

SSERC LIMITED
(A Company Limited by Guarantee)

REPORT AND ACCOUNTS
for the year ended 31 March 2018

Scottish Charity number SC017884

Company number SC131509

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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, which are not available from any other source and which 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 and 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 Management of Health & Safety courses for Curriculum Leaders. 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, Health & Safety advice and resources, for example, 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, National STEM Learning Centre (NSLC), The Primary Science Teaching Trust (PSTT), Education Scotland 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)

Our professional development courses range from twilight events, 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 early years, 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 early years, primary and secondary sectors.
- A range of transition courses to promote enhanced interaction between primary and secondary practitioners.
- The annual Scottish Universities Science 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.

In terms of wider STEM engagement SSERC leads on the Polar Explorer programme in Scotland and discussions are taking place to extend our responsibility into a wider range of STEM services.

Achievements and Performance

Highlights of the activities of SSERC during the year include:

- 3091 attendances on courses from primary practitioners.
- 2012 attendances on courses from secondary practitioners, which includes 355 secondary student teachers and 355 technicians from the secondary sector.
- 920 attendances from other individuals connected to education, for example Local Authority officers.
- 40 SSERC Meets, covering 8 topics, with confirmed audiences totalling 1,463.
- 2 New technology courses introduced (Engineering Bench Skills and Fabrication Skills).
- Other new courses introduced during the year include: Laboratory Science National 5; Microbiology for Teachers; Supporting Advanced Higher Biology; Semiconductors and LEDs; Science for Primary Probationers.
- Some 700,000 page views on the SSERC website.

SSERC LIMITED

DIRECTORS' REPORT (Continued)

Achievements and Performance (continued)

For further information on activities of SSERC during the year, the annual report is available on the website (www.sserc.scot).

An ongoing evaluation conducted by the Robert Owen Centre for Educational Change (ROC) reported in the year on SSERC's Primary Science Cluster Programme in Science and Technology (PCP). This programme is supported through a grant from NSLC. ROC observed that the PCP has consistently made a positive difference towards promoting effective Science and Technology teaching in Scottish schools and associated learner outcomes. Further information is available in the news section of our website.

SSERC was honoured in March 2018 to host Dr Ellen Stofan, who was Chief Scientist of NASA for approximately three and a half years until December 2016. During a round table discussion with some Scottish STEM Ambassadors, Ellen talked about her career to date and answered questions ranging from equality of opportunity within the space industry to the potential for a manned mission to Mars.

SSERC became an accredited Real Living Wage employer in December 2018, underlining our commitment to pay staff at a rate that meets the cost of living, not just the government declared minimum wage.

SSERC also signed the Scottish Government Digital Charter during the year. As well as promoting digital literacy amongst staff, SSERC plans to support the sharing of skills, knowledge and resources, as appropriate, in the wider community. SSERC also plans to engage the local community as part of our new Corporate Social Responsibility policy.

Financial Review

There was a net decrease in the level of unrestricted funds in the year of £210,702 (2017: decrease £145,826). After the £168,000 defined benefit pension scheme gains on re-measurements (2017: £284,000 loss), unrestricted funds carried forward at the year end were £336,346 (2017: £379,048). Restricted funds decreased in the year by £75,367 (2017: increase of £18,224) leaving restricted funds carried forward of £115,479 (2017: £190,846).

Reserves Policy

SSERC has considered the reserves required and have considered all current and future liabilities. SSERC does have a significant pension fund deficit of £687,000 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 £4,778 allocated to the Physics Summer School and £130,198 allocated to Unit 1 running costs, the balance of unrestricted funds is £888,370. Free reserves would be £750,970 which is approximately equivalent to 7.5 months projected normal unrestricted expenditure. This is considered appropriate by the Directors.

SSERC LIMITED

DIRECTORS' REPORT (Continued)

Financial Review (Continued)

Reserves Policy (Continued)

Regarding reserves within the restricted funds, the Board takes the view that such monies which currently are unspent, nonetheless, remain committed absolutely to approved charitable expenditure. These funds are shown in the accounts as restricted fund reserves. At the year-end, some individual grant-aided projects had yet to apply formally for the release of the monies against agreed criteria. Therefore, unless and until any of the currently funded CPD projects fail to meet the conditions of their grants, these funds are shown as retained meantime. They are reflected in the balance sheet net current assets figure and will diminish over time.

Plans for the Future

Following the end of the financial year end, 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.

