

# EDUCATION POLICY INSTITUTE

England & Wales · Charity number 1102186

## Details

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**Other names** CENTRE FOR REFORM, CENTREFORUM

**Status** Registered

**Legal form** Charitable company

**Company number** [04579498](#)

**Registered** 2004-02-19

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Education Policy Institute  
Lower Ground  
150 Buckingham Palace Road  
SW1W 9TR

**Phone** 02073401165

**Email** [info@epi.org.uk](mailto:info@epi.org.uk)

**Website** [www.epi.org](http://www.epi.org)

## Activities

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**Objects:** THE PURPOSES OF THE CHARITY ("THE OBJECTS") ARE:THE NON-PARTISAN ADVANCEMENT OF EDUCATION OF THE PUBLIC IN THE ECONOMIC SOCIAL AND POLITICAL SCIENCES AND THEIR EFFECT ON PUBLIC POLICY AND THE POLICY-MAKING PROCESS IN THE UK AND THE PROMOTION AND PUBLICATION OF OBJECTIVE RESEARCH; ANDANY OTHER PURPOSES DEEMED CHARITABLE UNDER THE LAW OF ENGLAND AND WALES.

**Activities:** The Institute's aim is to promote high quality education outcomes for all children and young people, regardless of social background by employing an impartial and evidence based approach. In addition to its focus on raising standards in education from early years through to higher education and beyond, the EPI's also researches young people's mental health.

## Classification

- **How:** Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, The General Public/mankind

## Geography

- **Area of benefit:** NATIONAL AND OVERSEAS
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,372,333	£1,756,633	£942,874	25
2024-03-31	£1,789,292	£1,765,111	£1,327,175	25
2023-03-31	£1,360,803	£1,414,054	£1,302,995	21
2022-03-31	£1,782,228	£1,334,923	£1,356,244	21
2021-03-31	£1,336,047	£1,377,875	£908,939	22

## Trustees

Name	Role	Appointed
Anne-Marie Canning MBE		2024-01-30
CHARLES DAVID WILLIAM BRAND		
Chris Husbands		2024-01-30
Geoff Barton		2025-09-01
Hardip Begol		2024-05-01
Kitty Stewart		2017-05-01
Timothy Charles Leunig		2024-01-30

**EDUCATION POLICY INSTITUTE**

England & Wales - Charity number 1102186

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# Accounts

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Registered number: 04579498  
Charity number: 1102186

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**EDUCATION POLICY INSTITUTE**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**

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**EDUCATION POLICY INSTITUTE**

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The following pages do not form part of the statutory financial statements:

**Charity Detailed Income and Expenditure Account and Summaries**

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**EDUCATION POLICY INSTITUTE**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2025**

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<b>Trustees</b>	Chris Husbands, Chair Timothy Charles Leunig Hardip Begol Dr Kitty Stewart Anne-Marie Canning MBE Charles Brand David Laws (resigned 31 March 2025) Baroness Sally Morgan (resigned 30 April 2025) Geoff Barton (appointed 1 September 2025)
<b>Company registered number</b>	04579498
<b>Charity registered number</b>	1102186
<b>Registered office</b>	150 Buckingham Palace Road London SW1W 9TR
<b>Company Secretary</b>	Natalie Perera
<b>Chief Executive Officer</b>	Ms Natalie Perera
<b>Independent auditors</b>	Calders (1883) LLP Chartered Accountants & Statutory Auditors 30 Orange Street London WC2H 7HF

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2025

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The Trustees who are also directors are pleased to present their annual report together with the audited financial statements of the charity for the 1 April 2024 to 31 March 2025. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102) (effective 1 January 2019). The Trustees Report serves the purposes of both a Trustees' report and a directors' report under company law. Trustees of the Company are its Directors for the purpose of company law and throughout this report they are collectively referred to as the Trustees.

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

As a result of fully providing for restricted grants on an entitlement basis in prior periods out of which expenditure has been incurred in later years explains why there has been a net spend of £447,138 in 2025 on the restricted funds.

#### **Objectives and activities**

##### **a. Policies and objectives**

**Policies and Objectives:** The principal objects of the charity are non-partisan advancement of education of the public in the economic, social and political sciences and their effect on public policy and the policy-making process in the UK and the promotion of objective research, and any other purposes deemed charitable under the law of England and Wales. There have been no changes in the objectives since our last Annual Report. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, and the duties set out in Section 17 (5) of the Charities Act 2011, including the guidance "Public Benefit: Running a Charity".

##### **b. Main activities undertaken to further the charity's purposes for the public benefit**

**Main activities undertaken to further the charity's purposes for the public benefit:** Our main activities and how we try to achieve our principal objectives for the benefit of the public are described below. All our charitable activities focus on the advancement of education of the public in the UK and are undertaken to further our charitable purposes for the public benefit.

#### **Achievements and performance**

##### **a. Review of activities**

1st April 2024 to 31st March 2025.

The Education Policy Institute is an independent, impartial and evidence based research institute, which aims to promote high quality education outcomes, regardless of social background. We continue to use quantitative and other methods to analyse all phases of education in England, to help policy makers and practitioners to adopt more effective strategies to improve outcomes. We particularly focus on policy challenges relating to the long "tail" of low attainment, and we seek to promote policy solutions which close the education gap between vulnerable children and adults, and the rest of the pupil and adult populations. We are also interested in non attainment related education and child development issues, and we have an important strand of work on child wellbeing and mental health.

In December 2024, the Chair of Trustees, Rt Hon David Laws, stepped down as Chair and Charles Brand acted as interim Chair. In March 2025, the Board of Trustees voted to appoint Professor Sir Chris Husbunds as

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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#### Achievements and performance (continued)

permanent Chair.

EPI has continued to produce a wide variety of outputs across our research areas and has also helped to inform policy making through sitting on government advisory boards and other Commissions. Our work has continued to have significant impact through the media and other routes and we continued to host a large programme of events, roundtables and conferences.

In the autumn of 2024, EPI held 30 events at the Liberal Democrat, Labour and Conservative party conferences. We also held a further three events at the Liberal Democrat spring conference in 2025.

Our research has continued to have an impact on government and public policy this year and this has been evident through the adoption of recommendations in our reports on the impact of extra-curricular activities, outcomes for young people taking T Levels and the impact of the two-child benefit cap.

We have also used innovative methodologies and techniques to explore emerging and under-investigated issues. Our reports on outcomes for suspended pupils (which won an ONS award), SEND identification and teacher pensions all used new datasets, sometimes matched with the National Pupil Database, to provide rigorous and novel findings. Another notable report in this period was our work on breaking down the disadvantage gap, which found that absence from school was the main driver of the widening of the gap during the Covid-19 pandemic.

We also initiated work under our "Policy Innovation Hub", convening experts and publishing summary papers on the use of Ed Tech, climate change in schools and an assessment of the Children's Wellbeing and Schools Bill.

Our major publications this year are listed below:

- School funding model: Effect of falling school rolls
- How do we support young people to get in and get on in the world of work?
- The Features of Effective School Groups
- Outcomes for pupils suspended in primary school
- Ofsted ratings – have standards been improving?
- The workforce challenges facing an incoming government
- General Election 2024: An analysis of manifesto pledges for education
- Annual Report 2024
- The importance of supporting the home learning environment in the early years
- Closing the Forgotten Gap: Implementing a 16-19 Student Premium
- Examining post-pandemic absences in England
- Early adult outcomes for suspended pupils
- Do teachers want pension flexibility?
- Under-registration for free school meals in early primary school: How could this be tackled?
- Laurus Trust – Student outcomes and Progress
- Non-specialist mental health support for young people in England
- The attainment benefits of an extra hour a week
- Higher education is in crisis – but have we forgotten about further education?
- The 'two child limit': ill-conceived, inefficient – and misunderstood?
- Access and participation in HE in 2022/23
- What can quantitative analyses tell us about the national impact of the phonics screening check?
- Progression at age 16 of young people from underrepresented backgrounds towards careers in STEM
- Tackling the persistent disadvantage gap-A new approach to deprivation funding
- A quantitative analysis of T level access and progression
- What do we know about teachers' use of edtech?
- Incentives to recruit and retain teachers in Wales
- Can machine learning using cross-government administrative and census data help us understand area-level under-registration for free school meals?

