and as a Board we are confident that NatCen remains in a good position to continue to deliver the high quality and impactful research that society needs.

I would like to thank my colleagues on the Board for their ongoing commitment to NatCen, and their continued willingness to lend NatCen their expertise, experience, challenge and insight. In addition, I would like to thank our colleagues in NatCen who continue to develop our research and disseminate our findings, thereby contributing to the process of policy-making. My colleagues on the Board join with me in wishing them every continued success.



Professor Sir Robert Burgess
Chairman of the Board of Trustees

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Structure, governance and management

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2. Structure, governance and management

Our legal structure

The National Centre for Social Research (which also trades under the name “NatCen Social Research”, and which is referred to as “NatCen” throughout this report) was founded in 1969 as a registered charity governed by a Trust Deed. In July 2002 it became a company limited by guarantee (4392418) with a new charity registration number in England and Wales (1091768) and Scotland (SCO38454).

NatCen’s governing document is its Memorandum and Articles of Association, last amended in 2008. This establishes the governance of NatCen as the responsibility of the Board of Trustees who are the directors of the company as well as being its members.

Key activities

The charitable objects of NatCen are ‘the advancement of education through research into the social, political and economic sciences, the dissemination to the public of the results of such research and for educational purposes incidental thereto’.

In line with these formal objects, NatCen’s principal activity over the past year has been the delivery of a large number of research projects in all areas of social policy, with a particular focus on health and well-being, children and young people, education, crime and justice, income and work, welfare and disadvantage, social attitudes and equalities to inform public policy and wider debate. Many of the projects we have undertaken included quantitative surveys or qualitative studies carried out throughout the UK. The Scottish Centre for Social Research (“ScotCen”) is an integral part of NatCen and undertakes research reflecting the distinct characteristics of the social and political environment in Scotland. We have also carried out a number of projects in Wales. We do not have a field presence in Northern Ireland, but partner regularly with the Northern Ireland Statistics and Research Agency (NISRA) on major projects and have carried out work on behalf of the Irish Human Rights & Equality Commission.

Our aim is a better society, as a result of high quality research. All of NatCen’s substantive research has direct, practical application in terms of understanding social behaviour and informing policy and/or practice. It is used by policy makers and political representatives, the media, academics, university students and social researchers, as well as by charities, industry associations and commercial companies. Increasingly, informed members of the public also take an interest in research findings.

We have a distinct role to play as a not-for-profit organisation in the research market in helping to ensure that research is commissioned most effectively for the public good. We actively engage in the Social Research Association, with Government Social Research, the Economic and Social Research Council (ESRC), and we also respond to public consultations, to improve the commissioning, conduct and use of social research.

A key aim of all of our work is to deliver public benefit. We set out how we work to achieve this in Section 3: ‘Objectives and activities’.

Board of Trustees

NatCen is governed by its Board of Trustees who are also its Directors. During 2014/15 the Board comprised the following members:

- Professor Sir Robert Burgess: Chairman of the Board of Trustees and Chairman of the Nominations and Remuneration Committees.
- Alan Botterill: Member of Remuneration Committee and Pension Scheme Trustee.
- Ken Caldwell: Member of Audit Committee.
- Nicholas Deyes
- Professor Sir Ian Diamond: Member of Nominations and Remuneration Committees.
- Steve Egan: Chairman of Audit Committee.
- Barbara Noble
- James Thickett
- Professor Paul Wiles: Member of Audit Committee
- Dr Jennifer Dixon: Resigned 7th August 2015
- Barbara Beckett: Resigned 1st October 2014

Biographies of all Trustees are available at www.natcen.ac.uk/about-us/people/trustee.

The Articles of Association allow for a minimum of four and a maximum of 15 Trustees. The Board has a Nominations Committee, chaired by the Chairman of the Board, which undertakes an open recruitment process and recommends new candidates for appointment when necessary, and ensures appropriate recruitment and succession plans are in place.

On appointment, each Trustee completes a declaration of interests which is held within a register of interests and updated annually. Their related party transactions are disclosed in greater detail at Note 5 to the financial statements later in this report. All conflicts are actively managed during the course of all NatCen Trustee business through the early identification of potential areas of conflict and taking actions where necessary to manage this. There is an induction programme for new Trustees that includes information about NatCen and its work, and a programme of meetings with senior staff and other Trustees.

We meet formally as a Board with the executive Senior Management Team three times a year plus an away day and with further meetings as and when needed. We receive regular reports on NatCen's financial position and current activity, and are kept informed by the management at other times on organisational news or of significant issues affecting NatCen.

As a Board we regularly review our performance to identify the need and opportunities for new ways of working and also training, which we conduct as required.

Three committees (Audit, Nominations and Remuneration) report to the Board with responsibility for the following areas:

- **Audit Committee:** This Committee reviews financial reporting and the effectiveness of internal controls and risk management processes. It monitors the terms of appointment and the work of both the internal and external auditors and receives and reviews audit reports. The Committee is chaired by Steve Egan.
- **Nominations Committee:** This Committee is responsible for the appointment of new Trustees, and is chaired by Professor Sir Robert Burgess.

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- **Remuneration Committee:** This Committee approves the remuneration of the Chief Executive and considers the Chief Executive's recommendations for remuneration for the Senior Management Team. It is chaired by Professor Sir Robert Burgess.

Committee members are all Trustees with the exception of Andy Farrell, the former Chief Financial Officer at the London School of Economics, who was co-opted as an independent member to the Audit Committee in September 2009.

As a Board we are responsible for setting the aims and direction of NatCen and each year we approve the business plan and budget. We also have the power to appoint a Chief Executive and to delegate day to day management of NatCen to him/her. A clear distinction exists between our responsibilities as Trustees and those responsibilities that are delegated to the Management.

Senior Management Team

The Chief Executive is responsible for appointing senior managers who are collectively responsible for the management and operation of NatCen and for reporting to Trustees on the operation of the organisation, including its financial position. Currently, in the absence of a permanent Chief Executive, NatCen is being run by an Interim Chief Operating Officer and the senior management of NatCen, including a number of other interim directors as follows (at the date of this report):

Interim Chief Operating Officer	Phil Doggett
Interim Finance Director	Mike Fegan
Interim Commercial Director	Charles Darley
Director of Field:	Sophie Ainsby
Director of Survey Research Centre:	Kirby Swales
Interim Director of Human Resources:	Fay Johnstone

The Senior Management Team is responsible for implementing the strategy and policies agreed with Trustees, including the 3 year plan, and reporting on its performance to the Board.

Our funding and resources

NatCen is funded by income from its research activities. Its clients are a wide range of organisations, including government departments and agencies, research councils, regulatory bodies, universities, charities and (on occasion) the corporate social responsibility divisions of commercial organisations. All of NatCen's funding is contract or grant-related; it receives no core funding from any source.

NatCen employed 241 full-time equivalent staff at 30th June 2015 (2014 : 244).

NatCen is organised in two Centres to further strengthen our capability to deliver quality and impactful research. Our Policy Research Centre is focused on delivering mixed method qualitative and quantitative policy research studies and evaluations, and our Survey Centre has expertise in large-scale and complex surveys across the full spectrum of data collection modes. Within these centres are seven core teams delivering research in particular policy areas or modes:

Policy Research Centre

- Children, Families and Work
- Crime and Justice
- Health
- Social Attitudes and Equalities

Survey Centre

- Household Surveys
- Longitudinal Surveys
- Health and Biomedical Surveys

The Scottish Centre for Social Research (ScotCen) is an integral part of NatCen that serves the research needs of Scotland in addition to being fully integrated into the work of the two Research Centres above.

NatCen also has a panel of freelance interviewers and nurses covering England, Scotland and Wales, and a panel of telephone interviewers based in our Brentwood office. The management and training of these freelance workers is co-ordinated through our Field Division based in Brentwood and supported by a network of Regional Managers and Field Performance Managers.

Our approach to our work

NatCen is an equal opportunities employer. We recognise that everyone should be treated with respect and dignity and that a working environment must be provided which is free of any form of discrimination, harassment, bullying or victimisation. In addition, we provide access arrangements at each of our permanent sites in order to allow unrestricted employment of individuals who have special access needs. NatCen is committed to the effective implementation of this policy and will not condone any form of discrimination, whether engaged in by employees or by outside third parties who interact with the organisation.

We apply these work policies to those staff who we employ directly and also to those workers to whom we sub-contract on a temporary, freelance or casual worker basis.

Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Chartered Accountants, was re-appointed as the charitable company's auditor and has indicated its willingness to continue in office next year.

Objectives and activities

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3. Objectives and activities

Delivering public benefit is at the core of our mission. In this section we briefly describe how NatCen does this. In Section 4 we review our performance in 2014/15 against the objectives that the Management were set last year with examples of how we delivered public benefit.

