

HIGHER EDUCATION POLICY INSTITUTE

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2022**

**The MGroup Partnership
Chartered Certified Accountants
4 Witan Way
Witney, Oxon
OX28 6FF**

**Company Registration Number: 04503712
Charity Number: 1099645**

HIGHER EDUCATION POLICY INSTITUTE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

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HIGHER EDUCATION POLICY INSTITUTE

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 JULY 2022

TRUSTEES AND DIRECTORS

Professor Dame Helen Wallace
Sir David Robert Bell
Mary Curnock Cook CBE
Professor Dame Sally Louise Mapstone
Professor Dame Julia Goodfellow
Appointed 1 October 2021
Professor Sir Ivor Martin Crewe
Resigned 1 October 2021

COMPANY SECRETARY

The company does not have an appointed secretary

REGISTERED OFFICE

80 Mount Street
Nottingham
NG1 6HH

COMPANY REGISTRATION NUMBER

04503712 England and Wales

CHARITY REGISTRATION NUMBER

1099645

ACCOUNTANTS

The MGroup Partnership
Chartered Certified Accountants
4 Witan Way
Witney
Oxon
OX28 6FF

HIGHER EDUCATION POLICY INSTITUTE

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 JULY 2022

PRINCIPAL PLACE OF BUSINESS

99 Banbury Road
Oxford
Oxon
OX2 6JX

BANKERS

Lloyds Bank
87 London Road
Headington
Oxford
Oxon
OX3 9AB

SOLICITORS

Freeths LLP Nottingham
80 Mount Street
Nottingham
NG1 6HH

INVESTMENT ADVISOR

Wren Sterling Financial Planning Ltd
Hinksey Court
West Way
Botley
Oxon
OX2 9JU

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022**

The trustees present their annual report and the financial statements for the year ended 31 July 2022.

Status

The organisation is a charitable company limited by guarantee, incorporated on 5 August 2002 and registered as a charity on 8 June 2000.

The company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association. Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

The reference and administrative details are shown on pages 1 to 2.

Objectives and activities

The Higher Education Policy Institute (HEPI) is an Oxford-based charity established in late 2002 'to promote research into and understanding of all aspects of higher education and to disseminate the useful results of such research for the education of policy makers and the general public in the United Kingdom'.

HEPI is funded by higher education institutions and other organisations that wish to see a vibrant higher education policy debate shaped by evidence. We are very grateful for this continuing support. During 2021/22, the number of HEPI University Partners grew to the highest ever number (130), as did the number of other organisations (15) supporting HEPI through the corporate Partnership programme.

Despite the pandemic, which continued to disrupt institutions, and also considerable political upheaval, HEPI was able to maintain its impact and had one of its more successful years in 2021/22. There were more pieces of new HEPI research than in every previous year with the exception of 2019/20. HEPI hosted a busy and complex events programme that mixed in-person, online and hybrid events. There was also record engagement with our work online.

In autumn 2021, HEPI's long-standing Chair, Professor Sir Ivor Crewe, was replaced as Chair by Professor Dame Sally Mapstone, Principal and Vice-Chancellor of the University of St Andrews, and Professor Dame Julia Goodfellow joined the Trustees.

Achievements and performance

As a specialist body, HEPI is smaller than most other think tanks yet the organisation's work was recognised in the Prospect Think Tank of the Year Awards, when HEPI was shortlisted for the Social Policy Award for the second year running.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022**

Publications

In 2021/22, HEPI produced 25 pieces of published research, including three issues of the termly Policy Briefing paper. Our published output included 11 analytical HEPI 'blue books', five HEPI Policy Notes, three red HEPI Debate Papers and a range of other publications, many of which were produced in conjunction with other organisations that support HEPI's work.

