

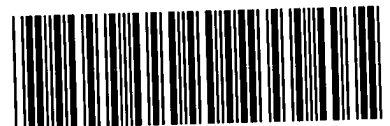
SSERC LIMITED
(A Company Limited by Guarantee)

REPORT AND ACCOUNTS
for the year ended 31 March 2019

Scottish Charity number SC017884

Company number SC131509

FRIDAY



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SSERC LIMITED

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SSERC LIMITED

DIRECTORS' REPORT

Objectives and Activities

SSERC offers a broad portfolio of services to schools and Local Authorities, principally in support of the STEM (Science, Technology, Engineering and Mathematics) areas of the curriculum. These services, which are not available from any other source, can be broken down into three main stands of activity:

- The Advisory Service for Local Authority and other members.
- Provision of Career Long Professional Learning (CLPL) for early years, primary and secondary teachers and school and college technicians.
- Lead Coordination role for STEM Ambassadors in Scotland and wider STEM engagement activities.

Advisory Service

It is important that risks are managed responsibly and sensibly. We believe that health and safety legislation should not be a barrier to the provision of valuable learning experiences for young people. As a result, we offer a range of training courses and guidance materials which discourage bureaucratic and over complex methods of risk management. Our range of services include:

- Specialist Health & Safety advice for schools and Local Authorities.
- Unlimited access to specialist advisors in Primary Science, Biology, Chemistry, Physics, Technology, Technician Services and Health and Safety.
- Guidance and compliance advice for Radiological Health & Safety legislation through our Radiation Protection Adviser.
- Free courses for curriculum leaders covering the management of Health & Safety. We also provide other specialist Health & Safety courses, including Radiological Protection, which are heavily subsidised or free.
- Access to the SSERC website (www.sserc.scot), which contains curriculum support materials and Health & Safety advice and resources. This includes exemplar Risk Assessments for both specific subject and whole school activities.
- Professional development programmes for managers, teachers and technicians.
- Recommendations on equipment and design of specialist accommodation.
- Free consultancy and technical information.
- Apparatus testing for safety, performance and conformance with standards.

Career Long Professional Learning

SSERC works with a range of partners, including the Scottish Government, Education Scotland, National STEM Learning Centre (NSLC), The Primary Science Teaching Trust (PSTT) and others to deliver a programme of experiential CLPL for early years, primary and secondary teachers, student teachers and technicians focussing on STEM.

DIRECTORS' REPORT (continued)

Objectives and Activities (continued)

Career Long Professional Learning (continued)

Our professional development courses range from twilight events and day-courses through to residential meetings lasting up to 5 days in total (these latter courses are generally delivered over 2 parts). A number of our courses are delivered through e-learning systems and use SSERC Meet technology. Our curriculum coverage spans both primary and secondary sectors and we offer events for teachers, trainee teachers and technicians. Our portfolio is varied and includes:

- Courses for Probationers and newly qualified teachers.
- Subject specific courses for teachers in primary and secondary sectors.
- A range of transition courses to promote enhanced interaction between primary and secondary practitioners.
- The annual Scottish Universities Science School and Scottish Universities Technology School.
- Health and Safety courses for teachers and technicians.
- Design and manufacturing courses for technology teachers.
- Courses targeted at science and technology support staff (many of these courses are levelled and credit-rated by SQA within the Scottish Credit and Qualifications Framework.
- Leadership courses for Curriculum Leaders and Heads of Faculty.
- The annual SSERC Science and Technology Conference.

STEM Ambassador Programme Liaison Lead in Scotland

SSERC, on behalf of STEM Learning, works in partnership with the three Scottish STEM Ambassador Hubs to ensure a seamless offering to support the education community.

STEM Ambassadors work with young people to bring STEM subjects alive through real life experiences. They are volunteers from 17-70 years old, representing a vast range of STEM-related jobs across the UK. Our Ambassadors include apprentices, zoologists, set designers, climate change scientists, engineers, farmers, geologists, nuclear physicists and architects. They help to open the doors to a world of opportunities and possibilities which come from pursuing STEM subjects and careers. They not only inspire young people; they also support teachers in the classroom by explaining current applications of STEM in industry or research. STEM Ambassadors work with young people to bring STEM subjects alive through real life experiences.

Achievements and Performance

During 2018, SSERC was formally awarded with the 'GCTS Quality Mark as a Professional Learning Organisation.' This award celebrates and recognises those organisations which support and promote teacher professional learning. The GCTS Quality Mark is formal recognition of our high-quality provision and is a great base on which to launch new offerings.

On 19 December 2018, Richard Lochhead, Minister for Higher Education, Further Education and Science, formally opened the third building at Dunfermline HQ. The ground floor provides dedicated space for our primary practitioners' provision and the first floor contains 2 SSERC Meet studios and a digital skills classroom.