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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#### **Achievements and performance (continued)**

- Networks of Headteachers and Schools
- How can we reduce food poverty for under-fives?
- Children Missing from Education
- Climate and education: strategies for adaptation, learning and play
- Local Disadvantage Gaps in England
- Reforming Accountability
- Identifying SEND
- Who has been registered for free school meals and pupil premium in the National Pupil Database?
- Long-run changes in school leaving rules and outcomes across the UK
- Breaking down the gap
- What is needed from education policy to boost writing outcomes?
- What pensions do teachers want?

In addition to this, EPI also provided its annual analysis of GCSE and A Level results in the summer of 2025.

#### **b. Investment policy and performance**

The charity has no investments apart from bank deposits and the Trustees consider this as the appropriate vehicle for holding its funds.

#### **Financial review**

##### **a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### **b. Future Developments**

In May 2025, Trustees approved a 5-year strategic plan for the organisation which sets out its ambition for growth.

##### **c. Reserves policy**

It is the policy of the Trustees that reserves are maintained at a level to finance forecast future operations of the charity.

The charity's unrestricted reserves are £801,468 at the year end. It is currently considered appropriate to maintain reserves at the level of circa £750,000 to £1,000,000 to have sufficient reserves to finance activities in the event that the level of unrestricted donations should fall significantly. The charity's level of reserves and reserves policy will continue to be reviewed annually.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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#### Financial review (continued)

##### d. Summary of income and expenditure

The charity's restricted income during the reporting year was £362,930 (2024: £843,454). At the same time restricted expenditure increased was £810,068 (2024: £783,736).

The charity's unrestricted income during the reporting year was £1,009,403 (2024: £945,838). At the same time unrestricted expenditure decreased to £946,565 (2024: £981,375).

Total voluntary income decreased to £451,164 (2024: £879,093). Income from our research, sponsored events and membership subscriptions decreased to £882,396 (2024: £883,161).

##### e. Principal funding

Ongoing financial management is the responsibility of the Trustees. The annual budget is approved by the Trustees. Statements are presented to the Trustees, with explanations provided for variations from budget. The principal sources of funding are grants from a number of charitable trusts and sponsorship income for research, events and corporate subscriptions.

##### f. Research interns

It is the Institute's policy to pay research interns, typically working for between 1 - 3 months, at the London Living Wage.

#### Structure, governance and management

##### a. Constitution

Education Policy Institute is a charitable company limited by guarantee, incorporated on 1st November 2002 and registered as charity number 1102186 on 19th February 2004. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. Since May 2016 the operating name and identity has been the Education Policy Institute.

##### b. Methods of appointment or election of Trustees

Trustees are elected by a simple majority of all the Trustees entitled to attend and vote at any meeting of the Board. Trustees are appointed by recommendation and informal interview processing and approval by the full board. There is currently no formal policy of training and induction in place for new Trustees. However, all current Trustees have extensive experience of legal issues relating to charities and are also advised by the Company Secretary on such matters. Should the need for a more formal policy arise, this will be considered by the Trustees.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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#### Structure, governance and management (continued)

##### c. Organisational structure and decision-making policies

The current Trustees of the charity are also directors of the charity for the purposes of the Companies Act. The Trustees are responsible for setting the overall strategy of the charity and ensuring that the charitable purposes are adhered to and they retain overall responsibility for the running of the charity and delegation to relevant committees and/or sub Boards, as appropriate. The Trustees meet quarterly. Members of the Advisory Board provide input and advice on an ad hoc basis. Members of the Advisory Board include academics, commentators and education practitioners.

##### d. Financial risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that all risks have been addressed and, where appropriate, systems are in place to mitigate the exposure to major risks..

#### Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

#### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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EDUCATION POLICY INSTITUTE

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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025

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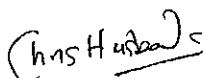
**Auditors**

The auditors, Calders (1883) LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

**Small companies note**

The Trustees' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by order of the members of the board of Trustees and signed on their behalf by:



**Chris Husbands**  
Chair of Trustee  
Date: 28 January 2026

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE

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#### Opinion

We have audited the financial statements of Education Policy Institute (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2025 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 Charities Act 2011.

#### 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE (CONTINUED)

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#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE (CONTINUED)

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#### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered and undertook the following audit procedures in response:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting frameworks (United Kingdom accounting standards and Companies Act 2006);
- We obtained an understanding of the nature of the industry and sector, control environment and business performance;
- The outcome of discussions with management and those charged with governance and any matters we identified having obtained and reviewed the company's documentation of their policies and procedures related to:
  - a. Identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non compliance or any actual or potential litigation or claims
  - b. Detecting and responding to the risk of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - c. The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- The matters discussed during the audit engagement team briefing regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. All engagement team members were advised to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify and unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and inspection of relevant legal correspondence
- In addressing the risk of fraud or error through management override of controls, testing the appropriateness of journal entries and other adjustments by testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions
- Assessing whether the judgements made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - a. understanding of, and practical experience with the audit engagements of a similar nature and complexity through appropriate training and participation;
  - b. knowledge of the industry in which the client operates;
  - c. understanding of the legal and regulatory requirements specific to the company including

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EDUCATION POLICY INSTITUTE

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE  
(CONTINUED)

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- the provisions of the applicable legislations
- the applicable statutory provisions

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the areas in which management is required to exercise significant judgement. We are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of the material amounts and disclosures in the financial statements.

Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company law, Tax and Pensions legislation and Charity Law.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate and avoid a material penalty. These included data protection, employment health and safety regulations, competition and anti-bribery laws and environment regulations.

With regards to laws and regulations relating to the operating aspects of the company, these were discussed with management and were not considered fundamental to the operating of the business therefore should not have a material impact on the financial statements.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with the IASs (UK).

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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EDUCATION POLICY INSTITUTE

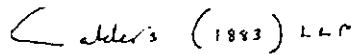
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE  
(CONTINUED)

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

 Calders (1883) LLP

**T Badiani (Senior Statutory Auditor)**

**for and behalf of  
Calders (1883) LLP**

Chartered Accountants & Statutory Auditors

30 Orange Street

London

WC2H 7HF

Date: 28 January 2026

Calders (1883) LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

EDUCATION POLICY INSTITUTE

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
<b>INCOME FROM:</b>					
Donations and legacies	2	362,930	88,234	451,164	879,093
Charitable activities	3	-	882,396	882,396	883,161
Investments	4	-	38,773	38,773	27,038
<b>TOTAL INCOME</b>		<b>362,930</b>	<b>1,009,403</b>	<b>1,372,333</b>	<b>1,789,292</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	-	396,864	396,864	238,078
Charitable activities		810,068	549,701	1,359,769	1,527,033
<b>TOTAL EXPENDITURE</b>		<b>810,068</b>	<b>946,565</b>	<b>1,756,633</b>	<b>1,765,111</b>
<b>NET (EXPENDITURE)/INCOME</b>		<b>(447,138)</b>	<b>62,838</b>	<b>(384,300)</b>	<b>24,181</b>
Transfers between funds		44,574	(44,574)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>(402,564)</b>	<b>18,264</b>	<b>(384,300)</b>	<b>24,181</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		543,971	783,204	1,327,175	1,302,994
Net movement in funds		(402,564)	18,264	(384,300)	24,181
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>141,407</b>	<b>801,468</b>	<b>942,875</b>	<b>1,327,175</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 16 to 28 form part of these financial statements.