- August 2021: a collection of essays on the student voice;
- September 2021: a study (with Universities UK International and London Economics) on the value of international students to the UK, a report on the state of the humanities and a paper by Lord Willetts on reforming higher education finance;
- October 2021: a study (with Kaplan International Pathways) of careers support for international students and another on R&D spending and regional policy;
- November 2021: a report on graduates' perceptions of different student finance regimes and a consideration of who owns the rights to recorded lectures;
- December 2021: a report on the 'One Nation University';
- January 2022: a report on first-in-family students;
- February 2022: a report (with Unite Students) on the experiences of Black students in student accommodation and a detailed study of national security and research;
- March 2022: a paper on illicit drug use among students and how to react to it, an account of how to define quality in higher education (produced with the Quality Assurance Agency to mark their 25th anniversary) and a study of the low take-up of Chinese Studies among UK students;
- April 2022: a collection of pieces on the impact of the Government's Level 3 reforms;
- May 2022: a study of the changing tenure of UK vice-chancellors over time;
- June 2022: the annual HEPI / Advance HE student survey and the results of a poll on what students think about free speech and
- July 2022: a detailed look at the educational experiences of Gypsies, Roma and Travellers, a report on university governors' responsibilities on academic quality and an account of what more universities might do to help tackle homelessness.

In addition, other new research featured on the HEPI website, including: the 2021 HEPI Soft-Power Index; an analysis of recent A-Level results by Mary Curnock Cook CBE; and the 2022 Social Mobility Index.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022**

Events

In 2021/22, HEPI hosted a mix of in-person, online and hybrid events, including:

- five webinars hosted with HEPI Partners and University Partners on topics such as research spending, Gypsy, Roma and Traveller access to higher education, the experiences of Black students, understanding China and the employability of international students in the UK;
- three dinners hosted in conjunction with HEPI Partners, on open access, sustainability and homelessness and higher education;
- three HEPI / Advance HE events, two of which were held online and looked at the future of higher education and inclusivity, and one in the Palace of Westminster on measuring value;
- two HEPI Partner Roundtable Dinners, one with Clare Marchant of UCAS and another with Matt Western MP, the Shadow Minister for Higher Education, and Professor Nick Pearce;
- the HEPI Annual Conference on 'Challenges for the Future', sponsored by UPP, including speeches from the Minister for Higher and Further Education, Michelle Donelan MP, and the political journalist and experienced university governor, Michael Crick;
- a hybrid Policy Briefing Day on recent higher education policy developments;
- an online 'In Conversation' event, with the Executive Chair of Research England, David Sweeney, on the day the Research Excellence Framework results were published;
- a party conference fringe event with the UPP Foundation on reconnecting universities with the public;
- an informal dinner with potential HEPI authors on free speech on campus and
- a briefing for the press on the results of the HEPI / Advance HE 2022 Student Academic Experience Survey.

Online activity

In 2021/22, HEPI achieved record engagement. In 2021/22, we achieved 682,000 hits, which is nearly 10% higher than in the previous (record) year and nearly double the pre-COVID total. There were over 250 separate blog entries, with one new piece each working day. One innovation for 2021/22 was a number of blog series on topics including: employability; the Research Excellence Framework; and access to research.

While website hits provide a rough proxy for trends in engagement with HEPI's work, they only capture a minority of interactions. HEPI also publicises its work through direct communications via an electronic database, by posting out hundreds of hard copies of each major publication, by attending other organisations' events to talk about our work and by working through specialist, local and national media outlets.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022**

Equality, Diversity and Inclusion (EDI)

In 2021/22, we put a greater focus on EDI issues – for example, by ensuring more diverse speaker panels, working to ensure a wider mix of authors and publishing reports on a range of EDI issues.

Our written work in 2021/22 included:

- supporting a project run by the Centre for Transforming Access and Student Outcomes in Higher Education (TASO) on the wellbeing of LGBTQ+ students, which was based on data from the HEPI / Advance HE Student Academic Experience Survey and launched to coincide with Pride month;
- working closely with Unite Students on the Living Black at University project, which provides the first detailed account of the experience of Black students in purpose-built student accommodation;
- publishing a detailed HEPI study of the outcomes of Gypsies, Roma and Travellers, who are the ethnic minorities most excluded from education, and hosting an accompanying online event; and
- producing a detailed HEPI report on what universities could do to tackle homelessness, as well as hosting an event with the UPP Foundation on the same topic.