Information about other specific activities and achievements of SSERC during the year can be found in our Annual Report, which is available on the website (www.sserc.scot).

SSERC LIMITED

DIRECTORS' REPORT (Continued)

Financial Review

There was a net decrease in the level of unrestricted funds in the year of £219,841 (2018: decrease £210,702) before other recognised gains or losses. After the £131,000 defined benefit pension scheme loss on re-measurements (2018: £168,000 gain), unrestricted funds carried forward at the year end are negative £14,495 (2018: positive £336,346). This is made up of £900,963 of general unrestricted funds plus £93,542 of designated funds, less the £1,009,000 defined benefit pension scheme liability.

There was a net increase in the level of restricted funds in the year of £15,772 (2018: decrease of £75,367) leaving restricted funds carried forward at the year end of £131,251 (2018: £115,479).

Reserves Policy

SSERC has considered the reserves required and have considered all current and future liabilities. SSERC has a significant pension fund deficit of £1,009,000 resulting from membership of a defined benefit pension operated by Lothian Pension Scheme. However, this full liability will not crystallise within the next 12 months. If SSERC decided to exit the Lothian Pension Scheme then payment would be negotiated to take place over a longer period, which the Directors have prudently assumed to be 5 years. As a result, the Board defines free reserves as unrestricted funds less 20% of the pension scheme liability. The SSERC Reserves Policy is that free reserves must equate to at least six months of unrestricted charitable expenditure. Directors consider this enough to ensure that operational and governance costs are covered.

With £4,515 allocated to the Physics Summer School and £89,027 allocated to Unit 1 running costs, the balance of unrestricted funds is £900,963. Free reserves would be £699,163 which is approximately equivalent to 7 months projected normal unrestricted expenditure. This is considered appropriate by the Directors.

Plans for the Future

The final quarter of the financial year saw the launch of the Young STEM Leaders (YSL) programme, an exciting new initiative funded by the Scottish Government. This development will support young people in both school and community settings to inspire each other to get involved with STEM. Working with various partners, the focus will be on training and support for young people enabling them to act as positive role models in STEM. We are also developing a framework of accreditation routes which will provide formal recognition for participants of the programme.

SSERC LIMITED

DIRECTORS' REPORT (Continued)

Structure, Governance and Management

Chair of Board

Alan Nimmo, a councillor in Falkirk, has been a director of the SSERC Board for over 3 years. He was appointed Chair of the Board in December 2017.

Governing Document

SSERC Limited is a charitable company limited by guarantee, incorporated on 29 April 1991 and registered as a charity at the same time. The Company was established under a Memorandum of Understanding which establishes the objectives and powers of the charitable company and is governed under its Articles of Association. In the event of the Company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Directors

Under the Articles, Directors are appointed by the Board based on approval by a Nominations Committee. Members may make suggestions to the Nominations Committee. The cap on the number of Directors is 20. The Board considers that a board of 20 persons is adequate for the Company's requirements; this cap has never proved an issue; and the Nominations Committee will seek to ensure that the board is comprised of individuals with appropriate skills and interests.

Director Induction and Training

Most Directors are familiar with the work of the charity prior to appointment being, in the main, drawn from a Local Authority or Science Education background.

New Directors are provided with a copy of the Memorandum and Articles of Association, the last Annual Report and Accounts and the booklet 'SSERC Limited-Duties of Directors'. They are also invited to discuss the workings of the organisation with the Chief Executive Officer and encouraged to explore the company's website in order to familiarise themselves with the context within which it operates.

Risk Management

The Risk Register is reviewed and updated by the Senior Management Team before each meeting of the Audit & Risk Committee. Internal controls ensure that risks are minimised by the implementation of procedures for the authorisation of all transactions and projects. Procedures are also in place, and regularly updated, to ensure compliance with health and safety legislation and best practice.

Insurers underwrite some risks to the Company and its operations. The costs of such insurance, in particular professional indemnity (P1), employer's liability and public liability were maintained at a similar level to last year but remain substantial. For the next financial year, it is expected that turnover and staff costs will remain at a similar level because of the organisation's involvement with grant funded Career Long Professional Learning projects.

DIRECTORS' REPORT (Continued)

Organisational Structure

SSERC Limited has a Board of Directors of up to 20 members who meet at least quarterly. The Board, consisting of local authority officers and local and national politicians, is responsible for the strategic direction and policy of the charity. There are three sub-committees of the Board:

- Audit & Risk Management Committee, which examines and then advises the whole Board, through the Risk Register, the control of risks faced by SSERC.
- Nominations Committee, which will review the structure, size and composition of the Board and make recommendations about any changes or succession planning.
- Staff and Remuneration Committee, which will determine the framework for the remuneration of the Chief Executive Officer, the executive directors and other members of the organisation as it is designated to consider.

The Board delegates responsibility for the day-to-day provision of services to the Chief Executive Officer. Along with the senior management team, the Chief Executive Officer is responsible for supervision of the staff team and ensuring that staff develop their skills and working practices in line with good practice.