**EDUCATION POLICY INSTITUTE**  
**REGISTERED NUMBER: 04579498**

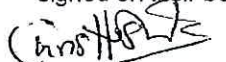
**BALANCE SHEET**  
**AS AT 31 MARCH 2025**

	Note	2025 £	2024 £
<b>FIXED ASSETS</b>			
Tangible assets	10	6,013	10,201
		<u>6,013</u>	<u>10,201</u>
<b>CURRENT ASSETS</b>			
Debtors	11	537,814	577,805
Cash at bank and in hand		801,910	916,013
		<u>1,339,724</u>	<u>1,493,818</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	12	(402,863)	(176,844)
		<u>936,861</u>	<u>1,316,974</u>
<b>NET CURRENT ASSETS</b>		<u>942,874</u>	<u>1,327,175</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>942,874</u>	<u>1,327,175</u>
<b>NET ASSETS EXCLUDING PENSION ASSET</b>		<u>942,874</u>	<u>1,327,175</u>
<b>TOTAL NET ASSETS</b>		<u><u>942,874</u></u>	<u><u>1,327,175</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds		141,407	543,971
Unrestricted funds		801,467	783,204
<b>TOTAL FUNDS</b>		<u><u>942,874</u></u>	<u><u>1,327,175</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 28 January 2026 and signed on their behalf by:

  
**Chris Husbands**  
Trustee

The notes on pages 16 to 28 form part of these financial statements.

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EDUCATION POLICY INSTITUTE

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2025

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	2025 £	2024 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	(150,122)	(72,010)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(2,754)	(5,659)
Interest from investments	38,773	27,038
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>36,019</b>	<b>21,379</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>(114,103)</b>	<b>(50,631)</b>
Cash and cash equivalents at the beginning of the year	916,013	966,644
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>801,910</b>	<b>916,013</b>

The notes on pages 16 to 28 form part of these financial statements

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Education Policy Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 1.2 Going concern

The Charity have received major grant /support commitments over the next 1-3 years to spend on its unrestricted charitable activities. The unrestricted funds increased from £783,204 to £846,042 over the year and forecast for 2026/27 does not expect the unrestricted reserve position to drop to an extent that it will not be able to finance its charitable activities basis. Therefore the directors consider that it is appropriate to adopt the going concern in preparation of the financial statements

##### 1.3 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### 1.4 Fund accounting

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

##### 1.5 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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#### 1. Accounting policies (continued)

##### 1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities

##### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Fixtures and fittings	- 3 years straight line
Office equipment	- 3 years straight line

##### 1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

##### 1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025

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1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash at bank and 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.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.12 Financial instruments

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

2. Income from donations, grants and legacies

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Donations and Grants	-	88,234	88,234	35,639
Restricted Grants	362,930	-	362,930	843,454
	<u>362,930</u>	<u>88,234</u>	<u>451,164</u>	<u>879,093</u>
<i>Total 2024</i>	<u>843,454</u>	<u>35,639</u>	<u>879,093</u>	

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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#### 2. Income from donations, grants and legacies (continued)

The Education Policy Institute received grants from three sources during the year for specific projects. The funds are deemed to be for a restricted purpose and expenditure in these grants are recorded separately.

Unbound Philanthropy which had an unspent grant brought forward of (£3,831) and during the year a further £40,000 was received and £42,126 was expended leaving a carried forward balance of (£5,957). The grant was provided in relation to core support of a research program on educational outcomes of vulnerable children.

Unbound Philanthropy which had an unspent grant brought forward of £2,272 and during the year £3,199 was expended leaving a carried forward balance of (£927). The grant was provided to fund the project on home schooling in England at prevalence, child characteristics and family motivations.

The Stitching Benevolentia has a grant brought forward of £1,082 but nothing was received or expended in the year, therefore, the unspent grant carried forward is £1,082. The grant was issued to fund a research project exploring the prevalence of managed moves and the local protocols which govern them.

Middlesex University has a grant brought forward balance of (£178) but nothing was received or expended in the year, therefore, the unspent grant carried forward is (£178). The grant was provided to fund the project on developing EY leadership through digitally mediated professional learning.

NIESR has a grant brought forward balance of £3,797. During the year a further £10,313 was received and £16,500 was expended with a balance carried forward of (2,390). This grant was provided to fund research in relation to the impact of COVID-19 on educational, language and socioemotional outcomes in key stage 1.

The Sequoia Trust had a balance brought forward of £438,480. During the year, £326,894 has been expended in the year with a balance carried forward of £111,586. This grant was granted to utilise on projects relating to the Disadvantages gap after Covid, Persistent disadvantaged funding, Phonics evaluation, Technical qualification reform and MAT Intervention. The balance of the grant was restricted to the charities operational and financial obligations.

The Paul Hamlyn Foundation provided a restricted grant with a balance brought forward of £1,583 but nothing was received or expended in the year, therefore, the unspent grant carried forward is £1,583. The grant provided is a "Voice, Influence and Partnership" grant where a final report needs to be submitted once completed.

Lord Nash has a grant brought forward balance of £14,115. During the year, £10,000 was reversed from restricted fund and £5,221 was expended leaving a carried balance of (£1,106). The grant was provided to support research into finding data on the number of children outside of formal education across the country.

The Prudence Trust have a grant brought forward forward balance of £52,619. £47,512 was expended in the year leaving a carried forward balance of £5,107. The grant is to be allocated to the research project "Mapping mental health and wellbeing services across the country"

The Welsh Government had a carried forward balance £8,830 in relation to grants previously provided. £8,820 was expended leaving a carried forward balance of £10. The purpose of the funding is for the charity to carry out scoping research on the incentives for teachers in Wales to work in challenging circumstances.

Gareth Thomas provided a grant previously that now has a brought forward balance of £5,146. During the year £6,526 was expended leaving a carried forward balance of (£1,380). The donation is to support the

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**2. Income from donations, grants and legacies (continued)**

research into finding data on the number of children outside of formal education across the country, who these children are, the reason they are not in state education and their post secondary outcomes.

A grant was committed by the Department of Education where the brought forward balance was £66 but nothing was received for expended in the year, therefore, the unspent grant carried forward is £66. The grant was provided so a report can be produced for all secondary schools that analyses each schools outcome in terms of progress 8, attainment 8, grades in key subjects, persistent absence and rate of fixed term exclusions.

KPMG have a grant brought forward forward balance of £19,990. During the year a further £11,190 was received and £41,843 was expended with a balance carried forward of (£10,663). This grant was received in relation to producing a report regarding reducing food poverty in under 5's.

£311,427 was received from Nuffield Foundation during the year in respect of recharges for staff salaries, overheads and other expenses. This was part of a Restricted income grant and has been treated accordingly. The funding provided are for collaborations on the following research projects:

- Comparison of cognitive skills and education attainment across the UK
- Comparing UK policies, outcomes and inequalities in post 16 education and training
- Estimating the influence of headteachers on their schools
- From algorithmic bias to teacher bias

In summary, total unspent restricted funds brought forward was £543,971; a further £362,930 of restricted funds was received, £810,068 was expended during the year and a transfer of £44,574 was made from the unrestricted funds during the year to finance those restricted projects which were in deficits and for which no further funds were expected to give a total balance of £141,407 to carry forward at the year end.

The grants are for non-partisan advancement of education.