There were slightly more male (56%) than female (44%) authors of HEPI reports and a similar imbalance among those blogging on the HEPI website (57% male; 43% female). This was a more even balance than in the past but shows there was still some distance to travel before reaching parity. In contrast, there were slightly more female speakers (52%) at HEPI events than male speakers (48%), marking a clear change from the past.

Financial review

In 2021/22, both income and expenditure rose and the key financial indicators show a material surplus of £49,204, confirming the recovery in HEPI's financial position after the COVID pandemic reduced in impact. While the surplus is significantly lower than that achieved in the previous year, this is explained by differences in the investment performance of HEPI's reserves: investment performance was strongly positive in 2020/21 but distinctly negative in 2021/22.

The Charity has the power to make any investment which the Trustees see fit. In 2021/22, the reserves were divided between a Lloyds bank current account, a savings account with Aldermore and a medium-risk equity investment vehicle run by Aviva and overseen for HEPI by a local independent financial advice firm.

Future plans include continuing to conduct and disseminate research to further the aims of the charity as described in HEPI's Articles of Association. HEPI also plans to maintain and develop relationships with existing and potential partner companies and higher education institutions.

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022**

Structure, governance and management

The charity is a company limited by guarantee.

During 2021/22, HEPI's Chair, Professor Sir Ivor Crewe, retired after long and dutiful service to the charity. He was replaced as Chair by Professor Dame Sally Mapstone, who had first become a Trustee in late 2020/21.

The Trustees, who are also the Members of the HEPI Company for the purposes of company law, and who served during the year and up to the date of the signature of the financial statements were:

Professor Sir Ivor Martin Crewe	(Retired 1 October 2021)
Professor Dame Sally Louise Mapstone	(Chair from 1 October 2021)
Sir Robert David Bell	
Mary Curnock Cook CBE	
Professor Dame Julia Goodfellow	(Appointed 1 October 2021)
Professor Dame Helen Wallace	

Statement of trustees' responsibilities

The trustees, who are also the directors of Higher Education Policy Institute for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022**

Conclusion

In common with other organisations, including higher education institutions and other small charities, HEPI's income took a big hit during the worst of the COVID pandemic, resulting in a substantial deficit in 2019/20. In 2020/21, the situation improved due primarily to stringent cost-cutting, resulting in a surplus. In 2021/22, income and expenditure were both up and (excluding investment returns / losses) the surplus was comparable to that achieved in the previous year, further bolstering HEPI's reserves.

There was a change in the way that donations from University Partners are recorded in HEPI's accounts, with each donation now being spread equally over each of the subsequent 12 months. This resulted in the 2020/21 figures being recalculated and restated in order for the figures for 2021/22 to be directly comparable.

HEPI's financial position is affected by the wider economic picture, including the growth in inflation, as well as the financial strength of the higher education sector, which is less good than it was. So HEPI's recent positive financial performance is not guaranteed to continue into the future.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities, and in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 23 March 2023

Signed on its behalf by

Professor Dame Sally Louise Mapstone
Chair
Trustee

**INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 31 JULY 2022**

I report to the trustees on my examination of the accounts of Higher Education Policy Institute for the year ended 31 July 2022, which are set out on pages 10 to 25.

RESPONSIBILITIES AND BASIS OF REPORT

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ACCA, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- (1) accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- (2) the accounts do not accord with those records; or
- (3) the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- (4) the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



D J Green (FCCA)

For and on behalf of
The MGroup Partnership
Chartered Certified Accountants
4 Witan Way
Witney
Oxon, OX28 6FF
25 April 2023

**STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 2022	Total Funds 2021 (As restated - see note 3)
		£	£	£	£
INCOME					
<u>Charitable activities</u>					
Sponsorships and speakers fees		45,065	-	45,065	53,283
Conference fees		10,554	-	10,554	12,592
Partnership scheme		465,854	-	465,854	435,988
Grant income		-	20,000	20,000	-
		521,473	20,000	541,473	501,863
<u>Investment income</u>					
Investments		1,192	-	1,192	908
Total income	5	522,665	20,000	542,665	502,771
Expenditure on:					
Raising funds		4,792	-	4,792	3,971
Charitable activities		465,347	-	465,347	424,958
Other expenditure		159	-	159	50
Total expenditure	6	470,298	-	470,298	428,979
NET INCOME BEFORE TRANSFERS		52,367	20,000	72,367	73,792
Transfer between funds		-	-	-	-
Net incoming / (outgoing) resources before gains and losses on investments		52,367	20,000	72,367	73,792
OTHER RECOGNISED LOSSES / GAINS					
(Loss) / gain on investment assets	11	(23,163)	-	(23,163)	42,260
NET MOVEMENT IN FUNDS		29,204	20,000	49,204	116,052
Reconciliation of funds					
Total funds at 1 August 2021 (as restated)	17	580,004	-	580,004	463,952
Total funds at 31 July 2022	17	609,208	20,000	629,208	580,004

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

HIGHER EDUCATION POLICY INSTITUTE

BALANCE SHEET AS AT 31 JULY 2022

	Notes	2022 £	2021 (As restated - see note 3) £
FIXED ASSETS			
Tangible assets	10	13,625	12,079
Investments	11	466,211	419,167
		<u>479,836</u>	<u>431,246</u>
CURRENT ASSETS			
Debtors	12	55,073	44,840
Cash at bank and in hand	19	443,793	340,238
		<u>498,866</u>	<u>385,078</u>
CREDITORS: Amounts falling due within one year	13	<u>349,494</u>	<u>236,320</u>
NET CURRENT ASSETS		<u>149,372</u>	<u>148,758</u>
NET ASSETS		<u>629,208</u>	<u>580,004</u>
FUNDS OF THE CHARITY:			
Unrestricted income funds	17	609,208	580,004
Restricted income funds	17	20,000	-
		<u>629,208</u>	<u>580,004</u>

HIGHER EDUCATION POLICY INSTITUTE

BALANCE SHEET AS AT 31 JULY 2022

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard 102 Section 1A smaller entities.

For the financial year ended 31 July 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

No notice has been deposited under section 476 of the act requesting the company to obtain an audit.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Signed on behalf of the board of trustees

Professor Dame Sally Louise Mapstone
Trustee - Chair

Date approved by the board: 23 March 2023

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	2021 (As Restated) £
Cash flows from operating activities			
Net income for the reporting period (as per the SOFA)		72,367	73,792
Adjustments for:			
Depreciation charges		3,833	3,453
(Increase) / Decrease in debtors		(10,233)	27,263
Loss on the sale of other tangible fixed assets		159	50
Increase / (decrease) in creditors		113,174	(10,272)
		<hr/>	<hr/>
Cash generated from operations		179,300	94,286
Interest received		(1,192)	(908)
		<hr/>	<hr/>
Net cash generated by operating activities		178,108	93,378
		<hr/>	<hr/>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,192	908
Proceeds from the sale of other tangible fixed assets		-	400
Purchase of property, plant and equipment		(5,538)	(765)
Proceeds from sale of investments		4,418	3,973
Purchase of investments		(74,625)	-
		<hr/>	<hr/>
Net cash used in investing activities		(74,553)	4,516
		<hr/>	<hr/>
Net increase in cash and cash equivalents		103,555	97,894
Cash and cash equivalents at the beginning of the year		340,238	242,344
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	19	443,793	340,238
		<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

1 GENERAL INFORMATION

Higher Education Policy Institute is a registered charity and company limited by guarantee incorporated in England and Wales. Its registered office and principal office is:

Registered office

80 Mount Street
Nottingham
NG1 6HH

Principal place of business

99 Banbury Road
Oxford
OX2 6JX

The financial statements are presented in Sterling, which is the functional currency of the charity.