Related Parties

Where complimentary to the organisation's objectives, SSERC Limited is guided by both local and National policy. SSERC, or individual staff members, are represented on or are invited to attend regular meetings of a number of organisations or interest groups including:

- Association of Directors of Education in Scotland
- Association for Science Education Safeguards in Science
- Education Scotland
- National STEM Learning Centre
- Scottish Government
- Primary Science Teaching Trust
- Scottish Science Advisory Group
- Scottish Technician Advisory Group
- Skills Development Scotland
- SQA Science Steering Group and Subject Advisory Groups
- The CLEAPSS Steering Committee
- The Microbiology in Schools Advisory Committee (MISAC)
- Energy Skills Partnership.

SSERC LIMITED

DIRECTORS' REPORT (Continued)

Reference and administrative details

Charity Name:	SSERC Limited
Scottish Charity Registration Number:	SC017884
Company Registration Number:	SC131509
Registered Office:	5 th Floor, Quartermile Two 2 Lister Square Edinburgh EH3 9GL
Principal Office:	2 Pitreavie Court, South Pitreavie Business Park Dunfermline KY11 8UU
Directors	
C Adamson MSP	C Macdonald, South Ayrshire Council
P Allison, School Leaders Scotland	S McGill, Stirling Council
M Brenan, Inverclyde Council	A Nimmo, Falkirk Council
G Dempster, Association of Head Teachers and Deputies in Scotland	M Shaw, East Renfrewshire Council
D Dodds, West Lothian Council	I Stephen, Aberdeenshire Council (resigned 14 December 2018)
K Leslie, Fife Council	A Taylor, Perth and Kinross Council
D Maxwell, Dumfries and Galloway Council	J Wilson, Association of Directors of Education in Scotland

Company Secretary

Morton Fraser, Solicitors
Quartermile Two
2 Lister Square
Edinburgh EH3 9GL

Senior Management Team

A MacGregor	Chief Executive Officer
P Beaumont	Director of Professional Learning
K Crawford	Consultant (retired 31 March 2019)
G Steele	Director of Advisory Service
I Woodley	Director of Finance

SSERC LIMITED

DIRECTORS' REPORT (Continued)

Reference and administrative details (Continued)

Auditors

Geoghegans
Chartered Accountants
6 St Colme Street
Edinburgh EH3 6AD

Bankers

Royal Bank of Scotland
52-54 East Port
Dunfermline KY12 7HB

Solicitors

Morton Fraser, Solicitors
Quartermile Two
2 Lister Square
Edinburgh EH3 9GL

Directors' Responsibilities Statement

The Directors (who are also Trustees of SSERC Limited for the purposes of Charity law) are responsible for preparing the Directors Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors 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 accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

SERC LIMITED

DIRECTORS' REPORT (Continued)

Statement of Disclosure to the Auditor

In so far as the directors are aware;

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

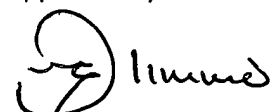
Auditors

A resolution proposing the re-appointment of Geoghegans, as auditor of the charitable company, will be placed at the forthcoming Annual General Meeting.

Small Company Exemptions

This report has been prepared in accordance with the Statement of Recommended Practice — Accounting and Reporting by Charities (FRS 102) and the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board of Directors on 6 September 2019 and signed on its behalf by:



A Nimmo
Director

**INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS AND MEMBERS OF SSERC LIMITED**

Opinion

We have audited the financial statements of SSERC Limited for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, a Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019, 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS AND MEMBERS OF SSERC LIMITED (continued)**

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**INDEPENDENT AUDITORS' REPORT
TO THE DIRECTORS AND MEMBERS OF SSERC LIMITED (continued)**

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

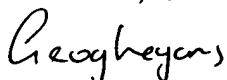
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's directors, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's directors as a body, for our audit work, for this report, or for the opinions we have formed.