**3. Income from charitable activities**

	<b>Unrestricted funds 2025 £</b>	<b>Total funds 2025 £</b>	<i>Total funds 2024 £</i>
Conference and events	439,195	<b>439,195</b>	252,940
Research projects	301,361	<b>301,361</b>	487,973
Subscriptions (individual and corporate)	141,840	<b>141,840</b>	142,248
	<u>882,396</u>	<u><b>882,396</b></u>	<u>883,161</u>
<i>Total 2024</i>	<u>883,161</u>	<u><b>883,161</b></u>	

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**4. Investment income**

	<b>Unrestricted funds 2025 £</b>	<b>Total funds 2025 £</b>	<i>Total funds 2024 £</i>
Bank interest received	38,773	<b>38,773</b>	27,038
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2024</i>	<i>27,038</i>	<i>27,038</i>	
	<hr/> <hr/>	<hr/> <hr/>	

**5. Expenditure on raising funds**

**Conferences and events**

	<b>Unrestricted funds 2025 £</b>	<b>Total funds 2025 £</b>	<i>Total funds 2024 £</i>
Conferences and events	129,553	<b>129,553</b>	150,829
Allocation of support costs ( Note 8)	267,311	<b>267,311</b>	87,249
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	396,864	<b>396,864</b>	238,078
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2024</i>	<i>238,078</i>	<i>238,078</i>	
	<hr/> <hr/>	<hr/> <hr/>	

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**6. Charitable activities**

	Restricted funds 2025 £	Unrestricted funds 2025 £	Total funds 2025 £	<i>Total funds 2024 £</i>
Unbound grant	45,325	-	<b>45,325</b>	90,055
Nuffield grant	311,427	-	<b>311,427</b>	264,319
Paul Hamlyn grant	-	-	-	472
Prudent Trust	47,512	-	<b>47,512</b>	27,381
Research fees and subscriptions	-	54,660	<b>54,660</b>	33,276
Sequoia Trust grant	326,894	-	<b>326,894</b>	290,157
KPMG grant	41,842	-	<b>41,842</b>	20,010
Middlesex University grant	-	-	-	1,476
NIESR grant	16,500	-	<b>16,500</b>	18,990
Welsh Government grant	8,820	-	<b>8,820</b>	14,376
Lord Nash grant	5,221	-	<b>5,221</b>	15,605
Gareth Thomas grant	6,526	-	<b>6,526</b>	19,505
Department for Education	-	-	-	21,390
Allocation of support costs (Note 8)	-	495,041	<b>495,041</b>	710,021
	<hr/> 810,067	<hr/> 549,701	<hr/> <b>1,359,768</b>	<hr/> 1,527,033
<i>Total 2024</i>	<hr/> <hr/> 783,736	<hr/> <hr/> 743,297	<hr/> <hr/> <b>1,527,033</b>	

**7. Governance costs**

	2025 £	2024 £
Auditors' remuneration	<b>16,000</b>	12,654
Auditors Remuneration (Underprovision for prior year)	<b>6,591</b>	4,000
Accountancy, payroll fees, auto-enrolment fees (Including prior year underprovision)	<b>8,997</b>	8,877
Bookkeeping	<b>3,510</b>	3,011
Legal and professional fees	<b>2,708</b>	7,613
	<hr/> <hr/> <b>37,806</b>	<hr/> <hr/> 36,155

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**8. Support costs**

	<b>Costs of generating funds 2025 £</b>	<b>Charitable activities 2025 £</b>	<b>Total funds 2025 £</b>	<i>Total funds 2024 £</i>
Office Costs	18,582	90,716	<b>109,298</b>	92,672
SMP Reclaimed/recharges	(2,097)	(10,239)	<b>(12,336)</b>	(8,914)
Website and IT costs	3,373	16,469	<b>19,842</b>	18,096
Miscellaneous	1,160	5,675	<b>6,835</b>	8,813
Bank charges	61	298	<b>359</b>	341
Wages and salaries	198,573	969,503	<b>1,168,076</b>	1,196,982
National insurance	20,474	99,959	<b>120,433</b>	115,263
Pension costs	19,298	94,218	<b>113,516</b>	113,698
Advertising and Promotional	280	1,368	<b>1,648</b>	419
Restricted expenditure Unbound (Note 6)	-	(45,325)	<b>(45,325)</b>	(90,055)
Restricted Expenditure - KPMG (Note 6)	-	(41,842)	<b>(41,842)</b>	(20,010)
Restricted Expenditure - Nuffield (Note 6)	-	(311,427)	<b>(311,427)</b>	(264,319)
Restricted expenditure - The Prudence Trust (Note 6)	-	(47,512)	<b>(47,512)</b>	(27,381)
Restricted expenditure - Middlesex University (Note 6)	-	-	-	(1,476)
Restricted expenditure - NIESR (Note 6)	-	(16,500)	<b>(16,500)</b>	(18,990)
Restricted Expenditure - Sequoia Trust (Note 6)	-	(326,894)	<b>(326,894)</b>	(290,157)
Restricted Expenditure - Department for Education (Note 6)	-	-	-	(21,390)
Restricted Expenditure - Paul Hamlyn Foundation (Note 6)	-	-	-	(472)
Restricted Expenditure - Gareth Thomas (Note 6)	-	(6,526)	<b>(6,526)</b>	(19,505)
Restricted Expenditure - Lord Nash (Note 6)	-	(5,221)	<b>(5,221)</b>	(15,605)
Restricted Expenditure - Welsh Government (Note 6)	-	(8,820)	<b>(8,820)</b>	(14,376)
Governance costs (Note 7)	6,427	31,379	<b>37,806</b>	36,155
Depreciation	1,180	5,762	<b>6,942</b>	7,481
<b>Total</b>	<b>267,311</b>	<b>495,041</b>	<b>762,352</b>	<b>797,270</b>

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**8. Support costs (continued)**

All support costs are apportioned between costs of generating funds and charitable activities on a 17% : 83% (2024 - 10% : 90%) time basis respectively.

Wages and salaries are also apportioned on a time basis as follows;

17% : 83% (2024 - 5% : 95%) between costs of generating funds and charitable activities.

An annual review of the apportionment percentages will be undertaken each year to confirm the appropriate allocation percentages of support costs between the Charities activities.

**9. Staff costs**

	<b>2025</b>	<i>2024</i>
	£	£
Wages and salaries	<b>1,168,076</b>	1,196,982
Social security costs	<b>120,434</b>	115,263
Contribution to defined contribution pension scheme	<b>113,517</b>	113,697
	<u><b>1,402,027</b></u>	<u>1,425,942</u>

The average number of persons employed by the charity during the year was as follows:

	<b>2025</b>	<i>2024</i>
	No	No
Management, research and administrative	<b>25</b>	25

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No	2024 No
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	-
In the band £100,001 - £150,000	1	1
	5	4
	5	4

No trustees received remuneration or expenses in the year related to their trusteeship (2024: £Nil).

Total key management remuneration for the year was £110,510 (2024: £125,239).

**10. Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2024	8,196	61,831	70,027
Additions	-	2,754	2,754
At 31 March 2025	8,196	64,585	72,781
<b>Depreciation</b>			
At 1 April 2024	8,196	51,630	59,826
Charge for the year	-	6,942	6,942
At 31 March 2025	8,196	58,572	66,768
<b>Net book value</b>			
At 31 March 2025	-	6,013	6,013
At 31 March 2024	-	10,201	10,201

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**11. Debtors**

	2025 £	2024 £
<b>Due within one year</b>		
Trade debtors	171,997	104,147
Other debtors	32,756	34,830
Prepayments and accrued income	333,061	438,828
	537,814	577,805
	537,814	577,805

**12. Creditors: Amounts falling due within one year**

	2025 £	2024 £
Trade creditors	138,026	28,522
Other taxation and social security	68,803	51,609
Other creditors	16,266	16,469
Accruals and deferred income	179,768	80,244
	402,863	176,844
	402,863	176,844

	2025 £	2024 £
<b>Other taxation and social security</b>		
PAYE / NI control	30,474	35,441
VAT control	38,329	16,168
	68,803	51,609
	68,803	51,609

Deferred income relates to the 2025/26 element of annual corporate partnerships invoiced in the year ended 31 March 2025.