The charity is a public benefit entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of the financial statements

These financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard 102 Section 1A smaller entities, Financial Reporting Standard 102 Section 1A smaller entities 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"), the Companies Act 2006 and the Charities Act 2011.

Going concern

The Trustees have further reviewed the Charity's cash flow forecasts for the year to 31 July 2023 and have considered any potential issues that will have an impact on the Charity's different sources of income as well as their ongoing costs.

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming resources

Incoming resources in the period shown in the Statement of Financial Activities represents funds received from the sponsorship and speakers fees, partnership schemes and conference fees.

Income from sponsorship and speakers fees and partnership schemes are recognised when the company obtains a right to consideration in exchange for its performance. Any amounts received in advance are deferred to future periods.

Income from conference fees are included in incoming resources in the period in which the relevant event takes place.

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Grants

Grants and donations are only included in the Statement of Financial Activities when the charity has unconditional entitlement to the resources and are treated as restricted or unrestricted income in line with the donor's instructions.

The company received total grant income of £20,000 (2021: £NIL). All of this related to income received from Research England to support HEPI's activities where they contribute to the understanding of issues facing research and knowledge exchange in universities.

Expenditure

Expenditure is directly attributable to specific activities and is charged to those cost categories.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation has been provided at the following rates so as to write off the cost less residual value of the assets over their estimated useful lives.

Website costs	Reducing balance basis at 20% per annum
Computer and Office Equipment	Straight line basis at 33.33% per annum

On disposal, the difference between the net disposal proceeds and the carrying amount of the item sold is recognised in the statement of financial activities.

Fixed Asset Investments

Listed investments are shown at fair value and revalued annually with any surplus or deficit dealt with through the statement of financial activities.

Leases

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

Payments made under operating leases are recognised as expenditure over the lease term on a straight-line basis.

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Being a registered charity, the charity is not liable to taxation on its income.

Financial instruments

The charity only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets are measured at cost and are assessed at the end of each reporting period for objective evidence of impairment. Where objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

The impairment loss for financial assets measured at cost is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the charity would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value, like goodwill and plant, property and equipment, are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets (which is the higher of value in use and the fair value less cost to sell) is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the statement of financial activities.

If an impairment loss is subsequently reversed, the carrying amount of the asset, or group of related assets, is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset, or group of related assets, in prior periods. A reversal of an impairment loss is recognised immediately in the statement of financial activities.

Debtors

Short term debtors are measured at transaction price, less any impairment.

2 STATEMENT OF ACCOUNTING POLICIES (continued...)

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and subsequently at amortised cost.

Funds

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside for specific purposes at the discretion of the trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for particular purposes.

Legal status of the charity

The company does not have share capital and is limited by guarantee. Each member of the company undertakes to contribute to the assets of the company, in the event of it being wound up such amounts as may be required will not exceed £1.

Pensions

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the amount payable in the year. Differences between contributions payable and contributions actually paid in the year are shown as other creditors in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

3 RESTATEMENT OF COMPARATIVES

The charity had understated deferred income with respect of the partnership scheme at 31 July 2020 and 31 July 2021 by £89,000 and £9,292 respectively. This was due to the membership fees not being recognised equally over the period of the membership, with a significant proportion being recognised in full in the year of receipt. As a result the comparative balances for the year ended 31 July 2020 and 31 July 2021 have been restated as follows:

The charity recognised the revaluation gain on investment assets as income from investments in the year to 31 July 2021 valued at £42,260. This was moved out of total income to gain/(loss) on investment assets as it was incorrectly treated as income instead of a revaluation. This had no effect on the fund position. As a result the comparative balances for the year ended 31 July 2021 have been restated as follows:

	Funds of the charity
2020 as previously stated	552,952
Correction relating to deferred income - 2020	(89,000)
	<hr/>
2020 restated	463,952
	<hr/>