Iain Binnie

Senior Statutory Auditor

For and on behalf of Geoghegans, Statutory Auditor

6 St Colme Street, Edinburgh, EH3 6AD

6 September 2019

Geoghegans is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

SSERC LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
for the year ended 31 March 2019**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Income from:					
Charitable activities	3	989,466	1,318,292	2,307,758	2,103,876
Investment income	4	<u>4,837</u>	<u>-</u>	<u>4,837</u>	<u>975</u>
Total income		<u>994,303</u>	<u>1,318,292</u>	<u>2,312,595</u>	<u>2,104,851</u>
Expenditure on:					
Charitable activities	5	(1,198,144)	(1,297,520)	(2,495,664)	(2,371,920)
Other expenditure	6	<u>(21,000)</u>	<u>-</u>	<u>(21,000)</u>	<u>(19,000)</u>
Total expenditure		<u>(1,219,144)</u>	<u>(1,297,520)</u>	<u>(2,516,664)</u>	<u>(2,390,920)</u>
Net income/(expenditure)		(224,841)	20,772	(204,069)	(286,069)
Transfers between funds		<u>5,000</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
		(219,841)	15,772	(204,069)	(286,069)
Other recognised (losses)/gains:					
Defined benefit pension scheme re-measurements	17	<u>(131,000)</u>	<u>-</u>	<u>(131,000)</u>	<u>168,000</u>
Net movement in funds		(350,841)	15,772	(335,069)	(118,069)
Reconciliation of funds:					
Total funds brought forward		<u>336,346</u>	<u>115,479</u>	<u>451,825</u>	<u>569,894</u>
Total funds carried forward	13/14	<u>(14,495)</u>	<u>131,251</u>	<u>116,756</u>	<u>451,825</u>

SSERC LIMITED

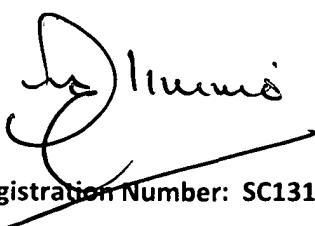
BALANCE SHEET
as at 31 March 2019

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	9	<u>95,733</u>	<u>26,334</u>
Current assets			
Debtors	10	449,551	80,716
Cash at bank and in hand		<u>1,607,704</u>	<u>1,335,228</u>
		2,057,255	1,415,944
Creditors: Amounts falling due within one year	11	<u>(1,009,232)</u>	<u>(291,453)</u>
Net current assets		<u>1,048,023</u>	<u>1,124,491</u>
		1,143,756	1,150,825
Provisions and liabilities	12	(18,000)	(12,000)
Defined benefit pension scheme liability	17	<u>(1,009,000)</u>	<u>(687,000)</u>
		<u>116,756</u>	<u>451,825</u>
The funds of the charity:			
Unrestricted funds			
– <i>Unrestricted</i>	13	900,963	888,370
– <i>Pension reserve</i>	13	(1,009,000)	(687,000)
– <i>Designated</i>	13	<u>93,542</u>	<u>134,976</u>
		(14,495)	336,346
Other funds – <i>Restricted</i>	14	<u>131,251</u>	<u>115,479</u>
		<u>116,756</u>	<u>451,825</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved and authorised for issue of the Board of Directors on 6 September 2019 and signed on its behalf by:

A Nimmo
Director



Company Registration Number: SC131509

SSERC LIMITED

**RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES
for the year ended 31 March 2019**

	2019 £	2018 £
<i>Net (expenditure) for the year (as per the SOFA)</i>	(204,069)	(286,069)
Adjustments for:		
Actuarial (losses)/gains	(131,000)	168,000
Depreciation	24,465	62,561
Interest from investments	(4,837)	(975)
(Increase)/decrease in debtors	(368,835)	38,391
Increase in creditors and provisions	723,779	55,033
Increase/(decrease) in defined benefit pension liabilities	322,000	(8,000)
<i>Net cash provided by operating activities</i>	<u>361,503</u>	<u>28,941</u>

**STATEMENT OF CASH FLOWS
for the year ended 31 March 2019**

	2019 £	2018 £
Cash flows from operating activities:		
<i>Net cash provided by operating activities</i>	<u>361,503</u>	<u>28,941</u>
Cash flows from investing activities:		
Interest from investments	4,837	975
Purchase of tangible fixed assets	<u>(93,864)</u>	<u>(5,658)</u>
<i>Net cash flow (used in) investing activities</i>	<u>(89,027)</u>	<u>(4,683)</u>
<i>Change in cash and cash equivalents in the year</i>	272,476	24,258
Cash and cash equivalents at the beginning of the year	<u>1,335,228</u>	<u>1,310,970</u>
Cash and cash equivalents at the end of the year	<u>1,607,704</u>	<u>1,335,228</u>

NOTES TO THE ACCOUNTS
at 31 March 2019

1 Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

Company status

SSERC Limited is a charitable company limited by guarantee, incorporated in Scotland. The address of the registered office is given in the charity information on page 6 of these financial statements.

Basis of preparation

The accounts have been prepared in accordance with the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 (as updated through Bulletin 1 published on 2 February 2016), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102).

SSERC meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless stated in the relevant accounting policy note.

Going concern

The financial statements have been prepared on a going concern basis as the Directors believe that no material uncertainties exist. The Directors have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charitable company to be able to continue as a going concern.

Income

Income is recognised when the charitable company has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably.

Income, including donations, gifts and legacies and grants that provide core funding or are of a general nature are recognised in the period in which they are receivable, which is when the charitable company becomes entitled to the resource. Such income is only deferred when:

- The donor specifies that the grant or donations must only be used in future accounting years; or
- The donor has imposed conditions which must be met before the charitable company has unconditional entitlement.