October 2019 will be an exciting time for SSERC, with the addition of another building at our Dunfermline HQ. This expansion, supported by grant funding from Scottish Government and PSTT, will enable SSERC to provide digital skills and computer science courses and will provide an expansion in our 'SSERC Meet' activity. The ground floor will be dedicated space for our early years and primary practitioners provision and the first floor will contain 2 'SSERC Meet' studios and a digital skills learning space. SSERC has put out a call for schools to provide artwork in the new building to foster connections between STEM subjects and art. The response so far has been very pleasing. Other plans for 2018-19 include:

- A pilot event for PDGE Technology students along the same lines as currently offered at our annual Scottish Universities Science School. This two-day residential event will provide hands on experimental workshop sessions for student Technology teachers.
- 'Talking head' videos, hosted on SSERC's YouTube channel. These short videos will provide material that can be used in schools on a variety of topics.
- A pilot Physics programme which will restructure the previously two-part residential course. Using SSERC Meet and just one residential, this programme aims to reach a greater audience.

As part of our digital strategy, SSERC began the roll-out of a new website in April 2018. This will be accompanied by a migration to the Microsoft 365 platform throughout the organisation. SSERC will work towards all documents being produced digitally in future, where it is appropriate to do so. This will include the SSERC Bulletins, which continue to supply ideas for practical classroom activities as well as advice on health and safety.

SSERC LIMITED

DIRECTORS' REPORT (Continued)

Structure, Governance and Management

Chair of Board

SSERC's Board elected a new Chair during the December meeting of the Board. Alan Nimmo, a councillor in Falkirk, has been a director of the SSERC Board for over 3 years.

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

SSERC's Board has approved a new Audit and Risk Management sub Committee, which has subsumed the role of the previous Risk Management sub-group. Chaired by one of the Vice-Chairs of the Board, this sub-group is remitted to identify, examine, and then advise the whole Board, through the Risk Register, on the control of risks faced by SSERC.

The Risk Register is reviewed and updated by the Senior Management Team before each Board meeting. Internal controls ensure 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 (PI), employer's liability and public liability were maintained at a similar level to last year but remain substantial. For 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 is responsible for the strategic direction and policy of the charity. Currently, the Board has 14 members consisting of local authority officers and local and national politicians. There are three sub-committees of the Board:

- Audit & Risk Management Committee, which is discussed above.
- Nominations Committee, which reviews the structure, size and composition of the Board and makes 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	D Maxwell, Dumfries and Galloway Council (appointed 19 June 2017)
P Allison, School Leaders Scotland (appointed 16 March 2018)	C Macdonald, South Ayrshire Council (appointed 23 November 2017)
M Brenan, Inverclyde Council (appointed 5 June 2017)	S McGill, Stirling Council (appointed 2 June 2017)
M Brisley, Stirling Council (resigned 4 May 2017)	K Morrison, Fife Council (resigned 4 May 2017)
G Dempster, Association of Head Teachers and Deputies in Scotland	A Nimmo, Falkirk Council
D Dodds, West Lothian Council	J Pringle, City of Edinburgh Council (resigned 25 August 2017)
L Foss, Dumfries and Galloway Council (resigned 13 June 2017)	M Shaw, East Renfrewshire Council
S Gray, West Dunbartonshire Council (resigned 11 September 2017)	N Shaw, School Leaders Scotland (resigned 18 January 2018)
K Leslie, Fife Council (appointed 23 November 2017)	I Stephen, Aberdeenshire Council
T Loughran, Inverclyde Council (resigned 4 May 2017)	A Taylor, Perth and Kinross Council (appointed 23 November 2017)
	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 (appointed 4 September 2017)
F Young	Chief Executive Officer (retired 31 July 2017)
P Beaumont	Director of Professional Learning
K Crawford	Consultant
G McAllister	Director of Service (resigned 13 June 2017)
G Steele	Director of Advisory Service
I Woodley	Director of Finance (appointed 4 September 2017)

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
Quatermile 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 company and of the incoming resources and application of resources, including the income and expenditure, of the 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 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 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 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 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 company's auditor is aware of that information.