At NatCen we deliver public benefit by:

- Focusing our work on the vitally important social issues and themes that are directly relevant to the lives of people in Britain today. These include health and nutrition, poverty and disadvantage, environment, work, education, equality and crime and justice. We undertake the most technically demanding research contracts, which can be challenging because of the methodological approach, or because of the characteristics of the participants or research environment. As well as providing detailed understanding of the circumstances, attitudes and behaviours of the wider public, we also research groups with particular needs in great detail.
- Sharing and communicating what we learn about people and society with a wide range of interested parties including policy makers, select committees, research foundations and people in the target groups. Our reputation for robust, high quality and independent data, analysis and insights means that our research is used with confidence by a wide range of users to inform, influence and evaluate policy – directly impacting on the lives of people across the UK.
- Tackling the challenges that the survey and qualitative research world is currently facing through our methodological work and sharing our research expertise through bodies such as the Economic and Social Research Council (“ESRC”), funded networks, and special events that we produce or convene.
- Working to ensure that research is commissioned most effectively for the public good by responding to public consultations, and active engagement with sector bodies. For example, through active engagement with the ESRC, Nuffield Foundation, Social Research Association and Government Social Research and responding to research relevant consultations such as those issued by the ESRC, Office for National Statistics (ONS), and the Department for Business, Innovation & Skills (BIS).

The above framework is informed by the Charity Commission’s criteria that charities providing research should ensure that their work is useful, is shared with a wide audience and is conducted for public benefit. The Trustees confirm that they have complied with the duty in the Charity Commission’s public benefit guidance in section 17 of the Charities Act 2011.

Strategic report

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4. Strategic report

This section, together with the Financial Review (section 5) comprises the Strategic Report of the Trustees.

4.1 Performance against 2014/15 corporate objectives

This section reports on performance against the four corporate objectives which the Trustees set for the Management last year. These objectives reflect the vision we set for NatCen in 2008 of “being the UK’s leading social research organisation, setting the standards for others in generating research findings and interpreting evidence for policy purposes”. The objectives also reflect our intention to deliver maximum public benefit from our work.

The 2014/15 Objectives were:

1. **Financial sustainability.** Continuing to ensure financial sustainability through the delivery of an agreed surplus.
2. **Project management and methods.** Embedding improved project management processes and modernising data collection.
3. **People:** Recruiting and retaining the people essential to the success of NatCen as a full service research body.
4. **Impact on public debate and social policy.** Ensuring our research findings inform public debate and social policy.

Objective 1. Financial Sustainability

In common with other research organisations we continued to experience the impact of a changing landscape in the social research market this year, and this was reflected in fewer, smaller commissions that attracted greater competition. This was in turn reflected in our financial results with a further loss being incurred in 2014/15, though the loss was much smaller than in 2013/14.

An interim Chief Operating Officer (“COO”) was appointed to replace Penny Young, who left to join the House of Commons Library. The COO, together with other members of the SMT presented a 3 year plan to the Board in September. This plan, which has been approved by the Board, envisages the charity returning to profit within the period of the plan. It includes a number of transformation projects which require investment but which will make the charity more efficient and profitable. This plan aims to ensure that NatCen remains financially sustainable for the long term.

As a result of the net deficit within the Company’s defined benefit pension scheme, the Company’s balance sheet shows a negative net asset position at 30th June 2015, of £4,033K (2014: £3,578K). The Company is in regular dialogue with the Pension Scheme Trustees, (“PSTs”), who are aware of the Company’s financial position and its 3 year plan.

The Trustees acknowledge that Objective 1 has not been achieved in 2014/15 and are now working with the Management to ensure that NatCen delivers its 3 year plan, which will satisfy the objectives of financial sustainability by the end of the plan period. In 2014/15, we were successfully contracted for a number of important projects that will help with the financial sustainability of the organisation going forward. In particular, the *Health Survey for England* and the *Family Resources Survey* will continue to be run by NatCen until 2019/20, and we were also commissioned to conduct the *Age 46 Sweep of the 1970 Birth Cohort Survey*. We also received confirmation of further funding for a number of important continuing studies, such as the *Scottish Health Survey* and the *English Longitudinal Study of Ageing*.

The Trustees will continue to receive and scrutinise regular reports on the Company's financial position and progress with delivery of the 3 year plan.

Objective 2. Project management and methods

In the year as a whole, we worked on over 250 research projects with a wide range of sizes and types. An engagement exercise with our key clients highlighted continued appreciation of our high quality standards, hard working teams and commitment to publishing our findings as widely as possible.

NatCen continued to improve its focus on project management during 2014/15, and in July 2014, we set up a Project Management Office. This will ensure that there is effective management behind all of our main customer projects and to release valuable senior research staff to focus on meeting customers' information needs. The team has five members and was drawn mainly from existing research and operations staff. We also brought in an experienced project manager from a major engineering and facilities company to fast-track our learning and provide healthy challenge to established practices. In addition to its portfolio of live customer projects, the team produces the project plans and conducts risk analysis for our larger proposals and has also been asked to help manage corporate projects such as the transition to IBM Data Collection and the implementation of various information security initiatives. In 2015/16 it will be supporting delivery of the budget and 3 year plan and ensuring development projects are completed successfully.

During the year, we also set up a Major Projects Board to oversee the delivery of all large projects, including scrutiny of risk registers, financial forecasts, fieldwork delivery and customer satisfaction. All Department heads are members of the Board. A further important system set up during the year was the introduction of a formal change control procedure as a means of increasing the likelihood that projects will deliver the agreed outcomes, on time and to plan.

We have also been modernising our data collection with the switchover to IBM and growing our capability to deliver quota sampling and random digit dialling surveys. We are also launching *Next Steps*, a major longitudinal study whose multimode design requires considerable technical innovation.

Objective 3. People

NatCen's success depends on the experience and expertise of all of our staff. It is essential, therefore, that the organisation is able to recruit the best people and retain its existing staff.

We asked the Management to ensure that NatCen staff are motivated and committed. As part of this process NatCen carried out a staff engagement survey to gauge the views of its workforce. In response to these results a review of NatCen's benefits was carried out which led to the introduction of a range of new work benefits aimed at both rewarding staff and improving work life balance. These included an increase in holiday entitlement, the introduction of greater flexible working as well as a new healthcare plan and subsidised gym membership.

Last year NatCen introduced a new Learning Management System to improve access to Learning and Development resources. This new "Learning Zone" is now up and running. It enables staff to develop their own learning and development plans and gives staff access to a range of training opportunities including workshops, work based learning, collaborative and peer led learning sessions, one-to-one support and coaching and online learning in the form of webinars and e-learning modules.

2014/15 also saw the re-structure of our Research into distinct centres for Survey Research and Policy Research. This was done to enable a greater critical mass of research staff with similar skills, experience and interests. We also created a new Field Management Team, with the creation of Regional and Field Performance Managers to create a dedicated, permanent set of employees who would be able to actively manage our freelance interviewers. Whilst there have been some challenges with the implementation of both re-structures which lead to the loss of some key staff, we are confident that the new teams are settling in well and represent the best approach for the future.

Objective 4. Impact on public debate and social policy

Achieving impact from our research is one of the main ways in which we deliver public benefit. We want to reflect our research findings back to the public and for them to inform public debate and policymaking. We asked the Management to ensure that NatCen's research both impacts on policy and reaches the wider public. A particular achievement this year was that NatCen's work became a leading source of evidence for the Scottish independence referendum and the General Election.

This year British politics was dominated by two major moments – the Scottish independence referendum in September and the General Election in May. We saw a natural role for NatCen in both of these events as an arbiter of evidence. In Scotland, through an ESRC funded project we became one of the most important sources of public opinion on the independence referendum. For the General Election we used our *British Social Attitudes Report* to provide evidence on the big issues that had dominated British politics over the course of the Coalition Government's five years in office – publishing earlier than ever before to make available important information about public attitudes.

The General Election: The *British Social Attitudes Survey* gives us a unique insight into public attitudes towards the important issues of the day. Not just how they stand today, but how they have changed over time. This data is of particular interest around a General Election for politicians to understand how the public has responded to policy changes they have implemented and what policies might be received well. In addition it can give the public an insight into what others in Britain think as they decide how to cast their vote. We published our annual *British Social Attitudes Report* in March, months earlier than we ever had before so that it was available before the election purdah period. We picked areas of public policy that had seen major reform or debate during the period of the Coalition Government and focussed in on how public opinion had changed between the start of the coalition in 2010 and the most recent survey in 2014. These included the NHS, the benefits system, higher education and the European Union. We also included content on supporters of Britain's newest political force, UKIP.