Income from charitable activities includes income from subscriptions, conference and course income which is recognised when the charitable company has delivered goods or services and is therefore entitled to the income, receipt is probable and the income can be reliably measured.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charitable company, which is normally upon notification of the interest paid or payable by the bank.

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 March 2019

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and includes any irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include the audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

Fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows :

Fittings and equipment	-	3 to 7 years
Computer equipment	-	3 to 5 years
Tenants' improvements	-	3 to 7 years
Motor vehicles	-	5 years

Minor fixed asset additions costing less than £1,000 are written off in the year of acquisition.

Debtors

Trade debtors are recognised at the settlement amount due and prepayments are valued at the amount prepaid.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors are recognised where the charitable company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 March 2019

1 Accounting policies (continued)

Financial instruments

The charitable company only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Pensions

The charitable company is a member of the Lothian Pension Fund which is a multi-employer Local Government defined benefit pension scheme. The assets of the scheme are held separately from those of the company and pensions payable under the scheme are based on final pensionable salary. In accordance with the requirements of FRS 102 the operating costs of providing these benefits are recognised in the SOFA in the accounting year in which the benefits are earned by the employees and related financing and other costs are recognised in the year in which they arise.

SSERC also operates a group personal pension scheme on a defined contribution basis. The contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the charity. Where designated, these are unrestricted funds set aside by the directors for specific future purposes or projects. Restricted funds are funds subject to specific restrictive conditions imposed by the donors.

Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

SSERC LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 March 2019

2 Net income and expenditure	2019	2018
<i>This is stated after charging :</i>	£	£
Directors' expenses (one director)	324	764
Directors' PII	1,000	1,000
Auditors' remuneration – audit	6,475	6,285
Auditor and its associates' remuneration – other services	2,916	3,063
Depreciation	<u>24,465</u>	<u>62,561</u>

3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Local authority contributions	673,455	-	673,455	667,717
Grants receivable	-	1,318,292	1,318,292	1,110,683
Training courses	280,362	-	280,362	250,294
Subscriptions	19,916	-	19,916	18,686
Other charitable activities income	<u>15,733</u>	<u>-</u>	<u>15,733</u>	<u>56,495</u>
	<u>989,466</u>	<u>1,318,292</u>	<u>2,307,758</u>	<u>2,103,876</u>

Income from charitable activities in the year was £2,307,758 (2018: £2,103,876) of which £989,466 (2018: £993,193) was unrestricted and £1,318,292 (2018: £1,110,683) was restricted.

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Interest received	<u>4,837</u>	<u>-</u>	<u>4,837</u>	<u>975</u>

Income from investments was unrestricted in both the current and prior years.

5 Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Grants payable	500	64,096	64,596	104,590
Staff costs (note 8)	644,536	852,907	1,497,443	1,336,652
Property costs	121,657	39,583	161,240	141,984
Supplies and services	185,886	270,325	456,211	491,544
Other operating and administration costs	219,668	70,609	290,277	274,531
Governance costs (note 7)	<u>25,897</u>	<u>-</u>	<u>25,897</u>	<u>22,619</u>
	<u>1,198,144</u>	<u>1,297,520</u>	<u>2,495,664</u>	<u>2,371,920</u>

Expenditure on charitable activities in the year was £2,495,664 (2018: £2,371,920) of which £1,198,144 (2018: £1,185,870) was unrestricted and £1,297,520 (2018: £1,186,050) was restricted.

SSERC LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 March 2019

6 Other expenditure

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Net interest on net assets/liabilities of defined benefit pension scheme	<u>21,000</u>	<u>-</u>	<u>21,000</u>	<u>19,000</u>

Other expenditure was unrestricted in both the current and prior years.

7 Governance costs

	2019 £	2018 £
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Audit and accounting fees	9,300	9,025
Staff costs (note 8)	13,767	11,825
Board expenses	324	764
Legal fees	<u>2,506</u>	<u>1,005</u>
	<u>25,897</u>	<u>22,619</u>

8 Staff costs and numbers

	2019 £	2018 £
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Salaries	979,469	849,019
Social security costs	97,751	81,528
Pension costs	199,029	155,701
Operating costs of defined benefit pension scheme	<u>170,000</u>	<u>141,000</u>

	1,446,249	1,227,248
Seconded and other contract staff	<u>64,961</u>	<u>121,229</u>
	<u>1,511,210</u>	<u>1,348,477</u>

Allocated:

Charitable activities (note 5)	1,497,443	1,336,652
Governance costs (note 7)	<u>13,767</u>	<u>11,825</u>
	<u>1,511,210</u>	<u>1,348,477</u>

Average number of employees (full time equivalents):

Company employees	27	22
Local Authority contracted employees	<u>2</u>	<u>3</u>
	<u>29</u>	<u>25</u>

SSERC LIMITED
NOTES TO THE ACCOUNTS (Continued)
at 31 March 2019

8 Staff costs and numbers (continued)

One employee received emoluments in the range £80,000 to £90,000 and one employee in the range £60,000 to £70,000. In addition pension benefits were accrued for these employees under a defined benefit arrangement. (2018: One employee received emoluments in the range £60,000 to £70,000. In addition pension benefits were accrued for this one employee under a defined benefit arrangement).