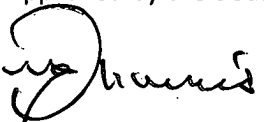
Auditors

A resolution proposing the re-appointment of Geoghegans, as auditor of the 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 7 September 2018 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 2018 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 2018, 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

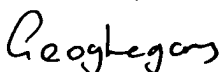
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

7 September 2018

For and on behalf of Geoghegans, Statutory Auditor

6 St Colme Street, Edinburgh, EH3 6AD

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 2018**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income from:					
Charitable activities	3	993,193	1,110,683	2,103,876	2,066,058
Investment income	4	975	-	975	4,326
Total income		<u>994,168</u>	<u>1,110,683</u>	<u>2,104,851</u>	<u>2,070,384</u>
Expenditure on:					
Charitable activities	5	(1,185,870)	(1,186,050)	(2,371,920)	(2,185,986)
Other expenditure	6	(19,000)	-	(19,000)	(12,000)
Total expenditure		<u>(1,204,870)</u>	<u>(1,186,050)</u>	<u>(2,390,920)</u>	<u>(2,197,986)</u>
Net income/(expenditure)		(210,702)	(75,367)	(286,069)	(127,602)
Other recognised gains/(losses):					
Defined benefit pension scheme re-measurements	18	168,000	-	168,000	(284,000)
Net movement in funds		(42,702)	(75,367)	(118,069)	(411,602)
Reconciliation of funds:					
Total funds brought forward		<u>379,048</u>	<u>190,846</u>	<u>569,894</u>	<u>981,496</u>
Total funds carried forward	14/15	<u>336,346</u>	<u>115,479</u>	<u>451,825</u>	<u>569,894</u>


SSERC LIMITED

BALANCE SHEET
as at 31 March 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	10	<u>26,334</u>	<u>83,237</u>
Current assets			
Debtors (amounts falling due within one year)	11	78,526	117,653
Debtors (amounts falling due after more than one year)	11	2,190	1,454
Cash at bank and in hand		<u>1,335,228</u>	<u>1,310,970</u>
		1,415,944	1,430,077
Creditors: Amounts falling due within one year	12	<u>(291,453)</u>	<u>(236,420)</u>
Net current assets		<u>1,124,491</u>	<u>1,193,657</u>
		1,150,825	1,276,894
Provisions and liabilities	13	(12,000)	(12,000)
Defined benefit pension scheme liability	18	(687,000)	(695,000)
		<u>451,825</u>	<u>569,894</u>
The funds of the charity:			
Unrestricted funds			
– <i>Unrestricted</i>	14	888,370	888,335
– <i>Pension reserve</i>	14	(687,000)	(695,000)
– <i>Designated</i>	14	<u>134,976</u>	<u>185,713</u>
		336,346	379,048
Other funds – <i>Restricted</i>	15	<u>115,479</u>	<u>190,846</u>
		<u>£ 451,825</u>	<u>£ 569,894</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 7 September 2018 and signed on its behalf by:


A Mimmo
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 2018**

	2018 £	2017 £
Net (expenditure) for the year (as per the SOFA)	(286,069)	(127,602)
Adjustments for:		
Actuarial gains/(losses)	168,000	(284,000)
Depreciation	62,561	80,282
Gain on disposal of fixed assets	-	(2,660)
Interest from investments	(975)	(4,326)
Decrease/(increase) in debtors	38,391	8,282
Increase/(decrease) in creditors and provisions	55,033	(38,778)
Increase/(decrease) in D B pension liabilities	(8,000)	366,000
Net cash used in operating activities	<u>£ 28,941</u>	<u>£ (2,802)</u>

**STATEMENT OF CASH FLOWS
for the year ended 31 March 2018**

	2018	2017
Cash flows from operating activities:		
<i>Net cash used in operating activities</i>	<u>28,941</u>	<u>(2,802)</u>
Cash flows from investing activities:		
Interest from investments	975	4,326
Purchase of tangible fixed assets	(5,658)	(25,518)
Proceeds from disposals of tangible fixed assets	<u>-</u>	<u>7,979</u>
Net cash flow (used in) investing activities	<u>(4,683)</u>	<u>(13,213)</u>
Change in cash and cash equivalents in the year	24,258	(16,015)
Cash and cash equivalents at the beginning of the year	<u>1,310,970</u>	<u>1,326,985</u>
Cash and cash equivalents at the end of the year	<u>£ 1,335,228</u>	<u>£ 1,310,970</u>

**NOTES TO THE ACCOUNTS
at 31 March 2018**

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 13 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).

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.

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.

Income recognition

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 2018

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.

Operating leases

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

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	-	5 years
Computer equipment	-	3 years
Tenants' improvements	-	5 to 10 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.

SSERC LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

at 31 March 2018

1 Accounting policies (continued)

Pensions

The 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 income and expenditure account 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.