On the day of publication of the report we also launched a new website pulling together all the *British Social Attitudes Reports* that have been published in a digital format. The report itself was covered across the national and regional print and broadcast media. News outlets covered a variety of the issues covered in the report with a number of outlets publishing multiple articles. It was also widely discussed on social media as well as getting a mention on BBC Question Time.

Before the full report was published we worked with the University of Essex to produce a separate election focussed briefing using *British Social Attitudes* data as well as a range of other polling data. The research used all the available survey data to assess how left or right wing the British public has been over a period of 50 years.

The Scottish Independence Referendum: Our ESRC funded *What Scotland Thinks ("WST")* project became one of the most widely used and publically available polling and analysis resources in the run up to the Scottish referendum on independence in September 2014. The project was delivered through a website, blogs, research briefings, and a series of conferences and seminars. The extensive blog offered expert commentary from Professor John Curtice, plus regular contributions from guest bloggers. Data from all relevant opinion polls since 2007 was made available and users

could analyse, explore and download the data for their own purposes. *WST* gave the Scottish public easy access to impartial information on where their fellow citizens stood on the key issues. The site also informed media, politicians, polling professionals and the public about potential problems and pitfalls with the varied methodologies deployed by the polls.

The website was extremely successful in the period between its launch in October 2013 and the referendum in 2014. The project was referred to by international, national, regional and local media, by the political campaigns, parties and other stakeholder organisations. Twitter was used to publicise the website and the site had inbound links from numerous high profile news sources including BBC News, The Guardian and The Washington Post.

4.2 Influencing the development of public policy

Our research is very often commissioned directly by government to help make and inform policy. Our various health surveys provide vital information on issues such as obesity or levels of salt and sugar intake. They enable government and health professionals to identify both current and future health problems and to plan accordingly. *The English Housing Survey* data on tenure tells us how and where people in England are living, whether they rent or own or live in social housing and is vital to policy and discussion about housing in the UK. *The Study of Early Education and Development* is helping to shape the Department of Education's policies to early education and childcare for very young children.

It is far from simple to prove the direct link between research and policy. This is recognised by funding bodies like the ESRC and HEFCE, who increasingly consider 'pathways to impact' including media coverage.

Even so, we can show many examples of where it is clear that policymakers have been listening to our findings:

- NatCen carried out qualitative research to improve understanding about the experiences of vulnerable people in custody. This work was used to inform a thematic inspection on the welfare of vulnerable people carried out by Her Majesty's Inspectorate of Constabulary (HMIC).
- A qualitative study into homophobic bullying in schools was published alongside an announcement of £2 million in funding from the Department for Education to address the problem.
- Our projects for the Education Endowment Fund are assessing the effectiveness of a range of education interventions on attainment such as the benefits of learning to play an instrument and feeding this information back to the Department for Education.
- We evaluated the Offensive Behaviour and Threatening Communications Act, for the Scottish Government to help them to understand the implications of the legislation.
- The *Growing up in Scotland Survey* data was referenced in the Scottish Government's 2015 Economic Strategy.
- NatCen research is often cited and used by politicians in speeches and debates. Over the past year NatCen has been directly referenced in debates in the House of Commons and Lords; the Scottish Parliament; and the Welsh Assembly. We have presented findings from a number of studies to Members of the UK and European Parliaments both on an individual basis and through our programme of events.

4.3 Creating wider impact

We make an effort to ensure that all our research is publicised as widely as possible as it is part of our mission to disseminate our research beyond our immediate clients and policymakers, and to make sure it reaches those affected and the general public.

- Two books were published by NatCen researcher staff in 2014. One looked at the way some men with a sexual interest in children interact with each other and children online and a second examined the practice and importance of cognitive interviewing for research.
- NatCen developed a free resource for teachers to use with sociology students and other secondary school students, called the *What Britain Thinks Quiz*. 5,000 people have taken the quiz to date, which is based on data from the *British Social Attitudes Survey* and tests understanding of British attitudes to things like politics, unemployment and relationships.
- Our ESRC funded *Modern Fatherhood* project and the website and networks we built around our analysis was chosen as a leading example of impact in an ESRC booklet on Secondary Data Analysis Impact.
- We also seek to engage in the important social science debates of the day. Our former Chief Executive Penny Young wrote to The Guardian newspaper to protest against the dismissal of statistics within democratic debate. We also submitted evidence to a consultation on the future of the ESRC.

Many of our studies also received national and international press attention:

- Published in December, *Health Survey for England* findings on a number of issues, including the number of people receiving prescription medication and the impact of shift work on health, received huge media attention across all the major national news programmes and newspapers.
- An Equality and Human Rights Commission call for evidence on religion and belief was reported on the Today Programme, BBC news, and a number of UK national newspapers including the Telegraph and Mail, as well as in the Christian and Human Resources press.
- The latest results of the *Smoking, Drinking and Drugs Among Young People in England (SDD)* and in particular new findings on e-cigarettes and legal highs were reported widely in the national press and NatCen researcher Liz Fuller was interviewed by BBC Newsbeat.

We seek to measure our impact through a number of metrics, including number of hits to our website, number of mentions in the media and the estimated reach of these articles online. In this financial year, there were over 100 individual articles in the national print media and BBC online and close to 2,000 when online articles are included which mention NatCen or ScotCen. References to all our research and surveys in the press add up to many thousands of articles.

As well as seeking to increase the impact of our work through our own analysis, we are also making our data available to others for their own analysis through depositing data in data archives. We have deposited more than 240 data sets in the UK Data Archive and many of our surveys, including the *Family Resources Survey*, *English Housing Survey*, *Health Survey for England*, *British and Scottish Social Attitudes* are among the most downloaded datasets.

4.4 ScotCen Social Research

Since the granting of Devolution in 1999, ScotCen has served as NatCen's base north of the border. ScotCen is distinct but not legally separate from NatCen, and is one of Scotland's leading organisations in applied social research and evaluation. ScotCen's impact and reputation has been firmly embedded into Scottish policy, media and its research networks.

Following a structural re-organisation of NatCen in mid-2014, staff based at ScotCen were fully integrated into one of NatCen's newly established sub-structures, namely the Survey Research Centre and Policy Research Centre. Having previously focused on more Scottish led projects, the team at ScotCen now works across the full range of policy domains but has particular focus and expertise in delivering impact in three areas: children and families, health, and social attitudes. Clients include the Scottish Government, NHS Health Scotland, research councils, various quangos, as well as other third-sector and charitable foundations.

For the last fifteen years the *Scottish Social Attitudes survey* ("SSA") has served as one of ScotCen's most influential and widely respected and most anticipated studies. SSA is widely accepted as the foremost source of robust information on changing social and political attitudes in Scotland; a resource respected by government, media, academia and the public alike. Of particular note was the role the ESRC funded *WhatScotlandThinks* project (led by Senior Research Fellow Professor John Curtice), played during the referendum on Scottish Independence, having become the pre-eminent resource for polling information and analysis in the run up to 18th September 2014.

SSA 2014 broke new ground by reporting on public attitudes to sectarianism, dementia, and violence towards women, thus better informing key policy areas that have a significant role across the whole of Scottish society. All of these reports and those dating back to 2007 are now freely available via the newly launched and dedicated Scottish Social Attitudes microsite.

Another of ScotCen's major studies is the *Scottish Health Survey (SHeS)*, which we have been running on a continuous basis for the Scottish Government since 2008. The survey itself dates back to 1995, with the 2015 survey serving as the ninth in the series. The report provides in-depth analysis of the health of the Scottish population and its findings attract considerable media, public, and political attention. The data we collect also informs the Scottish Government National Performance Framework and feeds into nationwide health strategy. The findings are essential for the Scottish Government's forward planning, for identifying gaps in health service provision and for identifying which groups are at particular risk of future ill-health. Two new topics were introduced into the 2015 report. For the first time the survey asked respondents about the use of e-cigarettes and it also asked about the perceived impact of the 2014 Commonwealth Games. The findings in this year's survey report also explored the state of health in Scotland from deprivation, analysing the link between the condition in which adults and children live and what this means for the state of their health.

The *Growing up in Scotland* longitudinal study ("GUS"), now in its tenth year, follows the lives of over 10,000 Scottish children and their families through the early years and into later childhood. Findings published this year used survey data linked with administrative data on the quality of pre-school settings. It examined the association between children's pre-school experience and their cognitive ability at age 5. The report had significant policy implications not only for provision of pre-school education in Scotland, but also pre-school inspection procedures.

Also published this year was a report for *Children's Hearings Scotland (CHS)* looking at the experiences of children, young people and adults of the Children's Hearings System. The aim of the research was to capture an in depth view of the lived experiences that lay behind the survey findings. Twenty children and young people and sixteen adults from across Scotland participated in the research.