	Gain / (loss) on investment assets	Total income	Accruals and deferred income	Funds of the charity
2021 as previously stated	-	554,323	92,341	678,296
Correction relating to deferred income - 2020	-	-	89,000	(89,000)
Correction relating to deferred income - 2021	-	(9,292)	9,292	(9,292)
Correction in relation to gain on investments	42,260	(42,260)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
2021 restated	42,260	502,771	190,633	580,004
	<hr/>	<hr/>	<hr/>	<hr/>

The charity had recognised the investment in current assets at 31 July 2021 valued at £419,167. This has since been recognised in fixed assets. As a result the comparative balances for the year ended 31 July 2021 have been restated as follows:

	Net current assets	Current assets	Fixed assets
2021 as previously stated	666,217	804,245	12,079
Correction relating to reallocating investment	(419,167)	(419,167)	419,167
Correction relating to deferred income as stated above	(98,292)	-	-
	<hr/>	<hr/>	<hr/>
2021 restated	148,758	385,078	431,246
	<hr/>	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

5 INCOMING RESOURCES

3% (2021 - 5%) of the charity's turnover is attributable to geographical markets outside of the United Kingdom.

The incoming resources included on page 10 consist of the following sources of income:

	2022	2021
	£	£
Unrestricted income:		
Charitable activities		
Sponsorship and speakers fees	45,065	53,283
Conference fees	10,554	12,592
Partnership scheme	465,854	435,988
	<u>521,473</u>	<u>501,863</u>
Investment income		
Investments	1,192	908
	<u>522,665</u>	<u>502,771</u>
Restricted income:		
Charitable activities		
Grant income	20,000	-
	<u>20,000</u>	<u>-</u>
Total income	<u><u>542,665</u></u>	<u><u>502,771</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

6 EXPENDITURE

The resources expended included on page 10 consist of the following sources of expenditure:

	2022	2021
	£	£
Unrestricted expenditure:		
Charitable activities		
Sub-contractors	28,911	67,694
Postage	15,700	11,659
Publication Printing	30,811	20,117
Events and conferences	43,484	3,498
Rent (operating leases)	8,893	7,600
Wages	241,558	233,967
Employer's National Insurance	22,186	20,157
Staff pension cost	27,878	26,182
Insurance	536	1,108
Books and data	505	569
Repairs and maintenance	465	-
Telephone and fax	485	218
Computer operating costs	2,162	2,826
Printing, postage and stationery	4,250	3,711
Advertising and marketing	3,744	2,290
Entertainment	3,666	541
Travel and subsistence	9,053	544
Legal fees	791	7,109
Accountancy fees	7,680	6,113
Bookkeeping	1,780	1,279
Bank charges	160	(199)
Staff training	2,270	2,352
Subscriptions	4,546	2,170
Depreciation	3,833	3,453
	<hr/>	<hr/>
	465,347	424,958
Raising funds		
Governance costs - independent exam	4,792	3,971
Other expenditure		
Loss on sale of tangible fixed assets	159	50
	<hr/>	<hr/>
Total expenditure	<hr/> 470,298 <hr/>	<hr/> 428,979 <hr/>

7 EMPLOYEES

The average number of persons employed by the charity (including trustees) during the year was:

	2022	2021
Average number of employees	5	5
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

8 STAFF COSTS

	2022	2021
	£	£
Staff costs during the year amounted to:		
Salaries and wages	241,558	233,967
Social security costs	22,186	20,157
Pension contributions	27,878	26,182
	<u>291,622</u>	<u>280,306</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2022	2021
		(As restated)
£100,001-£110,000	1	1
	<u>1</u>	<u>1</u>

9 KEY MANAGEMENT PERSONNEL REMUNERATION

	2022	2021
	£	£
Key management personnel remuneration for the year amounted to:		
Salary and wages	104,269	104,489
Pension	19,811	19,853
	<u>124,080</u>	<u>124,342</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