SSERC LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 March 2018

2 Net income and expenditure	2018	2017
<i>This is stated after charging :</i>	£	£
Directors' remuneration	-	-
Directors' expenses (one director)	764	830
Directors' PII	1,000	1,000
Auditors' remuneration – audit	6,285	6,100
Auditor and its associates' remuneration – other services	3,063	3,090
Depreciation	<u>62,561</u>	<u>80,282</u>

3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Local authority contributions	667,717	-	667,717	662,580
Grants receivable	-	1,110,683	1,110,683	1,151,535
Training courses	205,165	-	205,165	195,107
Subscriptions	18,686	-	18,686	19,697
Other charitable activities income	<u>101,625</u>	<u>-</u>	<u>101,625</u>	<u>37,139</u>
	<u>993,193</u>	<u>1,110,683</u>	<u>2,103,876</u>	<u>2,066,058</u>

Income from charitable activities in the year was £2,103,876 (2017: £2,066,058) of which £993,193 (2017: £914,523) was unrestricted and £1,110,683 (2017: £1,151,535) was restricted.

4 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Interest received	<u>975</u>	<u>-</u>	<u>975</u>	<u>4,326</u>

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

SSERC LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)
at 31 March 2018

5 Analysis of expenditure on charitable Activities	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Grants payable	3,547	101,043	104,590	51,419
Staff costs (note 9)	622,667	713,985	1,336,652	1,127,990
Property costs	97,296	44,688	141,984	134,318
Supplies and services	242,728	248,816	491,544	514,942
Other operating and administration costs	197,013	77,518	274,531	322,702
Governance costs (note 8)	22,619	-	22,619	34,615
	<u>1,185,870</u>	<u>1,186,050</u>	<u>2,371,920</u>	<u>2,185,986</u>

Expenditure on charitable activities in the year was £2,371,920 (2017: £2,185,986) of which £1,185,870 (2017: £1,052,675) was unrestricted and £1,186,050 (2017: £1,133,311) was restricted.

6 Other expenditure

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£	£	£	£
Net interest on net assets/liabilities of defined benefit pension scheme	<u>19,000</u>	<u>-</u>	<u>19,000</u>	<u>12,000</u>

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

7 Charitable activities - restricted funds

	Grants Distributed	Staff Costs	Property Costs	Supplies And Services	Other Operating Costs	Total
	£	£	£	£	£	£
<i>Projects</i>						
Scottish Government CLPL Science & Technology	-	558,685	38,592	232,247	25,476	855,000
PSTT Sustainability and extention	74,750	-	-	8,616	-	83,366
PSTT Strategic Partnership	-	50,000	-	-	-	50,000
PSTT Research Assistant	-	20,584	-	-	-	20,584
NSLC Course Management Support	-	79,016	6,096	4,761	2,499	92,372
NSLC Primary Cluster CPD	26,293	-	-	1,192	-	27,485
RCUK Cutting Edge Science Activity	-	5,700	-	-	-	5,700
Unit 1 Refurbishment	-	-	-	-	49,543	49,543
SUSS 2018	-	-	-	2,000	-	2,000
	<u>101,043</u>	<u>713,985</u>	<u>44,688</u>	<u>248,816</u>	<u>77,518</u>	<u>1,186,050</u>
2017	<u>44,301</u>	<u>690,266</u>	<u>40,391</u>	<u>240,088</u>	<u>118,265</u>	<u>1,133,311</u>

SSERC LIMITED
NOTES TO THE ACCOUNTS (Continued)
at 31 March 2018

8	Governance costs	2018	2017
		£	£
	Audit and accounting fees	9,025	8,775
	Staff costs	11,825	23,760
	Board expenses	764	830
	Legal fees	1,005	1,250
		<u>22,619</u>	<u>34,615</u>
9	Staff costs and numbers	2018	2017
		£	£
	Salaries	849,019	781,202
	Social security costs	81,528	78,814
	Pension costs	155,701	136,803
	Operating costs of DB pension scheme	141,000	70,000
		<u>1,227,248</u>	<u>1,066,819</u>
	Seconded and other contract staff	<u>121,229</u>	<u>84,931</u>
		<u>1,348,477</u>	<u>1,151,750</u>
	<i>Allocated:</i>		
	Charitable activities (note 5)	1,336,652	1,127,990
	Governance costs (note 8)	11,825	23,760
		<u>1,348,477</u>	<u>1,151,750</u>
	 Average number of employees (full time equivalents):		
	Company employees	22	21
	Local Authority contracted employees	<u>3</u>	<u>2</u>
		<u>25</u>	<u>23</u>

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. (2017: One employee received emoluments in the range £90,000 to £100,000. 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 £319,490 (2017: £355,235). The key management personnel comprise the Chief Executive Officer, the Director of Finance, The Director of Service, The Director of Professional Learning and The Director of Advisory Service. (2017: Chief Executive Officer, The Director of Service, The Director of Professional Learning and The Director of Advisory Service).