There have also been a series of significant new project wins over the last 12 months. We've been awarded the *Realigning Children's Services ("RCS")* Evidence Programme contract from the Scottish Government – a significant research exercise designed to gather evidence on child wellbeing and service use which will subsequently be used to inform children's services planning at local authority level. The project incorporates a range of data collection methods in a number of Scottish local authority areas using school based web-surveys of children aged 9 to 12 with data from education and social work administrative records and face-to-face "CATI" (computer assisted telephone interviewing) surveys of parents with children aged 0-8. A further part of this project is the development of a wellbeing data visualisation tool which will allow relevant stakeholders to explore the data available to them and create template based, visually led reports. The project is intended to culminate in provision of an initial version of the tool to Scottish Government for wider circulation.

A further success is the *Police and Fire Reform (Scotland) Act evaluation*. The aim of this research project is to evaluate whether the aims of the Police and Fire Reform are being met and what lessons might be learnt for any future public service reforms, as well as to evaluate the wider impact of the reform on the justice and public service system. The research is being carried out over a four year period - between February 2015 and February 2019 by a consortium of researchers involving the Scottish Institute for Policing Research, ScotCen and What Works Scotland. As part of this, ScotCen is going to conduct case studies in four areas across Scotland to understand local level experiences of, success factors for, and barriers to, Police and Fire Reform.

4.5 Looking ahead: priorities for 2015/16 and beyond

Our strategic focus remains firmly grounded in NatCen's success as a full service research agency. Trustees recognise that in order to continue NatCen's ground-breaking research work, NatCen requires financial stability and sustainability. Trustees have therefore approved a 3 year business plan that is focussed on delivering this financial sustainability within the period of the plan. A major objective for 2015/16 will be financial governance processes being developed so that clear progress against the plan can be tracked, and operational and commercial efficiency maximised. The 3 year plan also emphasises a renewal of our mission to make society better through research.

Our strategic priorities for 2015/16 include:

- **Improved financial performance and project governance**

The Senior Management Team have recently introduced new processes which will enable them to improve the financial management of all projects. The tools used for financial management and the costing and pricing of projects will be further developed in 2015/16 and this aims to result in improved financial performance.

- **Investing in research capability and methodological expertise**

NatCen has a reputation for high quality research and we will be re-doubling our efforts to ensure this. This will include staff training and development, updating our Quality Management System procedures, and incorporating experiments and creative new methods in our ongoing research projects. We will also look to recruit where necessary to enhance our capability, such as for advanced statistics.

- **Continuing to innovate in the area of data collection tools**

NatCen has made major advances over the last year through the introduction of new data collection software and new devices in field operations. Over the next year, this will continue with the roll-out of new tablet devices to our interviewer and nurse fieldforces, the introduction of new functionality to our computer aided instruments (including multi-mode surveys) and improving associated periphery systems.

- **Growing research activity in key sectors and markets**

We plan for growth in a number of key sectors or methodologies, including: evaluation, work and pensions, bio-medical research, and greater use of administrative data. We plan to do this through building internal expertise, recruiting new staff and working with partners where appropriate.

- **Impacting on society through our research**

We have had a very successful year in terms of impact, especially through coverage of the Scottish referendum, *BSA* and the high profile dissemination of a number of client projects. Over the next year, we will continue to develop the tools and techniques we use for media and policy impact, including running events and producing interactive websites. Some of the main subjects will include the European referendum, *BSA 2015* and 20th anniversary of the *Health Survey for England*.

Financial Review

(part of the Strategic Report)

5.

5. Financial Review

Overview

NatCen experienced another difficult year with a loss before pension scheme and fixed asset revaluations, of £475K, reduced from the loss recorded in 2014 of £4,244K. Following the major loss of income in 2014, the Trustees agreed a major reorganisation and rationalisation of the organisation. This was completed in 2014/15.

Following the departure of the Chief Executive in May 2015, the Trustees appointed an Interim Chief Operating Officer, Phil Doggett, and he appointed an Interim Finance Director and Interim Commercial Director. Working with the Senior Management Team, the interim team have now produced a new 3 year plan for the business the principal aim of which is to see the charity return to surplus and cash generation within the period of the plan. The Trustees have approved the plan and implementation has now begun.

During the year 2014/15 NatCen generated total incoming resources of £32,948K, down from £34,171K in 2014. Of this £32,933K (2014: £34,145K) was from charitable activities, with a further £15K (2014: £27K) from investment income. Research carried out for UK Central Government continues to be the main source of revenue (65% in 2014/15; 62% in 2013/14).

Total resources expended during the year were £33,424K (2014: £38,416K), of which £32,997K (2014: £37,134K) related to research studies. Governance costs consumed £255K (2014: £220K), and the 2014 reorganisation and rationalisation programme resulted in expenditure of £172K (2014: £1,062K).

The charity's freehold London properties were valued on an "Existing Use" basis by Messrs Strutt & Parker in July 2015. As a result we have included this value in the balance sheet and this has resulted in an upwards revaluation of £2,480K which is included in the statement of financial activities on page 32. The Trustees believe that there is no material difference between the value of the buildings in July 2015 and the value at 30th June 2015.

The charity suffered an actuarial loss on its defined benefit pension scheme of £2,460K (2014: £5,087K), and this is also included in the statement of financial activities on page 32.

The overall net movement in reserves in 2014/15 was a decrease of £455K (2014: decrease of £9,331K).

Balance Sheet and Reserves

Net assets before the pension scheme liability increased to £9,848K in 2014/15 from £8,061K in 2014. This resulted from the property revaluation, the loss incurred during the year, and the transfer to the pension reserve (Note 10). The pension liability increased in the year to £13,880K (2014: £11,639K). NatCen's net liabilities, including the pension scheme liability increased to £4,033K (2014: £3,578K).

Going Concern

Trustees are aware of their responsibilities to ensure that NatCen remains a going concern. NatCen has negative net assets including its pension scheme liability, but NatCen has an existing "deficit contribution" scheme agreed with the pension scheme trustees ("PST") which ensures that the

liability can be repaid over a period of many years. For this reason Trustees believe that it is very unlikely that NatCen will be unable to meet its obligations as a result of a demand for payment from the PSTs.

The pension scheme liability, which is required to be recorded in NatCen's balance sheet under FRS17 can cause large movements in NatCen's net assets. The valuation of the pension scheme liability results from a number of factors including actuarial assumptions used such as corporate bond yields, and the movement in these assumptions is completely outside of the control of the charity. As a result the liability to the pension scheme has moved up and down as follows:

	£K
2011:	9,391
2012:	14,538
2013:	7,000
2014:	11,639
2015:	13,880

The pension scheme liability is very sensitive to a number of assumptions used in the calculation of the liability. For example an increase of 0.5% in corporate bond yields (used to discount the scheme liabilities) would result in a reduction in the scheme liabilities (and therefore the deficit) of £7.3m.

The Trustees have now received and approved the new 3 year plan which has been produced by the new management team. On the basis of this plan, which shows a return to surplus and cash generation, the Trustees have concluded that NatCen remains a going concern, and they believe that it will continue to be able to meet its financial obligations as they fall due for at least 12 months from the date of this report.

The Trustees aim to keep the level of reserves maintained by NatCen under review. When NatCen returns to surplus, they will re-establish a target for reserves and will work towards achieving this.

Risk Management

The Trustees recognise their responsibility for the oversight of key risks faced by NatCen. During the year Trustees have reviewed the risk register to ensure that all of the key risks forming the organisation have been identified, that their likelihood and impact have been appropriately assessed, and that controls are in place to mitigate the effects of these risks.

Day to day identification and management of risks is delegated to the Interim Chief Operating Officer and the Senior Management Team. Risks are regularly reviewed by the Senior Management Team in the ordinary course of business.

Key risks identified on the risk register are:

Going Concern/Financial Sustainability

The Trustees recognise that NatCen operates in a competitive marketplace which has become more difficult in the current era of austerity. This has placed a strain on the financial reserves and the financial sustainability of NatCen.

The Trustees have approved a 3 year plan which incorporates measures which aim to ensure that NatCen returns to surplus and cash generation over the life of the plan. The Trustees believe that NatCen has the financial reserves to deliver the plan.

Market risk and Competition – NatCen competes for business and contracts with other significant providers of social research. It is dependent for its financial sustainability on its ability to tender for,

and win, contracts in the future. This is part of its normal course of business. NatCen is therefore subject to the risk that either the market shrinks, or that it fails to maintain its market share. NatCen is reliant on Government contracts and therefore is at risk from reductions in spending by relevant Government departments.

NatCen has improved its reporting processes so that it is more aware of the current status of its projects and project forecasts. This will give greater visibility of the effects of market risk.

Quality of Output – NatCen must maintain the quality of its output and reputation if it is to be able to compete effectively for new business. NatCen’s reputation will also affect its ability to engage with the public in relation to its survey research work.