The total amount of employee benefits received by key management personnel is £353,226 (2018: £319,490). The key management personnel comprise the Chief Executive Officer, the Director of Finance, The Director of Professional Learning and The Director of Advisory Service. (2018: Chief Executive Officer, the Director of Finance, The Director of Service, The Director of Professional Learning and The Director of Advisory Service).

36 (2018: 27) of the company employees are members of the Lothian Pension Fund.

Travel costs amounting to £324 (2018: £764) were reimbursed to 1 director (2018: 1).

9	Tangible fixed assets	Tenants'	Motor	Fixtures &	Computer	Total
		Improvements	Vehicles	Equipment	Equipment	
		£	£	£	£	£
	Cost					
	At 1 April 2018	442,456	10,835	156,025	120,441	729,757
	Additions	59,131	-	18,399	16,334	93,864
	Disposals	-	-	(900)	-	(900)
	At 31 March 2019	501,587	10,835	173,524	136,775	822,721
	Aggregate depreciation					
	At 1 April 2018	434,396	6,501	153,897	108,629	703,423
	Charge	6,900	2,167	4,833	10,565	24,465
	Disposals	-	-	(900)	-	(900)
	At 31 March 2019	441,296	8,668	157,830	119,194	726,988
	Net Book Value					
	At 31 March 2019	60,291	2,167	15,693	17,581	95,733
	At 31 March 2018	8,060	4,334	2,128	11,812	26,334
10	Debtors				2019	2018
					£	£
	Due within one year					
	Trade debtors				427,641	46,465
	Prepayments and accrued income				13,981	25,417
	Other debtors				4,540	6,644
	Due after one year					
	Prepayments and accrued income				3,389	2,190
					449,551	80,716

SSERC LIMITED
NOTES TO THE ACCOUNTS (Continued)
at 31 March 2019

11 Creditors: Amounts falling due within one year	2019	2018
	£	£
Trade creditors	74,122	124,016
Taxation and social security costs	148,866	26,060
Accruals	85,875	93,906
Deferred income	673,895	28,170
Other creditors	26,474	19,301
	<u>1,009,232</u>	<u>291,453</u>

Deferred income

	Balance 1 April 2018 £	Released in year £	Deferred in year £	Balance 31 March 2019 £
Science for Secondary Probationers	5,005	(5,005)	10,080	10,080
SSERC Training Courses	1,200	(1,200)	-	-
Scottish Childminding Association	-	-	2,700	2,700
STEM Learning	-	-	6,210	6,210
ROB Grant	-	-	1,639	1,639
Local Authority Contributions	21,235	(21,235)	653,266	653,266
Enthuse Lab Skills Course	480	(480)	-	-
Enthuse Leadership Course	250	(250)	-	-
	<u>28,170</u>	<u>(28,170)</u>	<u>673,895</u>	<u>673,895</u>

The above income has been deferred on the basis that it relates to 2019/20 SSERC activities.

12 Provisions for liabilities	2019	2018
	£	£
Dilapidation charge	<u>18,000</u>	<u>12,000</u>

The provision for lease dilapidation is in respect of ensuring the premises are returned to their original condition. This provision will come into effect on termination of lease with Fife Council. An additional provision was made for the lease held over Unit 3 in 2019.

SSERC LIMITED

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2019

13 Unrestricted funds

2018/19	At 1 April 2018	Income	Expenditure	(Losses)	Transfers	At 31 March 2019
General funds	888,370	977,503	(969,910)	-	5,000	900,963
Pension reserve	(687,000)	-	(191,000)	(131,000)	-	(1,009,000)
Designated funds:						
Physics summer school	4,778	16,800	(17,063)	-	-	4,515
Unit 1 running costs	130,198	-	(41,171)	-	-	89,027
	<u>336,346</u>	<u>994,303</u>	<u>(1,219,144)</u>	<u>(131,000)</u>	<u>5,000</u>	<u>(14,495)</u>
2017/18	At 1 April 2017	Income	Expenditure	Gains	Transfers	At 31 March 2018
General funds	888,335	980,468	(980,433)	-	-	888,370
Pension reserve	(695,000)	-	(160,000)	168,000	-	(687,000)
Designated funds:						
Physics summer school	9,430	13,700	(18,352)	-	-	4,778
Risk management fund	11,787	-	(11,787)	-	-	-
Unit 1 running costs	164,496	-	(34,298)	-	-	130,198
	<u>379,048</u>	<u>994,168</u>	<u>(1,204,870)</u>	<u>168,000</u>	<u>-</u>	<u>336,346</u>

Physics Summer School – These funds reflect the surplus on this annual event and are available to support future Physics events.