27 (2017: 23) of the company employees are members of the Lothian Pension Fund.

SSERC LIMITED
NOTES TO THE ACCOUNTS (Continued)
at 31 March 2018

10	Tangible fixed assets	Tenants' Improvements £	Motor Vehicles £	Fixtures & Equipment £	Computer Equipment £	Total £
	Cost					
	At 1 April 2017	442,456	10,835	160,429	122,475	736,195
	Additions	-	-	1,010	4,648	5,658
	Disposals	-	-	(5,414)	(6,682)	(12,096)
	At 31 March 2018	442,456	10,835	156,025	120,441	729,757
	Aggregate depreciation					
	At 1 April 2017	393,140	4,334	148,293	107,191	652,958
	Charge	41,256	2,167	11,018	8,120	62,561
	Disposals	-	-	(5,414)	(6,682)	(12,096)
	At 31 March 2018	434,396	6,501	153,897	108,629	703,423
	Net Book Value					
	At 31 March 2018	8,060	4,334	2,128	11,812	26,334
	At 31 March 2017	49,316	6,501	12,136	15,284	83,237
11	Debtors				2018 £	2017 £
	Due within one year					
	Trade debtors				46,465	87,670
	Prepayments and accrued income				25,417	26,182
	Other debtors				6,644	3,801
					78,526	117,653
	Due after one year					
	Prepayments and accrued income				2,190	1,454
					80,716	119,107
12	Creditors: Amounts falling due within one year				2018 £	2017 £
	Trade creditors				124,016	59,337
	Taxation and social security costs				26,060	37,212
	Accruals				93,906	99,702
	Deferred income				28,170	23,135
	Other creditors				19,301	17,034
					291,453	236,420

SSERC LIMITED

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2018

12 Creditors: Amounts falling due within one year (continued)

Deferred income

	Balance 1 April 2017 £	Released in year £	Deferred in year £	Balance 31 March 2018 £
Science for Secondary Probationers	6,505	(6,505)	5,005	5,005
SQA Resource Packs	8,000	(8,000)	-	-
SSERC Training Courses	3,030	(3,030)	1,200	1,200
Effective Demonstrations	654	(654)	-	-
Stirling and Clackmannanshire Councils Primary Science Projects	4,946	(4,946)	-	-
Local Authority Contributions	-	-	21,235	21,235
Enthuse Lab Skills Course	-	-	480	480
Enthuse Leadership Course	-	-	250	250
	<u>23,135</u>	<u>(23,135)</u>	<u>28,170</u>	<u>28,170</u>

The above incoming resources have been deferred on the basis that the income relates to 2018/19 activities.

13 Provisions for liabilities

	2018 £	2017 £
Dilapidation charge	<u>12,000</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 1 in 2017.

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2018

14 Unrestricted funds

	At 1 April 2017	Incoming Resources	Outgoing Resources	Gains and (Losses)	At 31 March 2018
2017/18					
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>336,346</u>
2016/17	At 1 April 2016	Incoming Resources	Outgoing Resources	Gains and (Losses)	At 31 March 2017
General funds	894,384	905,849	(911,898)	-	888,335
Pension reserve	(329,000)	-	(82,000)	(284,000)	(695,000)
Designated funds:					
Physics summer school	7,959	13,000	(11,529)	-	9,430
Risk management fund	11,787	-	-	-	11,787
Unit 1 running costs	223,744	-	(59,248)	-	164,496
	<u>£ 808,874</u>	<u>£ 918,849</u>	<u>£(1,064,675)</u>	<u>(284,000)</u>	<u>£ 379,048</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 2 years and 4 months worth of funds were left as at 31 March 2018.