EDUCATION POLICY INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

**13. Reconciliation of net movement in funds to net cash flow from operating activities**

	2025 £	2024 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(384,300)	24,181
<b>Adjustments for:</b>		
Depreciation charges	6,942	7,482
Interest received	(38,773)	(27,039)
(Increase) / decrease in Debtors	39,991	(70,580)
Increase / (Decrease) in Creditors	226,018	(6,054)
<b>Net cash used in operating activities</b>	<b>(150,122)</b>	<b>(72,010)</b>

**14. Analysis of cash and cash equivalents**

	2025 £	2024 £
Cash in hand	801,910	916,013
<b>Total cash and cash equivalents</b>	<b>801,910</b>	<b>916,013</b>

**15. Analysis of changes in net debt**

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	916,013	(114,103)	801,910
	<b>916,013</b>	<b>(114,103)</b>	<b>801,910</b>

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

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**16. Operating lease commitments**

At 31 March 2025 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2025</b>	<i>2024</i>
	<b>£</b>	<i>£</i>
Not later than 1 year	<b>55,000</b>	<i>54,356</i>
Later than 1 year and not later than 5 years	<b>123,750</b>	<i>178,750</i>
	<b>178,750</b>	<i>233,106</i>

**17. Related party transactions**

During the year the charity had no additional committed grants from Sequoia Trust (2024: £400,000). Mr Paul Marshall is also a trustee of The Sequoia Trust and was a trustee of EPI for part of the year until he resigned on 1 January 2024 and therefore not considered a related party for the year.

The Charity received no donations (2024 - £10,000) from Lord Nash who was also a trustee but resigned on 1 January 2024 and therefore not considered a related party for the year.

The Charity also received Conference sponsorship income of £4,750 (2024 - £6,325) from Fair Education Alliance who Natalie Perera is a trustee of but resigned on 18 July 2025.

**EDUCATION POLICY INSTITUTE**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2025**

	2025	2025	2024	2024
	£	£	£	£
<b>Income</b>				
Donations and grants	88,234		35,639	
Conference and events	439,194		252,940	
Research and projects	300,242		485,341	
Restricted grants receivable	362,930		843,456	
Subscriptions and publications	141,840		142,247	
Bank interest receivable	38,773		27,037	
Miscellaneous income	1,119		2,632	
	1,372,332		1,789,292	
<b>Gross income in the reporting period</b>				
<b>Less:</b>				
<b>Costs of generating funds</b>				
Conference and events	129,553		150,822	
Research fees and subscriptions	54,660		33,985	
Wages and salaries	1,168,076		1,196,982	
Employer's national insurance	120,434		115,263	
Pension costs	113,517		113,697	
Office costs	109,296		92,672	
Website and IT costs	19,842		18,095	
Advertising, marketing and recruitment	1,648		420	
Auditors' remuneration (including prior year underprovision)	22,591		16,654	
Accountancy and payroll fees (including prior year underprovision)	8,997		8,877	
Bookkeeping (non-audit)	3,508		3,011	
Legal fees	2,709		7,613	
Staff welfare	2,378		4,193	
Bank charges	359		342	
Travel	3,515		2,767	
Depreciation	6,942		7,481	
Entertainment	944		1,128	
Recharges of SMP	(12,336)		(8,910)	
Exchange Rate Variance	-		18	
	1,756,633		1,765,110	
<b>Total expenditure</b>				
<b>Net (expenditure)/income before taxation for the reporting period</b>		<b>(384,301)</b>		<b>24,182</b>
<b>Net (expenditure)/income for the reporting period</b>		<b>(384,301)</b>		<b>24,182</b>

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EDUCATION POLICY INSTITUTE

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INCOME AND EXPENDITURE ACCOUNT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2025

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	2025	2025	2024	2024
	£	£	£	£
(Deficit)/Surplus for the reporting period		<u>(384,301)</u>		<u>24,182</u>

**EDUCATION POLICY INSTITUTE**

England & Wales - Charity number 1102186

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# Accounts

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Registered number: 04579498  
Charity number: 1102186

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**EDUCATION POLICY INSTITUTE**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

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EDUCATION POLICY INSTITUTE

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The following pages do not form part of the statutory financial statements:

**Charity Detailed Income and Expenditure Account and Summaries**

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EDUCATION POLICY INSTITUTE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2024

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<b>Trustees</b>	Charles Brand, Interim Chair David Laws Baroness Sally Morgan Dr Kitty Stewart Anne-Marie Canning MBE (appointed 30 January 2024) Chris Husbands (appointed 30 January 2024) Timothy Charles Leunig (appointed 30 January 2024) Hardip Begol (appointed 1 May 2024) Paul Marshall (resigned 1 January 2024) John Nash (resigned 1 January 2024)
<b>Company registered number</b>	04579498
<b>Charity registered number</b>	1102186
<b>Registered office</b>	150 Buckingham Palace Road London SW1W 9TR
<b>Company Secretary</b>	Natalie Perera
<b>Chief Executive Officer</b>	Ms Natalie Perera
<b>Independent auditors</b>	Calders (1883) LLP Chartered Accountants & Statutory Auditors 30 Orange Street London WC2H 7HF

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

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The Trustees who are also directors are pleased to present their annual report together with the audited financial statements of the charity for the 1 April 2023 to 31 March 2024. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102) (effective 1 January 2019). The Trustees Report serves the purposes of both a Trustees' report and a directors' report under company law. Trustees of the Company are its Directors for the purpose of company law and throughout this report they are collectively referred to as the Trustees.

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

As a result of providing for unrestricted grants committed in the prior years out of which expenditure has been incurred since the prior year ends, this has contributed to a deficit result on the unrestricted funds for 2024 but over the two year ends 2023 and 2024 there has been an overall increase in total reserves.

#### Objectives and activities

##### a. Policies and objectives

Policies and Objectives: The principal objects of the charity are non-partisan advancement of education of the public in the economic, social and political sciences and their effect on public policy and the policy-making process in the UK and the promotion of objective research, and any other purposes deemed charitable under the law of England and Wales. There have been no changes in the objectives since our last Annual Report. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, and the duties set out in Section 17 (5) of the Charities Act 2011, including the guidance "Public Benefit: Running a Charity".

##### b. Main activities undertaken to further the charity's purposes for the public benefit

Main activities undertaken to further the charity's purposes for the public benefit: Our main activities and how we try to achieve our principal objectives for the benefit of the public are described below. All our charitable activities focus on the advancement of education of the public in the UK and are undertaken to further our charitable purposes for the public benefit.

#### Achievements and performance

##### a. Review of activities

1st April 2023 to 31st March 2024.

The Education Policy Institute is an independent, impartial and evidence-based research institute, which aims to promote high quality education outcomes, regardless of social background. We continue to use quantitative and other methods to analyse all phases of education in England, to help policy makers and practitioners to adopt more effective strategies to improve outcomes. We particularly focus on policy challenges relating to the long "tail" of low attainment, and we seek to promote policy solutions which close the education gap between vulnerable children and adults, and the rest of the pupil and adult populations. We are also interested in non-attainment related education and child development issues, and we have an important strand of work on child wellbeing and mental health.

From January 2024, EPI moved to a fully-CEO led model and a number of other governance changes took place. The Executive Chair stood down whilst still remaining a trustee and an existing trustee (Charles Brand)

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### Achievements and performance (continued)

stood up as interim chair. The previous Chair, Sir Paul Marshall, stood down from the Board from the 31st December 2023 as did Lord Nash and Sir Michael Wilshaw. Anne-Marie Canning, Professor Sir Chris Husbands and Dr Tim Leunig joined the Board of Trustees in January 2024 and Hardip Begol joined in May 2024.

To ensure a smooth transition to a fully CEO-led organization, a new Finance Manager was appointed on a permanent basis from October 2023. From January 2024, new financial management monitoring reports were presented to Trustees, along with new Key Performance Indicators.

EPI has continued to produce a wide variety of outputs across our research areas and has also helped to inform policy making through sitting on government advisory boards and other Commissions. Our work has continued to have significant impact through the media and other routes and we continued to host a large programme of events, roundtables and conferences.

EPI continued its seminal work on measuring the extent of post-Covid learning loss, using Renaissance Learning Star Assessment data, with further report published in May 2023. Complementing this work, EPI also published analysis on post-pandemic absence rates in May and August 2023.