NatCen continues to pay attention to the quality of its output through regular reviews of all projects by senior managers.

Pensions – the defined benefit pension scheme liability is very large by comparison with its other assets. The pension scheme position needs to be fully understood and managed so that its effect on NatCen’s financial position can be managed.

NatCen is in regular dialogue with PSTs to ensure that they understand the financial position of the charity and that NatCen understands the PSTs objectives. NatCen includes the funding of the pension scheme in the long term planning.

NatCen has instructed Grant Thornton UK LLP (“GT”) to act as its internal auditor. GT developed an audit plan with the Senior Management Team and this was approved by the Audit Committee. This was subsequently amended in the light of the change in management during the year and the refocusing of priorities to the development of the three year plan. As a result the internal audit programme was only partly completed, but a full programme of internal audit has been reinstated in 2015/16.

Delivery of the Business Plan – the delivery of the three year plan and the return to surplus and cash generation, depends upon the delivery of the projects and plans within this plan. If these are not delivered, NatCen will need to move quickly to substitute further projects and plans.

NatCen has new monthly processes to manage progress with the delivery of the projects required to deliver the three year plan. This programme is reported to the Board meeting through the medium of the management accounts, which also incorporate regularly updated cash flow forecasts.

Trustees' statement of responsibilities

6.

6. Trustees' statement of responsibilities

The Trustees, who are also the Directors of NatCen for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice).

Company law requires Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) regulations 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.

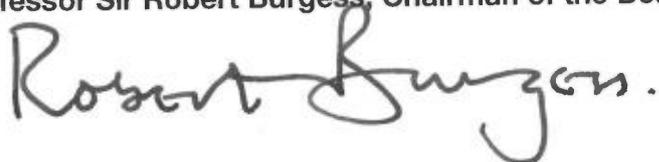
As far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and 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.

This report (together with the strategic report and financial review on pages 23 to 25) was approved by the Trustees in their capacity as Directors and signed on their behalf by Professor Sir Robert Burgess, Chairman of the Board of Trustees.



Date: 3. ii. 16.

Independent Auditor's report

7

7. Independent Auditor's report to the members of NatCen Social Research

We have audited the financial statements of NatCen for the year ended 30th June 2015 on pages 32 to 52. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Trustees 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, its members as a body, and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 26, the Trustees (who are also the directors of the charitable company 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.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

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 30th June 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic and Financial Reports for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, 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.

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, (formerly Baker Tilly UK Audit LLP) Statutory Auditor
Chartered Accountants

25 Farringdon Street
London
EC4A 4AB

3 February 2016

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Financial statements

8.

8. Financial statements

Statement of financial activities including the summary income and expenditure account and statement of total recognised gains and losses for the year ended 30th June 2015

	Notes	2015 £	2014 £
Incoming resources			
<i>Incoming resources from generated funds:</i>			
Investment Income		15,435	26,574
<i>Incoming resources from charitable activities:</i>			
Income from research studies	2	32,933,063	34,144,894
Total incoming resources		<u>32,948,498</u>	<u>34,171,468</u>
Resources expended			
<i>Charitable activities</i>			
Research studies	3	32,996,687	37,133,968
Governance costs	3	254,687	219,969
Exceptional item: reorganisation and rationalisation	3	<u>172,129</u>	<u>1,061,797</u>
Total resources expended		<u>33,423,503</u>	<u>38,415,734</u>
Net expenditure for the year before other recognised gains and losses		(475,005)	(4,244,266)
Other recognised gains and losses			
<i>Revaluation of property</i>	6	2,480,000	-
<i>Actuarial losses on defined benefit pension scheme</i>	14	<u>(2,460,024)</u>	<u>(5,087,120)</u>
Net movement in funds		(455,029)	(9,331,386)
Reconciliation of funds			
Fund balances brought forward	10	<u>(3,577,768)</u>	<u>5,753,618</u>
Fund balances carried forward	10	<u>(4,032,797)</u>	<u>(3,577,768)</u>

All amounts relate to continuing activities.

Balance Sheet as at 30th June 2015

company number: 04392418

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible fixed assets	6		8,158,490		5,527,880
Current assets					
Stocks	7	29,036		52,655	
Debtors	8	7,734,067		6,003,810	
Cash at bank and in hand		<u>3,409,200</u>		<u>5,165,413</u>	
		11,172,303		11,221,878	
Creditors: amounts falling due within one year	9	<u>(9,483,260)</u>		<u>(8,688,438)</u>	
Net current assets			1,689,043		2,533,440
Net assets excluding pension liability			<u>9,847,533</u>		<u>8,061,320</u>
Defined benefit pension scheme liability	14		(13,880,330)		(11,639,088)
Net liabilities including pension scheme liability			<u>(4,032,797)</u>		<u>(3,577,768)</u>
Unrestricted funds					
General fund	11	3,867,533		4,561,320	
Unrestricted designated funds					
Property fund (including revaluation reserve £2,965,539:2014-£485,539)	11	<u>5,980,000</u>		<u>3,500,000</u>	
			9,847,533		8,061,320
Pension reserve	11		(13,880,330)		(11,639,088)
Total reserves			<u>(4,032,797)</u>		<u>(3,577,768)</u>

The financial statements on pages 32 to 52 were approved and authorised for issue by the Trustees and signed on their behalf by:

Professor Sir Robert Burgess, Chairman of the Board of Trustees

Robert Burgess
3 ii. 16

Cash Flow Statement for the Year Ended 30th June 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Net cash (outflow)/inflow from operating activities	A		(1,054,802)		498,710
Returns on investments and servicing of finance					
Bank interest received	A	15,435		26,574	
Finance lease interest	A	-		(1,891)	
			15,435		24,683
Capital expenditure and financial investment					
Cost of purchasing tangible fixed assets	6		(716,846)		(852,796)
Financing					
Capital element of finance lease repayments			-		(16,360)
Decrease in cash			<u>(1,756,213)</u>		<u>(345,763)</u>

A. Reconciliation of operating surplus to net cash (outflow)/inflow from operating activities

	2015 £	2014 £
<i>Net outgoing resources before other recognised gains and losses</i>	(475,005)	(4,244,266)
Loss on disposal of fixed assets	2,237	1,293
Finance charges paid	-	1,891
Interest received	(15,435)	(26,574)
Repayments on finance lease	-	16,360
Depreciation charges	563,999	517,617
Decrease/(increase) in stocks	23,619	(52,655)
(Increase)/decrease in debtors & prepayments	(1,730,257)	1,565,542
Increase in creditors	794,822	3,167,177
FRS17 pension cost less contributions payable (Note 14)	(323,223)	(632,618)
FRS17 pension finance cost (Note 14)	104,441	184,943
Net cash (outflow)/inflow from operating activities	(1,054,802)	498,710

B. Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Decrease in cash in the year	(1,756,213)	(345,763)
Net funds at 1st July	5,165,413	5,511,176
Net funds at 30th June	3,409,200	5,165,413

1. Accounting policies

Basis of accounting

These financial statements are prepared on a going concern basis under the historical cost convention modified by the revaluation of certain tangible fixed assets and in accordance with the Charity Commission's Accounting and Reporting by Charities: Statement of Recommended Practice 2005 (SORP 05) and the Companies Act 2006.

Going concern

As stated in the Financial Review, Trustees regularly review the charity's financial position to ensure that it remains a going concern. Although the charity had negative net assets at 30th June 2015 as a result of the inclusion of the defined benefit pension scheme liability, it continues to meet its obligations as they fall due.

The Trustees have therefore concluded that it is appropriate to treat the charity as a going concern when preparing their financial statements. The Trustees have approved a new 3 year plan which shows the charity returning to profitability and cash generation within the period of the plan. On this basis the Trustees are confident that the charity will remain financially sustainable over the next three years.

Revaluation of freehold property

Freehold property is recorded at value based on third party valuations.

Incoming resources

Income is recognised in the accounts as follows:

Project income. Project income, whether derived from contracts or government grants and net of VAT where applicable, is recognised on an accruals basis based on stage of completion. Project expenditure is also accounted for on an accruals basis based on stage of completion. This satisfies the requirement to account for revenue and costs in accordance with performance under the contract. Invoices presented in advance of costs being incurred are recorded as project deferred income within creditors. Income for work completed but not yet invoiced is recorded as project accrued income within debtors.

Education. Income from educational training activities conducted by NatCen Learning for third parties is recognised on an accruals basis based on the contractual obligation of the service arrangement. Any surplus on educational activities is retained for the continuance and improvement of such activities.

Resources expended

Expenditure is included in the accounts as follows:

Respondent incentives. Respondents are given cash and voucher incentives for survey participation. At the point at which the incentive is provided to the respondent, an expense is

recorded against the relevant project. Where NatCen is able to reclaim un-cashed vouchers, the expense is reduced based on an estimate of historical encashment rates.