Risk Management Fund – Funds to support the development of resources to aid the management of whole school risks in a responsible and sensible way.

Unit 1 running costs - Funds have been designated to meet the unfunded annual running costs. At least 1 years and 4 months worth of funds were left as at 31 March 2019.

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2019

14 Restricted funds

2018/19	At 1 April 2018 £	Income £	Expenditure £	Transfers	At 31 March 2019 £
Scottish Government CLPL Science & Technology	-	860,000	(860,000)	-	-
PSTT Sustainability and Extention	41,094	25,000	(34,531)	-	31,563
PSTT Strategic Partnership	13,934	50,000	(50,000)	-	13,934
PSTT Researcher	-	41,786	(41,786)	-	-
NSLC Course Management Support	2,170	87,551	(85,489)	-	4,232
NSLC Primary Cluster CPD	22,125	40,000	(38,202)	-	23,923
RCUK Cutting Edge Science Activity	-	3,300	(3,300)	-	-
Skills Development Scotland – Interactive e-learning	30,156	-	(820)	-	29,336
Fife Council – Economic Development Enterprise	5,000	-	-	(5,000)	-
Scottish Metals	1,000	500	(1,171)	-	329
Young Stem Leaders	-	115,000	(113,394)	-	1,606
Scottish Government Digital Skills	-	62,760	(39,943)	-	22,817
Skills Development Scotland Digital	-	25,000	(25,000)	-	-
Education Scotland – Enhancing Professional Learning	-	7,395	(3,884)	-	3,511
	<u>115,479</u>	<u>1,318,292</u>	<u>(1,297,520)</u>	<u>(5,000)</u>	<u>131,251</u>
2017/18	At 1 April 2017 £	Income £	Expenditure £		At 31 March 2018 £
Scottish Government CLPL Science & Technology	-	855,000	(855,000)		-
PSTT Sustainability and Extention	74,460	50,000	(83,366)		41,094
PSTT Strategic Partnership	13,934	50,000	(50,000)		13,934
PSTT Researcher	-	20,584	(20,584)		-
NSLC Course Management Support	8,143	86,399	(92,372)		2,170
NSLC Primary Cluster CPD	9,610	40,000	(27,485)		22,125
RCUK Cutting Edge Science Activity	-	5,700	(5,700)		-
Unit 1 refurbishment	49,543	-	(49,543)		-
Skills Development Scotland – Interactive e-learning	30,156	-	-		30,156
Fife Council – Economic Development Enterprise	5,000	-	-		5,000
SUSS 2018	-	2,000	(2,000)		-
Scottish Metals	-	1,000	-		1,000
	<u>190,846</u>	<u>1,110,683</u>	<u>(1,186,050)</u>		<u>115,479</u>

SSERC LIMITED

NOTES TO THE ACCOUNTS (Continued) at 31 March 2019

14 Restricted funds (continued)

The purpose of each restricted fund is as follows:

Scottish Government CLPL Science & Technology

Scottish Government grant to support Science & Technology education in Scotland through the CLPL project.

PSTT Sustainability and Extension

Grant provided by the Primary Science Teaching Trust to raise confidence and competency of primary school teachers in science and technology.

PSTT Strategic Partnership

Grant provided by the Primary Science Teaching Trust to provide staff to support the PSTT Sustainability and Extension programme above.

PSTT Researcher

Grant provided by the Primary Science Teaching Trust to provide a researcher in Education based at SSERC.

NSLC Course Management Support

Grant funding provided to support teacher and technician CPD.

NSLC Primary Cluster CPD

Grant received from the Enthuse charity for a Cluster programme for teachers in Scotland.

RCUK Cutting Edge Science Activity

Grant funding provided to support teacher and technician CPD.

Unit 1 refurbishment

Grant funding awarded from The National Stem Centre for the refurbishment of 1 Pitreavie Court, South Pitreavie Business Park, Dunfermline, KY11 8UB.

Skills Development Scotland – Interactive e-learning

Grant to develop and deliver a package of Interactive e-learning sessions for teachers.

Fife Council – Economic Development Enterprise

Grant received from Fife Council – Economic Development Enterprise as support to the extension of the Engineering in Fife Programme STEM Ambassadors.

SUSS 2018

Grants provided from The General Teaching Council for Scotland and The Scottish Qualifications Authority as contributions towards The Scottish Universities Science School 18.

Scottish Metals

Grant provided from the Scottish Association for Metals to support the attendance of delegates to the Engineering Bench Skills Course and the Scottish Universities Technology School.

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2019

14 Restricted funds (continued)

Young Stem Leaders

Scottish Government grant for a new initiative supporting young people in both school and community settings to inspire each other to get involved in STEM.