SSERC LIMITED
NOTES TO THE ACCOUNTS (Continued)
at 31 March 2018
15 Restricted funds

2017/18	At 1 April 2017 £	Incoming Resources £	Outgoing Resources £	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>
2016/17	At 1 April 2016	Incoming Resources	Outgoing Resources	At 31 March 2017
Scottish Government CLPL Science & Technology	-	855,000	(855,000)	-
PSTT Sustainability and Extention	-	75,000	(540)	74,460
PSTT Strategic Partnership	13,934	50,000	(50,000)	13,934
NSLC Course Management Support	-	97,535	(89,392)	8,143
NSLC Primary Cluster CPD	13,911	40,000	(44,301)	9,610
RCUK Cutting Edge Science Activity	-	7,400	(7,400)	-
Unit 1 refurbishment	114,508	-	(64,965)	49,543
Skills Development Scotland – Interactive e-learning	30,269	-	(113)	30,156
Fife Council – Economic Development Enterprise	-	5,000	-	5,000
NSLC – STEM Ambassador Programme	-	21,600	(21,600)	-
	<u>£ 172,622</u>	<u>£ 1,151,535</u>	<u>£ (1,133,311)</u>	<u>£ 190,846</u>

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2018

15 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.

NSLC – STEM Ambassador Programme

Income provided from The National Stem Learning Centre for acting as Liaison Lead in the Stem Ambassador Programme in Scotland, ensuring that the STEM Ambassador hubs for Scotland each achieve their targets.

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.

SSERC LIMITED

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2018

16 Analysis of net assets between funds

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>
2016/17	Unrestricted	Restricted	Total 2017	Total 2016
Tangible fixed assets	33,694	49,543	83,237	143,320
Net current assets	1,052,354	141,303	1,193,657	1,173,176
Provisions	(12,000)	-	(12,000)	(6,000)
Pension liability	(695,000)	-	(695,000)	(329,000)
	<u>£ 379,048</u>	<u>£ 190,846</u>	<u>£ 569,894</u>	<u>£ 981,496</u>

17 Related Party Transactions

There were no related party transactions in the year (2017: none).

18 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 31st 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 2018. 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.

	2018	2017
	£	£
The pension charge for the year	<u>296,701</u>	<u>203,803</u>

SSERC LIMITED

NOTES TO THE ACCOUNTS (Continued)
at 31 March 2018

18 Pension commitments (continued)

The main financial assumptions are as follows:	2018	2017
Pension increase rate	2.4%	2.4%
Salary increase rate	4.1%	4.4%
Discount rate	2.7%	2.5%

The mortality assumptions are as follows:

Current pensioners	- male	21.7 years	22.1 years
	- Female	24.3 years	23.7 years
Future pensioners*	- male	24.7 years	24.2 years
	- Female	27.5 years	26.3 years

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

	2018 £000	2017 £000
The total cost recognised in the year were as follows:		
Current and past service costs	301	204
Net interest expense	19	12
Recognised in net income/expenditure	<u>320</u>	<u>216</u>
Recognised in other losses/(gains)	<u>168</u>	<u>284</u>
Total cost recognised	<u>488</u>	<u>500</u>

Amounts recognised in the balance sheet were as follows:	2018 £000	2017 £000
Present value of funded obligations	(4,563)	(4,093)
Fair value of plan assets	<u>3,876</u>	<u>3,398</u>
	<u>(687)</u>	<u>(695)</u>

Changes in the present value of the defined benefit obligations were as follows:	2018 £000
Opening defined benefit obligation	(4,093)
Current service cost	(296)
Past service cost	(5)
Interest expense	(106)
Actuarial losses	(64)
Contributions by scheme participants	(55)
Benefits paid	<u>56</u>
	<u>(4,563)</u>

SSERC LIMITED

NOTES TO THE ACCOUNTS (Continued) at 31 March 2018

18 Pension commitments (continued)

Changes in the fair value of the pension plan assets were as follows:	2018 £000
Opening plan assets	3,398
Interest income	87
Actual return on plan assets (excluding interest income)	232
Contributions by charity	160
Contributions by scheme participants	55
Benefits paid	(56)
	<u>3,876</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:

	2018	2017
Equity instruments	75%	67%
Bonds	11%	23%
Property	7%	7%
Cash	7%	3%
	<u>100%</u>	<u>100%</u>

The return on plan assets was as follows:	2018 £000	2017 £000
Interest income	87	92
Actual return on plan assets (excluding interest income)	<u>232</u>	<u>520</u>
	<u>319</u>	<u>612</u>

19 Other financial commitments	Equipment		Land and Buildings	
	2018	2017	2018	2017
	£	£	£	£
Total commitments under non-cancellable operating leases were as follows :				
Expiry Date :				
Within one year	4,248	4,248	58,651	78,627
Within two to five years	<u>3,322</u>	<u>7,569</u>	<u>90,000</u>	<u>144,000</u>

20 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.