For the first time since before the pandemic, EPI was able to publish its flagship annual report on the disadvantage gap in England in October 2023.

Responding to the external climate, EPI published a report on "Education Priorities in the next General Election" in July 2023, with the aim of guiding political parties towards using evidence-based policies in their manifestos. EPI also carved out a role as the "go to" source of independence and commentary in the late summer of 2023, when it became apparent that hundreds of schools were affected by Reinforced Autoclaved Aerated Concrete (RAAC).

Another major milestone was met in February 2024 when EPI published its online tool for measuring school group effectiveness. This provides an interactive source of benchmarking data to support local authorities, multi academy trust leaders, the Department for Education and Ofsted in understanding the effectiveness of the primary and secondary school system. It is also intended to provide a "blue print" for the Labour party's plans to introduce a balanced scorecard as part of the school accountability system.

Staff have produced numerous research reports and analysis during the year. The major publications include:

- Educational outcomes in Gloucestershire, April 2023
- EPI local authority analysis: Report for Essex Education Task Force, May 2023
- Six charts that explain the state of the teaching workforce in England, June 2023
- Ethnicity and additional needs in the pandemic: Intersections between ethnicity and additional needs (1), June 2023
- Attainment gaps for children in social care, July 2023
- Ethnicity and additional needs in the pandemic: Additional provision for SEND, ethnicity and attainment (2) August 2023
- Ethnicity and additional needs in the pandemic: Additional provision for EAL, ethnicity and attainment (3), August 2023
- Ethnicity and additional needs in the pandemic: Conclusions and implications for additional needs, ethnicity and attainment (4), September 2023
- Variation in pupil inclusion practices across schools: findings from the second wave of the DEEP survey, September 2023
- The influence of headteachers on their schools, October 2023
- Four charts which explain the state of children's mental health in 2023, November 2023
- Education: the fundamentals – Eleven facts about the education system in England, December 2023
- Children and young people's mental health services: Targets, progress and barriers to improvement, December 2023
- What's Cooking? A review of evidence and discussion on the Free School Meals (FSM) measure in the

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### Achievements and performance (continued)

National Pupil Database, January 2024

- Access to extra-curricular provision and the association with outcomes, February 2024
- Recruitment and Retention of Senior School Leaders in Wales, February 2024
- Comparing policies, participation and inequalities across UK post-16 Education and Training landscapes, February 2024
- How hard is it to recruit senior school leaders in Wales?, February 2024
- An evidence review into the length of the school day, February 2024
- GCSE High Attainers and Progression to Higher Education, February 2024
- Schools and air pollution in London, February 2024
- Outcomes for young people who experience multiple suspensions, March 2024

In addition to this, EPI also provided its annual analysis of GCSE and A Level results in the summer of 2024.

#### b. Investment policy and performance

The charity has no investments apart from bank deposits and the Trustees consider this as the appropriate vehicle for holding its funds.

#### Financial review

##### a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### b. Future Developments

A 5-year business plan will be presented to the Trustees in April 2025 which will span 2025 to 2030. This will include plans to extend EPI's research methodologies, seek more core funding from donors and to expand its events and membership offers.

##### c. Reserves policy

It is the policy of the Trustees that reserves are maintained at a level to finance forecast future operations of the charity.

The charity's unrestricted reserves are £783,204 at the year end. It is currently considered appropriate to maintain reserves at the level of circa £750,000 to £1,000,000 to have sufficient reserves to finance activities in the event that the level of unrestricted donations should fall significantly. The charity's level of reserves and reserves policy will continue to be reviewed annually.

Note the Trustees have obtained confirmation of ongoing funding support from its main donor.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### Financial review (continued)

##### d. Summary of income and expenditure

The charity's restricted income during the reporting year was £843,454 (2023: £430,760). At the same time restricted expenditure increased was £783,736 (2023: £368,303).

The charity's unrestricted income during the reporting year was £945,838 (2023: £930,043). At the same time unrestricted expenditure decreased to £981,375 (2023: £1,045,751).

Total voluntary income increased to £879,093 (2023: £532,549). Income from our research, sponsored events and membership subscriptions increased to £883,161 (2023: £822,108).

##### e. Principal funding

Ongoing financial management is the responsibility of the Trustees. The annual budget is approved by the Trustees. Statements are presented to the Trustees, with explanations provided for variations from budget. The principal sources of funding are grants from a number of charitable trusts and sponsorship income for research, events and corporate subscriptions.

##### f. Research interns

It is the Institute's policy to pay research interns, typically working for between 1 - 3 months, at the London Living Wage.

#### Structure, governance and management

##### a. Constitution

Education Policy Institute is a charitable company limited by guarantee, incorporated on 1st November 2002 and registered as charity number 1102186 on 19th February 2004. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. Since May 2016 the operating name and identity has been the Education Policy Institute.

##### b. Methods of appointment or election of Trustees

Trustees are elected by a simple majority of all the Trustees entitled to attend and vote at any meeting of the Board. Trustees are appointed by recommendation and informal interview processing and approval by the full board. There is currently no formal policy of training and induction in place for new Trustees. However, all current Trustees have extensive experience of legal issues relating to charities and are also advised by the Company Secretary on such matters. Should the need for a more formal policy arise, this will be considered by the Trustees.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

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#### Structure, governance and management (continued)

##### c. Organisational structure and decision-making policies

The current Trustees of the charity are also directors of the charity for the purposes of the Companies Act. The Trustees are responsible for setting the overall strategy of the charity and ensuring that the charitable purposes are adhered to and they retain overall responsibility for the running of the charity and delegation to relevant committees and/or sub Boards, as appropriate. The Trustees meet quarterly. Members of the Advisory Board provide input and advice on an ad hoc basis. Members of the Advisory Board include academics, commentators, education practitioners and senior parliamentarians.

##### d. Financial risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that all risks have been addressed and, where appropriate, systems are in place to mitigate the exposure to major risks..

#### Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

#### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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EDUCATION POLICY INSTITUTE

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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024

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**Auditors**

The auditors, Calders (1883) LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

**Small companies note**

The Trustees' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by order of the members of the board of Trustees and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'C. Brand', with a large, stylized flourish extending upwards and to the right.

**Charles Brand**  
Trustee

Date: 30th January 2025

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE

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#### Opinion

We have audited the financial statements of Education Policy Institute (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2024 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 Charities Act 2011.

#### 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE (CONTINUED)

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#### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered and undertook the following audit procedures in response:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting frameworks (United Kingdom accounting standards and Companies Act 2006);
- We obtained an understanding of the nature of the industry and sector, control environment and business performance;
- The outcome of discussions with management and those charged with governance and any matters we identified having obtained and reviewed the company's documentation of their policies and procedures related to:
  - a. Identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non compliance or any actual or potential litigation or claims
  - b. Detecting and responding to the risk of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - c. The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations
- The matters discussed during the audit engagement team briefing regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. All engagement team members were advised to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify and unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and inspection of relevant legal correspondence
- In addressing the risk of fraud or error through management override of controls, testing the appropriateness of journal entries and other adjustments by testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions
- Assessing whether the judgements made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - a. understanding of, and practical experience with the audit engagements of a similar nature and complexity through appropriate training and participation;
  - b. knowledge of the industry in which the client operates;
  - c. understanding of the legal and regulatory requirements specific to the company including

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE (CONTINUED)

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- the provisions of the applicable legislations
- the applicable statutory provisions

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in the areas in which management is required to exercise significant judgement. We are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of the material amounts and disclosures in the financial statements.

Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company law, Tax and Pensions legislation and Charity Law.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate and avoid a material penalty. These included data protection, employment health and safety regulations, competition and anti-bribery laws and environment regulations.

With regards to laws and regulations relating to the operating aspects of the company, these were discussed with management and were not considered fundamental to the operating of the business therefore should not have a material impact on the financial statements.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with the IASs (UK).