Scottish Government Digital Skills

Scottish Government grant to purchase IT equipment and infrastructure to support the education of digital skills within the CLPL project.

Skills Development Scotland Digital

A grant to develop and deliver a package of courses on digital skills for teachers.

Education Scotland – Enhancing Professional Learning

A grant to develop and deliver a package of STEM courses for technicians.

15 Analysis of net assets between funds

2018/19	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
Tangible fixed assets	95,733	-	95,733	26,334
Net current assets	916,772	131,251	1,048,023	1,124,491
Provisions	(18,000)	-	(18,000)	(12,000)
Pension liability	(1,009,000)	-	(1,009,000)	(687,000)
	<u>(14,495)</u>	<u>131,251</u>	<u>116,756</u>	<u>451,825</u>
2017/18	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
Tangible fixed assets	26,334	-	26,334	83,237
Net current assets	1,009,012	115,479	1,124,491	1,193,657
Provisions	(12,000)	-	(12,000)	(12,000)
Pension liability	(687,000)	-	(687,000)	(695,000)
	<u>336,346</u>	<u>115,479</u>	<u>451,825</u>	<u>569,894</u>

16 Related Party Transactions

There were no related party transactions in the year (2018: none).

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2019

17 Pension commitments

The company is an employer member of the Lothian Pension Fund and provides benefits based on career average pensionable pay (although any benefits built up to 31 March 2015 are based on final pensionable pay). The assets of the Fund are held separately from those of the company and are controlled by independent trustees on behalf of the members. Contributions to the Fund are centrally calculated as a whole for all participating employers and they are determined by a qualified actuary on the basis of triennial valuations, the most recent valuation being as at 31 March 2019. Contributions to the Fund are charged to the Income and Expenditure Account and although centrally calculated provide a fair basis to spread the cost of pensions over the employees' average working lives with the company. The contributions of the company were 19.5% of pensionable salary during the year. The Directors are aware of the recent High Court ruling regarding GMP equalisation and are in agreement with the LGPS approach to account for any additional charges that may arise once the likely impact of the ruling has been determined and any liabilities have been accurately quantified by the scheme actuary.

	2019 £	2018 £
The pension charge for the year	<u>369,029</u>	<u>296,701</u>

The main financial assumptions are as follows:

	2019	2018
Pension increase rate	2.5%	2.4%
Salary increase rate	4.2%	4.1%
Discount rate	2.4%	2.7%

The mortality assumptions are as follows:

Current pensioners	- male	21.7 years	21.7 years
	- Female	24.3 years	24.3 years
Future pensioners*	- male	24.7 years	24.7 years
	- Female	27.5 years	27.5 years

* Figures include members aged 45 as at last formal valuation date. 2.4%

	2019 £000	2018 £000
The total cost recognised in the year were as follows:		
Current and past service costs	367	301
Net interest expense	<u>21</u>	<u>19</u>
Recognised in net income/expenditure	388	320
Recognised in other (losses)/gains	<u>(131)</u>	<u>168</u>
Total cost recognised	<u>257</u>	<u>488</u>

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2019

17 Pension commitments (continued)

Amounts recognised in the balance sheet were as follows:	2019 £000	2018 £000
Present value of funded obligations	(5,424)	(4,563)
Fair value of plan assets	4,415	3,876
	<u>(1,009)</u>	<u>(687)</u>

Changes in the present value of the defined benefit obligations were as follows:	2019 £000
Opening defined benefit obligation	(4,563)
Current service cost	(367)
Past service cost	-
Interest expense	(128)
Actuarial losses	(398)
Contributions by scheme participants	(66)
Benefits paid	98
	<u>(5,424)</u>

Changes in the fair value of the pension plan assets were as follows:	2019 £000
Opening plan assets	3,876
Interest income	107
Actual return on plan assets (excluding interest income)	267
Contributions by charity	197
Contributions by scheme participants	66
Benefits paid	(98)
	<u>4,415</u>

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets is split as follows:

	2019	2018
Equity instruments	74%	75%
Bonds	12%	11%
Property	7%	7%
Cash	7%	7%
	<u>100%</u>	<u>100%</u>

The return on plan assets was as follows:	2019 £000	2018 £000
Interest income	107	87
Actual return on plan assets (excluding interest income)	267	232
	<u>374</u>	<u>319</u>

SSERC LIMITED**NOTES TO THE ACCOUNTS (Continued)**
at 31 March 2019

18 Other financial commitments	Equipment		Land and Buildings	
	2019	2018	2019	2018
	£	£	£	£
Total commitments under non-cancellable operating leases were as follows :				
Expiry Date :				
Within one year	10,448	4,248	140,000	58,651
Within two to five years	39,007	3,322	560,000	90,000
Greater than five years	-	-	233,800	-

19 Taxation

As a charity, SSERC is exempt from tax on income and gains to the extent that these are applied to its charitable objects. No tax charges have arisen in the charitable company.