10 TANGIBLE ASSETS

	Website costs £	Computer and Office Equipment £	Total £
Cost			
At 1 August 2021	30,776	24,752	55,528
Additions	-	5,538	5,538
Disposals	-	(3,680)	(3,680)
At 31 July 2022	<u>30,776</u>	<u>26,610</u>	<u>57,386</u>
Accumulated depreciation			
At 1 August 2021	19,905	23,544	43,449
Charge for year	2,175	1,658	3,833
Disposals	-	(3,521)	(3,521)
At 31 July 2022	<u>22,080</u>	<u>21,681</u>	<u>43,761</u>
Net book value			
At 1 August 2021	<u>10,871</u>	<u>1,208</u>	<u>12,079</u>
At 31 July 2022	<u>8,696</u>	<u>4,929</u>	<u>13,625</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

11 FIXED ASSET INVESTMENTS

	Total other investments £
Cost	
At 1 August 2021 (as restated)	419,167
Additions	74,625
Revaluation	(23,163)
Disposals	(4,418)
At 31 July 2022	<u>466,211</u>
Net book value	
At 1 August 2021 (as restated)	<u>419,167</u>
At 31 July 2022	<u>466,211</u>

The investments are UK listed investments and have been measured at market value.

12 DEBTORS

	2022 £	2021 £
Trade debtors	52,058	43,590
Prepayments and accrued income	3,015	-
Other debtors	-	1,250
	<u>55,073</u>	<u>44,840</u>

13 CREDITORS: amounts falling due within one year

	2022 £	2021 (As restated) £
Trade creditors	14,453	19,285
Taxation and social security	44,195	19,999
Accruals and deferred income	284,443	190,633
Other creditors	6,403	6,403
	<u>349,494</u>	<u>236,320</u>

14 DEFERRED INCOME

Included in accruals and deferred income is deferred income of £266,771 in respect of income received in 2022 which relates to 2023. In the accounts for the year ended 31 July 2021 income totalling £178,825 was deferred and has been released in the current year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

15 COMMITMENTS

Amounts falling due under operating leases:

	2022	2021
	£	£
Expiring in less than one year	10,980	-
Expiring in more than one but less than five years	13,725	-
	<u>24,705</u>	<u>-</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 July 2022 are represented by:

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Investments	466,211	-	466,211
Tangible assets	13,625	-	13,625
Debtors	55,073	-	55,073
Cash at bank and in hand	423,793	20,000	443,793
Current liabilities	(349,494)	-	(349,494)
	<u>609,208</u>	<u>20,000</u>	<u>629,208</u>

17 MOVEMENT IN FUNDS

	August 2021 (As restated)	Incoming resources	Outgoing resources	Transfers	As at 31 July 2022
	£	£	£	£	£
Unrestricted funds:					
Charitable activities	580,004	522,665	(493,461)	-	609,208
Total unrestricted funds	<u>580,004</u>	<u>522,665</u>	<u>(493,461)</u>	<u>-</u>	<u>609,208</u>
Restricted funds					
Grant income	-	20,000			20,000
Total restricted funds	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Total funds	<u>580,004</u>	<u>542,664</u>	<u>(493,461)</u>	<u>-</u>	<u>629,208</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

17 MOVEMENT IN FUNDS (continued...)**Movement in funds (previous year)**

	August 2020 (As restated) £	Incoming resources (As restated) £	Outgoing resources £	Transfers £	As at 31 July 2021 (As restated) £
Unrestricted funds:					
General funds	463,952	545,031	(428,979)	-	580,004
Total unrestricted funds	463,952	545,031	(428,979)	-	580,004
Restricted funds					
Total restricted funds	-	-	-	-	-
Total funds	463,952	545,031	(428,979)	-	580,004

Grant income

Funds of £20,000 from Research England to support HEPI's activities where they contribute to the understanding of issues facing research and knowledge exchange in universities.

18 RELATED PARTY TRANSACTIONS

During the year the Charity made the following related party transactions:

Trustees and Directors

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity and no expenses were incurred during the year.

The charity reimbursed Nick Hillman (the director) for £901 relating to travel and subsistence. Nick Hillman also received remuneration of the amounts disclosed in note 9.

19 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash in hand	443,793	340,238
Total cash and cash equivalents	443,793	340,238