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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EDUCATION POLICY INSTITUTE

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE  
(CONTINUED)

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Calders (1883) LLP*

**T Badani (Senior Statutory Auditor)**

**for and behalf of  
Calders (1883) LLP**

Chartered Accountants & Statutory Auditors

30 Orange Street

London

WC2H 7HF

Date: *30 January 2025*

Calders (1883) LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

EDUCATION POLICY INSTITUTE

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
<b>INCOME FROM:</b>					
Donations and legacies	2	843,454	35,639	879,093	532,549
Charitable activities	3	-	883,161	883,161	822,108
Investments	4	-	27,038	27,038	6,146
<b>TOTAL INCOME</b>		<b>843,454</b>	<b>945,838</b>	<b>1,789,292</b>	<b>1,360,803</b>
<b>EXPENDITURE ON:</b>					
Raising funds	5	-	238,078	238,078	136,625
Charitable activities		783,736	743,297	1,527,033	1,277,428
<b>TOTAL EXPENDITURE</b>		<b>783,736</b>	<b>981,375</b>	<b>1,765,111</b>	<b>1,414,053</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>59,718</b>	<b>(35,537)</b>	<b>24,181</b>	<b>(53,250)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		484,253	818,741	1,302,994	1,356,244
Net movement in funds		59,718	(35,537)	24,181	(53,250)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>543,971</b>	<b>783,204</b>	<b>1,327,175</b>	<b>1,302,994</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 16 to 27 form part of these financial statements.

**EDUCATION POLICY INSTITUTE**  
**REGISTERED NUMBER: 04579498**

**BALANCE SHEET**  
**AS AT 31 MARCH 2024**

	Note	2024 £	2023 £
<b>FIXED ASSETS</b>			
Tangible assets	10	10,201	12,023
		<u>10,201</u>	<u>12,023</u>
<b>CURRENT ASSETS</b>			
Debtors	11	577,805	507,225
Cash at bank and in hand		916,013	966,644
		<u>1,493,818</u>	<u>1,473,869</u>
Creditors: amounts falling due within one year	12	(176,844)	(182,898)
		<u>1,316,974</u>	<u>1,290,971</u>
<b>NET CURRENT ASSETS</b>		<u>1,316,974</u>	<u>1,290,971</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,327,175</u>	<u>1,302,994</u>
<b>NET ASSETS EXCLUDING PENSION ASSET</b>		<u>1,327,175</u>	<u>1,302,994</u>
<b>TOTAL NET ASSETS</b>		<u><u>1,327,175</u></u>	<u><u>1,302,994</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds		543,971	484,253
Unrestricted funds		783,204	818,741
<b>TOTAL FUNDS</b>		<u><u>1,327,175</u></u>	<u><u>1,302,994</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 30th January 2025 and signed on their behalf by:



**Charles Brand**  
Trustee

The notes on pages 16 to 27 form part of these financial statements.

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EDUCATION POLICY INSTITUTE

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2024

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	2024 £	2023 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	(72,010)	(108,981)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(5,659)	(11,304)
Interest from investments	27,038	6,147
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>21,379</b>	<b>(5,157)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>(50,631)</b>	<b>(114,138)</b>
Cash and cash equivalents at the beginning of the year	966,644	1,080,782
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>916,013</b>	<b>966,644</b>

The notes on pages 16 to 27 form part of these financial statements

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Education Policy Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 1.2 Going concern

The charity's main donor has provided confirmation that it will continue to provide financial support to the charity for at least 12 months from the signing of the financial statements.

The Trustees therefore consider that it is appropriate to adopt the going concern basis for the preparation of the financial statements.

##### 1.3 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### 1.4 Fund accounting

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

##### 1.5 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 1. Accounting policies (continued)

##### 1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities

##### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Fixtures and fittings	- 3 years straight line
Office equipment	- 3 years straight line

##### 1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

##### 1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

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1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash at bank and 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.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.12 Financial instruments

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

2. Income from donations, grants and legacies

	Restricted funds	Unrestricted funds	Total funds	Total funds
	2024	2024	2024	2023
	£	£	£	£
Donations and Grants	-	35,639	35,639	101,789
Restricted Grants	843,454	-	843,454	430,760
	<u>843,454</u>	<u>35,639</u>	<u>879,093</u>	<u>532,549</u>
<i>Total 2023</i>	<u>430,760</u>	<u>101,789</u>	<u>532,549</u>	

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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#### 2. Income from donations, grants and legacies (continued)

The Education Policy Institute received grants from three sources during the year for specific projects. The funds are deemed to be for a restricted purpose and expenditure in these grants are recorded separately.

Unbound Philanthropy which had an unspent grant brought forward of £6,663 and during the year a further £70,000 was received and £80,494 was expended leaving a carried forward balance of (£3,831). The grant was provided in relation to core support of a research program on educational outcomes of vulnerable children.

Unbound Philanthropy which had an unspent grant brought forward of £11,833 and during the year £9,561 was expended leaving a carried forward balance of £2,272. The grant was provided to fund the project on home schooling in England at prevalence, child characteristics and family motivations.

The Stitching Benevolentia has a grant brought forward of £1,082 but nothing was received for expended in the year, therefore, the unspent grant carried forward is £1,082. The grant was issued to fund a research project exploring the prevalence of managed moves and the local protocols which govern them.

Middlesex University has a grant brought forward balance of (£1,449) during the year a further £2,747 was received and £1,476 was expended with the an amount carried forward being (£178). The grant was provided to fund the project on developing EY leadership through digitally mediated professional learning.

NIESR has a grant brought forward balance of £5,600. During the year a further £17,188 was received and £18,990 was expended with a balance carried forward of £3,798. This grant was provided to fund research in relation to the impact of COVID-19 on educational, language and socioemotional outcomes in key stage 1.

The Sequoia Trust had a balance brought forward of £328,637 and has undertaken to provide a new restricted grant of £400,000. During the year, £290,157 has been expended in the year with a balance carried forward of £438,480. The sum of £400,000 was granted to utilise on projects relating to the Disadvantages gap after Covid, Persistent disadvantaged funding, Phonics evaluation, Technical qualification reform and MAT Intervention. The balance of the grant was restricted to the charities operational and financial obligations.

In the prior year The Paul Hamlyn Foundation provided a restricted grant with a balance brought forward of £2,055. During the year £472 was expended with no other income received leaving a carried forward balance of £1,583. The grant provided is a "Voice, Influence and Partnership" grant where a final report needs to be submitted once completed.

Lord Nash has a grant brought forward balance of £19,721. A further £10,000 was received in the year and £15,605 was expended leaving a carried balance of £14,116. The grant was provided to support research into finding data on the number of children outside of formal education across the country.

The Prudence Trust have a grant brought forward forward balance of £80,000. £27,381 was expended in the year leaving a carried forward balance of £52,619. The grant is to be allocated to the research project "Mapping mental health and wellbeing services across the country"

The Welsh Government had a carried forward balance £5,706 in relation to grants previously provided. A further £17,500 was received in the year whilst £14,376 was expended leaving a carried forward balance of £8,830. The purpose of the funding is for the charity to carry out scoping research on the incentives for teachers in Wales to work in challenging circumstances.

Gareth Thomas provided a grant previously that now has a brought forward balance of £24,651. During the year £19,505 was expended leaving a carried forward balance of £5,146. The donation is to support

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

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2. Income from donations, grants and legacies (continued)

the research into finding data on the number of children outside of formal education across the country, who these children are, the reason they are not in state education and their post secondary outcomes.

A grant was committed by the Department of Education where the brought forward balance was (£245). During the year £21,700 was received and £21,390 was expended which left a carried forward balance of £66. The grant was provided so a report can be produced for all secondary schools that analyses each schools outcome in terms of progress 8, attainment 8, grades in key subjects, persistent absence and rate of fixed term exclusions.

During the year a grant of £40,000 was received from KPMG in relation to producing a report regarding reducing food poverty in under 5's. Of the £40,000 received £20,010 was expended that leaves a carried forward balance of £19,990.