Operating leases. Rental payments for operating leases are charged to expenditure on an accruals basis based on the contractual obligations of the service arrangement.

Charitable activity expenditure. All expenditure not attributable to the cost of charity governance or directly to restructuring is classified in the Statement of Financial Activities as research studies.

Governance costs. The Statement of Financial Activities includes charity governance costs that are defined as:

- 10% of staff costs of the employees who are engaged in governance activity;
- All direct costs for governance activities including Trustee expenses and indemnity insurance, legal, external audit and professional support costs; and
- 2% of overhead costs pertinent to these governance activities.

Support costs

Support costs are apportioned to principal outputs based on the proportionate revenue for the period after taking into account the allocation of governance costs.

Reserves

Unrestricted Funds can be used on the charitable objects as the Trustees see fit, and are further subdivided into **general funds and designated funds** which are earmarked for a particular purpose by the Trustees.

NatCen's only **designated fund** is the value of our freehold London properties. (2015: £5,980K; 2014: £3,500K).

Assets

Capitalisation. Assets are capitalised where they exceed £5,000 in cost as single or grouped assets.

Depreciation. Depreciation of fixed assets is provided at annual rates which will write down the assets to their residual value over their useful lives, as follows:

Freehold property	Recorded at value in use based on a full valuation every five years, an interim valuation in the third year after the full valuation, and annual impairment reviews. No annual depreciation is charged.
Fixtures, fittings and equipment	Costs spread equally over 10 years from date of installation.
Computers, software and electronic equipment	Costs spread equally over 5 years from date of installation.

Fixed asset impairment reviews on fixtures, fittings and equipment and computers, software and electronic equipment are conducted by the management when changes in circumstances indicate that impairment may have occurred in accordance with FRS 11, "Impairment of Fixed Assets and Goodwill".

Foreign currency. Income and expenditure in foreign currencies are recorded in Sterling at the exchange rate applicable at the time of the cash transaction. Any outstanding balances at the end of the accounting period are translated at the closing rate.

Stock. Stock is stated at the lower of cost and net realisable value.

VAT. On 1st August 2013, the exemption of business research supplied between eligible bodies was removed. Research contracts signed after that date have attracted VAT at the UK standard rate. Research grants remain outside the scope of VAT and educational activities remain exempt. Input VAT on overheads and mixed-income projects is subject to a partial exemption method agreed with HM Revenue & Customs. Irrecoverable VAT has been included within the relevant expenditure or asset category.

Taxation. NatCen is a registered charity within the meaning of Part 4 of the Charities Act 2011 and Section 6 of the Finance Act 2010. Accordingly, NatCen is exempt from taxation in respect of income or capital gains received within categories covered by Section 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes for public benefit.

Retirement benefits. For the defined benefit retirement plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Actuarial gains and losses arising are recognised immediately in other recognised gains and losses in the Statement of Financial Activities.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation, less the fair value of plan assets.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments and settlements are recognised when the curtailment or settlement occurs.

For the defined contribution scheme and auto-enrolment contributions, the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

2. Income from research studies

With the exception of investment income, NatCen derives all of its income from research projects which fund all specific project costs and other administrative costs. NatCen receives no donations, payments in kind or core funding towards the general pursuit of its charitable aims.

	2015	2014
	£	£
Research income arose from the following sources:		
UK public sector - central government	21,412,735	21,191,221
UK public sector - devolved administrations	3,330,604	3,992,085
UK research and funding councils	1,323,841	466,272
UK public sector - other	372,968	565,155
Universities	2,885,572	5,168,765
Third sector	1,634,897	1,105,421
European Union	67,940	79,623
Other	1,904,506	1,576,352
Total income from research studies	32,933,063	34,144,894

A foreign exchange loss of £692 has been recognised in 2015 (2014: loss of £1,661).

3. Resources expended

	Direct costs £	Support costs £	2015 Total £	2014 Total £
Charitable activities				
Carrying out research studies	25,634,285	6,776,986	32,411,271	36,393,287
Disseminating research results	239,920	57,623	297,543	399,144
Improving capacity of research community	-	287,873	287,873	341,537
Research Studies	25,874,205	7,122,482	32,996,687	37,133,968
<i>Governance costs⁽¹⁾</i>	-	254,687	254,687	219,969
Total non exceptional resources expended	<u>25,874,205</u>	<u>7,377,169</u>	<u>33,251,374</u>	<u>37,353,937</u>

	2015 £	2014 £
⁽¹⁾ Governance of the charity		
10% of staff costs who are engaged in governance activity	30,169	35,878
Direct costs of all governance activities	159,200	119,981
2% of overhead costs pertinent to governance activities	65,318	64,110
	254,687	219,969
	<u>2015</u> £	<u>2014</u> £
Exceptional item: reorganisation and rationalisation	172,129	1,061,797

Support costs

	2015 £	2014 £
Management	362,756	499,822
Marketing & Comms	714,648	1,073,144
Facilities	1,986,508	1,904,854
Human Resources	1,280,202	1,167,645
Finance	1,166,954	1,498,740
IT	1,866,101	1,771,169
Total	<u>7,377,169</u>	<u>7,915,374</u>

Net outgoing resources are stated after charging:

	2015 £	2014 £
Fees payable to charity's auditors for audit of annual financial statements (net of VAT)	31,150	29,000
Fees payable to charity's auditors for non-audit work	-	875
Depreciation - owned assets	563,999	517,618
Loss on asset disposal	2,237	1,293
Operating lease rentals		
- land and buildings	725,866	729,786
- other	25,534	4,028

4. Staff costs

	2015 £	2014 £
Wages & salaries		
Direct employees	8,767,783	10,248,170
Temporary, freelance and casual workers	6,284,380	7,321,238
Social security costs		
Direct employees	762,583	911,032
Temporary, freelance and casual workers	270,655	323,272
Other pension costs	1,120,282	1,552,914
	<u>17,205,683</u>	<u>20,356,626</u>

	2015	2014
The average monthly number of employees during the year was as follows:		
Direct employees		
Research	111	124
Field	36	79
Service Division	24	-
Other support	83	93
	<u>254</u>	<u>296</u>

Following a departmental restructure in 2015, the Service Division was created to include the Data, Logistics, Project Computing and IT departments, which in prior years were included in 'Other Support'.

NatCen Social Research employed 241 full-time equivalent staff at 30th June 2015 (2014: 244)

Temporary, freelance and casual workers (at 30th June)

Research and data collection	<u>994</u>	<u>1,001</u>
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The number of higher paid employees was as follows:

	2015	2014
Taxable emoluments band		
£60,000 - £69,999	7	8
£70,000 - £79,999	7	5
£80,000 - £89,999	2	1
£90,000 - £99,999	-	1
£100,000 - £109,999	-	1
£160,000 - £169,999	1	1
	<u>17</u>	<u>17</u>

In respect of employees in the above bandings, 8 (2014: 8) accrued benefits under defined benefit pension schemes, and payments on behalf of 8 members of defined contribution schemes were made totalling £30,839 (2014: 8 members; £11,274).

5. Trustee insurance, expenses and related parties

Indemnity insurance for management and corporate liability providing £5m of cover (reducing to £0.25m for Employment Practices Liability cover) has been taken out on behalf of the Trustees at an annual cost of £9,704 (2014: £9,704).

No trustees received remuneration in the year (2014: £Nil). Travel and accommodation expenditure incurred by the Trustees associated with attendance at Trustee meetings held in London during the year was reimbursed where claimed. The total expenses for 3 Trustees reimbursed this year amounted to £1,430 (2014: £1,534 - 11 Trustees).

Trustee Transactions

The Trustees are involved in a variety of organisations, some of which are either suppliers to, or clients or partners of, NatCen. The Trustees were not personally involved in these contractual decisions, did not have a controlling interest in either party and received no personal gain from the transactions. Whilst these transactions do not represent related party transactions for financial reporting purposes, the Board has agreed that it is important to disclose these transactions in the interest of transparency and good governance.

Professor Sir Robert Burgess:

- University of Leicester (Vice Chancellor): Payments totalling £60,000 (2014: £20,000) to the University for work undertaken by staff at the University on a research project.
- British Sociological Association (BSA) (Hon. Vice President): Payments totalling £785 (2014: £785) to the BSA for NatCen staff conference attendance.

Dr Jennifer Dixon:

- Imperial College (Visiting Professor, honorary and unpaid): NatCen received £750 (2014: £750) from the University for the provision of teaching services to University staff.
- London School of Hygiene and Tropical Medicine (Visiting Professor, honorary and unpaid): NatCen received £208,367 (2014: £314,680) for research undertaken on two research studies.

Dr Jennifer Dixon and Nicholas Deyes

- London School of Economics and Political Science/LSE Enterprises Ltd (Jennifer Dixon: Visiting Professor, honorary and unpaid; Nick Deyes: IT Director): NatCen received £9,577 (2014: £124,500) for research undertaken.

Steve Egan and Professor Paul Wiles:

- Higher Education Funding Council for England (Steve Egan: Deputy Chief Executive; Paul Wiles: Deputy Chair, Main Panel C, HEFCE REF Panel): NatCen Social Research received £95,658 (2014: £136,364) for work undertaken on a research study.

Professor Paul Wiles:

- Food Standards Agency (Board member): NatCen received £114,360 (2014: £71,608) in relation to research undertaken on two research studies.

James Thickett

- Member of the Market Research Society. NatCen paid £4,100 (2014: Nil) to the Market Research Society for subscription services.

In addition, Alan Botterill is a Trustee of the Defined Benefit Pension Scheme. Although no payments have been made for this additional activity during the year, it is a recognised conflict of interest that

is actively managed during the course of Trustee business by the early identification of potential areas of conflict and taking any necessary actions to manage this.

6. Tangible fixed assets

	Freehold land & property	Computers, software & electronic equipment	Fixtures, fittings & non- electronic equipment	Assets under construction	Total
	£	£	£	£	£
Cost or valuation					
At 1 st July 2014	3,500,000	5,402,861	2,193,948	146,784	11,243,593
Additions	-	197,247	131,709	387,890	716,846
Disposals	-	(54,101)	(2,017,118)	-	(2,071,219)
Revaluation	2,480,000	-	-	-	2,480,000
At 30 th June 2015	5,980,000	5,546,007	308,539	534,674	12,369,220
Depreciation					
At 1 st July 2014	-	3,653,297	2,062,416	-	5,715,713
Charge for the year	-	527,651	36,348	-	563,999
Disposals	-	(53,001)	(2,015,981)	-	(2,068,982)
At 30 th June 2015	-	4,127,947	82,783	-	4,210,730
Net book value					
At 30 th June 2015	<u>5,980,000</u>	<u>1,418,060</u>	<u>225,756</u>	<u>534,674</u>	<u>8,158,490</u>
At 30 th June 2014	<u>3,500,000</u>	<u>1,749,564</u>	<u>131,532</u>	<u>146,784</u>	<u>5,527,880</u>

A valuation of NatCen's freehold properties (35 Northampton Square EC1 and 14 Wyclif Street EC1) was carried out by David Eden MRICS, of Strutt & Parker LLP in July 2015. The value assigned to the properties on an 'Existing Use basis' was £5,980,000 and the value has now been included in these accounts. The Trustees believe that there is no material difference between the value of these properties in July 2015 and the value at 30th June 2015.

During the year NatCen vacated its office in St. John Street, EC1. As a result the assets relating to these offices, which had previously been substantially written down through depreciation charges, were removed from both assets and cumulative depreciation. These adjustments account for most of the 'Disposals' shown above.

7. Stocks and work in progress

	2015 £	2014 £
Stocks	<u>29,036</u>	<u>52,655</u>

The value of stock relates to items held to be used as respondent incentives. Stock is valued at the lower of cost and net realisable value.

8. Debtors

	2015 £	2014 £
Trade debtors	5,712,050	2,002,125
Project accrued income	1,193,247	3,023,815
Other debtors	253,455	362,109
Prepayments	<u>575,315</u>	<u>615,761</u>
	<u>7,734,067</u>	<u>6,003,810</u>

9. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	804,740	1,089,157
Project deferred income *	4,239,892	3,242,939
Tax and social security	959,945	739,377
Accruals	3,275,106	3,408,822
Other liabilities	<u>203,577</u>	<u>208,143</u>
	<u>9,483,260</u>	<u>8,688,438</u>

* Project deferred income refers to work that has been paid for by clients in advance of completion. The relevant income is recognised when the work has been performed.

* Project deferred income

	2015 £	2014 £
At 1st July	3,242,939	1,959,561
Deferred during the year	6,088,321	5,618,565
Released to the Statement of Financial Activities	<u>(5,091,368)</u>	<u>(4,335,187)</u>
At 30th June	<u>4,239,892</u>	<u>3,242,939</u>

10. Funds

<i>Unrestricted funds</i>	Balance at 1 st July 2014 £	Incoming resources £	Outgoing resources £	Transfers £	Gains and revaluations £	Balance at 30 th June 2015 £
General fund	4,561,320	32,948,498	(33,423,503)	(218,782)		3,867,533
Designated fund- property:						
at cost	3,014,461	-	-	-	-	3,014,461
revaluation	485,539	-	-	-	2,480,000	2,965,539
	<u>3,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,480,000</u>	<u>5,980,000</u>
Pension reserve	(11,639,088)	-		218,782	(2,460,024)	(13,880,330)
	<u>(3,577,768)</u>	<u>32,948,498</u>	<u>(33,423,503)</u>	<u>-</u>	<u>19,976</u>	<u>(4,032,797)</u>

The transfer from the General Fund to the Pension Reserve represents the expense recognised in the Statement of Financial Activities for the defined benefit pension scheme, less the amounts contributed to the scheme in the period by NatGen.

11. Analysis of net assets between funds

<i>Unrestricted funds</i>	Fixed assets £	Net current assets £	Defined benefit pension scheme liability £	Total £
General fund	2,178,490	1,689,043	-	3,867,533
Property fund	5,980,000	-	-	5,980,000
Pension reserve	-	-	(13,880,330)	(13,880,330)
	<u>8,158,490</u>	<u>1,689,043</u>	<u>(13,880,330)</u>	<u>(4,032,797)</u>

12. Company status and membership

The company is a company limited by guarantee and does not have a share capital. In the event of the company being wound up, the liability of each member is limited to £1. At the year end there were 11 members.

13 Operating leases

Annual amounts payable for land and buildings under operating leases expiring within:

	2015 £	2014 £
1 year	-	143,429
2 - 5 years	45,508	-
Over 5 years	<u>604,312</u>	<u>604,312</u>

Annual amounts payable for other operating leases expiring within:

	2015 £	2014 £
2 - 5 years	<u>22,710</u>	<u>22,710</u>

14 Retirement benefit schemes

Overview of schemes in operation

NatCen operates two retirement benefit schemes: the first is a defined contribution scheme that was opened to new members on 1st July 2010. The second is a defined benefit scheme which was closed to all NatCen employees at the same date. In addition, NatCen also contributes to two pension schemes following the commencement of auto enrolment.

Defined contribution scheme

The defined contribution scheme is a Group Personal Pension Plan with staff contributions being invested with Scottish Widows. Employee and employer contributions are paid directly to Scottish Widows who hold the funds in a personal account for the employee. Contributions invested by Scottish Widows are invested in funds selected by the employee from a range on offer. NatCen, as the employer, contributes 7.5% of the employee's salary with employees contributing a minimum of 4%. There were 39 members at 30th June 2015 (2014: 28), and NatCen's contribution to the scheme in 2014/15 was £86,141 (2014: £104,215).

The default retirement age is 66, although benefits may be taken from age 55. The level of benefits at retirement is dependent on the value of the funds accrued, retirement age and type of retirement benefits selected.

Auto enrolment

To encourage greater pension savings, the Government has introduced auto enrolment. This requires employers to enrol eligible employees into a pension scheme automatically. Eligible staff and freelancers working with NatCen have been enrolled automatically from 1st October 2013. The staff scheme is operated by Scottish Widows, and the freelancer scheme is operated by The People's Pension. There were 79 members of staff contributing to the Scottish Widows auto-enrolment scheme at 30th June 2015 (2014: 79) and NatCen's contribution to the scheme in 2015 was £37,155 (2014: £35,746).

Defined benefit scheme

NatCen sponsors the National Centre for Social Research Retirement Benefits Scheme (“the Scheme”) which is a funded defined benefit arrangement. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. With effect from 1st January 2007, the benefits are accrued on a Career Average Revalued Earnings (“CARE”) basis. With effect from 1st July 2010 the accrual rate changed to 1.4% and the Normal Retirement Age was changed to age 66. Member contributions were also increased to 8.75% of pensionable earnings and such contributions would be by Salary Sacrifice unless members have opted otherwise.

The Trustees of the scheme are required to act in the best interest of the scheme’s beneficiaries. The appointment of the Trustees is determined by the scheme’s trust documentation. It is policy that one third of all Trustees should be nominated by the members.

A full actuarial valuation was carried out as at 30th June 2014 in accordance with the scheme funding requirements of the Pensions Act 2004 and the funding of the scheme is agreed between NatCen and the Trustees in line with those requirements. These in particular require the surplus / deficit to be calculated using prudent, as opposed to best estimate actuarial assumptions.

The actuarial valuation showed a deficit of £16,361,000. NatCen has agreed with the Trustees that it will aim to eliminate the deficit over a period of 11 years and 4 months from 1st July 2015 by the payment of annual contributions of £1,218,000 in respect of the deficit. In addition to this and in accordance with the actuarial valuation, NatCen has agreed with the Trustees that it will pay 26.4% of pensionable earnings (including any member contributions) in respect of the cost of accruing benefits. NatCen will also pay amounts into the scheme equal to the levy payments made by the scheme to the Pension Protection Fund, insurance premiums for death in service benefits/management and administration expenses.

The next valuation is due to be received as at 30th June 2017.

For the purposes of FRS17 the actuarial valuation as at 30th June 2014, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 30th June 2015.

Present values of scheme liabilities, fair value of assets and deficit

	30 th June 2015	30 th June 2014	30 th June 2013
	£	£	£
Fair value of scheme assets	52,134,957	48,314,433	44,208,559
Present value of scheme liabilities	(66,015,287)	(59,953,521)	(51,208,202)
Deficit in scheme to be recognised as a liability	(13,880,330)	(11,639,088)	(6,999,643)

The present value of scheme liabilities is measured by discounting the best estimate of future cash flows to be paid out by the scheme using the projected unit method. The value calculated in this way is reflected in the net liability in the balance sheet as shown above.

A further measure of the scheme liabilities is the solvency basis, often taken as an estimate of the cost of buying out the benefits at the balance sheet date with a suitable insurer. This amount represents the amount that would be required to settle the scheme liabilities rather than NatCen

continuing to fund the ongoing liabilities of the scheme. The estimated value of liabilities prepared for the Trustees of the pension scheme as at 30th June 2014 was £110,631,000 compared with assets at the same date of £48,342,000.

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	30 th June 2015	30 th June 2014
	£	£
Scheme liabilities at start of year	59,953,521	51,208,202
Current service cost	1,160,147	1,552,582
Expenses	291,061	135,712
Interest cost	2,555,187	2,532,820
Contributions by scheme participants	22,475	33,550
Actuarial losses/(gains)	4,550,224	6,253,262
Benefits paid, death in service premiums & expenses	(2,517,328)	(1,762,607)
Scheme liabilities at end of period	66,015,287	59,953,521

Reconciliation of opening and closing balances of the fair value of scheme assets

	30 th June 2015	30 th June 2014
	£	£
Fair value of scheme assets at start of year	48,314,433	44,208,559
Expected return on scheme assets	2,450,746	2,347,877
Actuarial gains	2,090,200	1,166,142
Contributions by NatCen Social Research	1,774,431	2,320,912
Contributions by scheme participants	22,475	33,550
Benefits paid, death in service premiums & expenses	(2,517,328)	(1,762,607)
Fair value of scheme assets at end of year	52,134,957	48,314,433

The actual return on the scheme assets in the year ending 30th June 2015 was £4,540,946.

Total expense recognised in the Statement of Financial Activities

	30 th June 2015	30 th June 2014
	£	£
Current service cost	1,160,147	1,552,582
Expenses	291,061	135,712
Interest cost	2,555,187	2,532,820
Expected return on scheme assets	(2,450,746)	(2,347,877)
Total expense recognised in the Statement of Financial Activities	1,555,649	1,873,237

Statement of other recognised gains and losses

	30 th June 2015	30 th June 2014
	£	£
Difference between expected and actual return on scheme assets - gain	2,090,200	1,166,142
Experience gains and losses arising on the scheme liabilities - gain	758,691	5,133
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities - (loss)/gain	(5,308,915)	(6,258,395)
Total amount recognised in other recognised gains and losses – (loss)	(2,460,024)	(5,087,120)

The cumulative amount of actuarial gains and losses recognised in other recognised gains and losses since adoption of FRS17 is a loss of £7,343,461.

Assets

	30 th June 2015	30 th June 2014	30 th June 2013
	£	£	£
Equity	30,507,833	22,423,497	20,463,179
Corporate Bonds	10,830,841	12,915,576	14,098,459
Cash	21,484	1,889,871	980,042
Property	3,112,175	3,170,088	2,676,911
Government bonds	7,662,624	7,915,401	5,989,968
Total assets	52,134,957	48,314,433	44,208,559

None of the fair values of the assets shown above include any of NatCen's own financial instruments or any property occupied by, or other assets used by, NatCen.

It is the policy of the Trustees and of the NatCen pension scheme to review the investment strategy at the time of each funding valuation. The Trustees' investment objectives and the processes undertaken to measure and manage the risks inherent in the scheme investment strategy are documented in the scheme's Statement of Investment Principles.

Assumptions

	30 th June 2015	30 th June 2014	30 th June 2013
	% per annum	% per annum	% per annum
Rate of discount	3.80	4.30	4.95
Inflation (RPI)	3.30	3.40	3.35
Inflation (CPI)	2.20	2.40	2.65
Salary increases	2.20	4.40	4.35
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.20	2.40	2.65
Allowance for pension in payment increases of CPI or 3% p.a. if less	1.95	n/a	2.65
Allowance for pension in payment increases of RPI or 5% p.a. if less, minimum 3% p.a.	3.75	3.70	3.55
Allowance for commutation of pension for cash at retirement	80% of Post A Day	80% of Post A Day	80% of Post A Day

The mortality assumptions adopted at 30th June 2015 are 100% of the standard tables S1Px_A, year of birth, no age rating for males and females, projected using CMI_2014 converging to 1.50% p.a. These imply the following life expectancies:

**Life expectancy at age 60
(Years)**

Male retiring in 2015	27.26
Female retiring in 2015	29.78
Male retiring in 2035	29.61
Female retiring in 2035	32.21

Expected long term rates of return

The long-term expected rate of return on cash is determined by reference to UK long dated government bond yields as at the balance sheet date. The long-term expected returns on government bonds and corporate bonds are determined by reference to UK long dated government and corporate bond yields at the balance sheet date respectively. The long-term expected rate of return on equities and property is based on the rate of return on bonds with an allowance for out-performance.

The expected long term rates of return applicable for each period are as follows:

	Period Commencing 1st July 2014 % per annum	Period Commencing 1st July 2013 % per annum
Equity	6.3	6.4
Corporate Bonds	4.2	4.5
Cash	2.8	2.9
Property	6.3	6.4
Government bonds	3.3	3.4
Overall for scheme	5.1	5.3

Analysis of the sensitivity to the principal assumptions of the value of the scheme liabilities

	Change in assumption	Change in liabilities
Discount rate	Increase / decrease of 0.5% p.a.	Decrease / increase by 11.1%
Rate of inflation	Increase / decrease of 0.5% p.a.	Increase / decrease by 9.3%
Rate of mortality	1 year increase in life expectancy	Increase by 2.9%

Amounts for the current and previous four years

	2015 £	2014 £	2013 £	2012 £	2011 £
Fair value of scheme assets	52,134,957	48,314,433	44,208,559	38,111,607	35,165,775
Present value of scheme liabilities	66,015,287	59,953,521	51,208,202	52,649,786	44,557,000
Deficit in scheme	(13,880,330)	(11,639,088)	(6,999,643)	(14,538,179)	(9,391,225)
Experience adjustment on scheme assets	2,090,200	1,166,142	3,317,673	(1,443,471)	2,963,000
Experience adjustment on scheme liabilities	758,691	5,133	35,873	(805,061)	71,000

The best estimate of contributions to be paid by NatCen to the scheme for the year commencing 1st July 2015 is £2,526,000.

Legal and administrative details

9.

9. Legal and administrative details

Registered name:	The National Centre for Social Research
Trading name:	NatGen Social Research
Legal status:	Company limited by guarantee and registered charity
Company registration number:	04392418
Charity registration number:	1091768
Scottish charity registration number:	SCO38454
Registered office:	35 Northampton Square London EC1V 0AX
Trustees:	Professor Sir Robert Burgess (Chair) Alan Botterill Ken Caldwell Nicholas Deyes Professor Sir Ian Diamond Steve Egan Barbara Noble James Thickett Professor Paul Wiles
Statutory Auditor:	Maureen Duffy (appointed 8 th January 2016) Dame Jil Matheson (appointed 8 th January 2016) Stephen West (appointed 8 th January 2016) RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) 25 Farringdon Street London EC4A 4AB
Internal Auditor:	Grant Thornton UK LLP Grant Thornton House Melton Street, Euston Square London NW1 2EP
Solicitor:	Bates, Wells and Braithwaite 2-6 Cannon Street London EC4M 6YH
Banker:	National Westminster Bank Plc Cavell House 2A Charing Cross Road London WC2H 0NN



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