£264,319 was received from Nuffield Foundation during the year in respect of recharges for staff salaries, overheads and other expenses. This was part of a Restricted income grant and has been treated accordingly. The funding provided are for collaborations on the following research projects:

- Comparison of cognitive skills and education attainment across the UK
- Comparing UK policies, outcomes and inequalities in post 16 education and training
- Estimating the influence of headteachers on their schools
- From algorithmic bias to teacher bias

In summary, total unspent restricted funds brought forward was £484,254; a further £843,454 of restricted funds was received and £783,736 was expended during the year to give a total balance of £543,972 to carry forward at the year end.

The grants are for non-partisan advancement of education

3. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Conference and events	252,940	<b>252,940</b>	383,949
Research projects	487,973	<b>487,973</b>	288,275
Subscriptions (individual and corporate)	142,248	<b>142,248</b>	149,884
	<u>883,161</u>	<u><b>883,161</b></u>	<u>822,108</u>
<i>Total 2023</i>	<u>822,108</u>	<u>822,108</u>	

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

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4. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank interest received	27,038	<b>27,038</b>	6,146
	<hr/>	<hr/>	<hr/>
<i>Total 2023</i>	6,146	6,146	
	<hr/>	<hr/>	

5. Expenditure on raising funds

Costs of raising funds : management operations, fundraising and communications

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Conferences and events	150,829	<b>150,829</b>	62,037
Allocation of support costs (Note 8)	87,249	<b>87,249</b>	74,588
	<hr/>	<hr/>	<hr/>
	238,078	<b>238,078</b>	136,625
	<hr/>	<hr/>	<hr/>
<i>Total 2023</i>	136,625	136,625	
	<hr/>	<hr/>	

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

6. Charitable activities

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Unbound grant	90,055	-	90,055	36,556
Nuffield grant	264,319	-	264,319	135,781
Paul Hamlyn grant	472	-	472	19,945
Prudence Trust	27,381	-	27,381	-
Stiching Benevolentia grant	-	-	-	44,663
Research fees and Subscriptions	-	33,276	33,276	14,400
Sequoia Trust grant	290,157	-	290,157	71,363
KPMG Grant	20,010	-	20,010	-
Middlesex University grant	1,476	-	1,476	12,928
NIESR grant	18,990	-	18,990	8,150
Welsh Government grant	14,376	-	14,376	26,794
Lord Nash grant	15,605	-	15,605	5,279
Gareth Thomas grant	19,505	-	19,505	6,599
Department for Education	21,390	-	21,390	245
Allocation of support costs (Note 8)	-	710,021	710,021	894,726
	<u>783,736</u>	<u>743,297</u>	<u>1,527,033</u>	<u>1,277,429</u>
<i>Total 2023</i>	<u>368,303</u>	<u>909,126</u>	<u>1,277,429</u>	

7. Governance costs

	2024 £	2023 £
Auditors' remuneration	12,654	8,000
Auditors Remuneration (Underprovision for prior year)	4,000	4,873
Accountancy, payroll fees, auto-enrolment fees (Including prior year underprovision)	8,877	8,743
Bookkeeping	3,011	3,165
Legal and professional fees	7,613	8,475
	<u>36,155</u>	<u>33,256</u>

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

8. Support costs

	Costs of generating funds 2024 £	Charitable activities 2024 £	Total funds 2024 £	Total funds 2023 £
Office Costs	9,267	83,405	92,672	81,590
SMP Reclaimed	(445)	(8,469)	(8,914)	-
Website and IT costs	1,810	16,286	18,096	19,004
Miscellaneous	881	7,932	8,813	4,728
Bank charges	34	307	341	337
Wages and salaries	59,849	1,137,133	1,196,982	1,002,180
National insurance	5,763	109,500	115,263	105,824
Pension costs	5,685	108,013	113,698	75,481
Advertising and Promotional	42	377	419	9,676
Restricted expenditure Unbound (Note 6)	-	(90,055)	(90,055)	(36,556)
Restricted expenditure - Sticing Benevolentia (Note 6)	-	-	-	(44,663)
Restricted Expenditure - KPMG (Note 6)	-	(20,010)	(20,010)	-
Restricted Expenditure - Nuffield (Note 6)	-	(264,319)	(264,319)	(135,781)
Restricted expenditure - The Prudence Trust (Note 6)	-	(27,381)	(27,381)	-
Restricted expenditure - Middlesex University (Note 6)	-	(1,476)	(1,476)	(12,928)
Restricted expenditure - NIESR (Note 6)	-	(18,990)	(18,990)	(8,150)
Restricted Expenditure - Sequoia Trust (Note 6)	-	(290,157)	(290,157)	(71,363)
Restricted Expenditure - Department for Education (Note 6)	-	(21,390)	(21,390)	(244)
Restricted Expenditure - Paul Hamlyn Foundation (Note 6)	-	(472)	(472)	(19,945)
Restricted Expenditure - Gareth Thomas (Note 6)	-	(19,505)	(19,505)	(6,599)
Restricted Expenditure - Lord Nash (Note 6)	-	(15,605)	(15,605)	(5,279)
Restricted Expenditure - Welsh Government (Note 6)	-	(14,376)	(14,376)	(26,794)
Governance costs (Note 7)	3,615	32,540	36,155	33,256
Depreciation	748	6,733	7,481	5,540
<b>Total</b>	<b>87,249</b>	<b>710,021</b>	<b>797,270</b>	<b>969,314</b>

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**8. Support costs (continued)**

All support costs except for wages and NI are apportioned between costs of generating funds and charitable activities on a 10% : 90% time basis respectively.

Wages and salaries are also apportioned on a time basis as follows;

5% : 95% between costs of generating funds and charitable activities.

**9. Staff costs**

	2024 £	2023 £
Wages and salaries	1,196,982	1,002,180
Social security costs	115,263	105,824
Contribution to defined contribution pension scheme	113,697	75,481
	1,425,942	1,183,485

The average number of persons employed by the charity during the year was as follows:

	2024 No	2023 No
Management, research and administrative	25	21

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No	2023 No
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	-	-
In the band £90,001 - £100,000	-	-
In the band £100,001 - £150,000	1	1
	4	5

No trustees received remuneration or expenses in the year related to their trusteeship (2023: £Nil).

Total key management remuneration for the year was £125,239 (2023: £170,083).

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

**10. Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2023	8,196	56,172	64,368
Additions	-	5,659	5,659
At 31 March 2024	<u>8,196</u>	<u>61,831</u>	<u>70,027</u>
<b>Depreciation</b>			
At 1 April 2023	8,196	44,147	52,343
Charge for the year	-	7,482	7,482
At 31 March 2024	<u>8,196</u>	<u>51,629</u>	<u>59,825</u>
<b>Net book value</b>			
At 31 March 2024	<u>-</u>	<u>10,202</u>	<u>10,202</u>
At 31 March 2023	<u>-</u>	<u>12,024</u>	<u>12,024</u>

**11. Debtors**

	2024 £	2023 £
<b>Due within one year</b>		
Trade debtors	104,147	75,080
Other debtors	34,830	31,612
Prepayments and accrued income	438,828	400,533
	<u>577,805</u>	<u>507,225</u>

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EDUCATION POLICY INSTITUTE

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**12. Creditors: Amounts falling due within one year**

	2024	2023
	£	£
Trade creditors	28,522	4,103
Other taxation and social security	51,609	63,132
Other creditors	16,469	1,264
Accruals and deferred income	80,244	114,399
	176,844	182,898
	176,844	182,898
	2024	2023
	£	£
<b>Other taxation and social security</b>		
PAYE / NI control	35,441	30,246
VAT control	16,167	32,886
	51,608	63,132
	51,608	63,132

Deferred income relates to the 2024/25 element of annual corporate partnerships invoiced in the year ended 31 March 2025.

**13. Reconciliation of net movement in funds to net cash flow from operating activities**

	2024	2023
	£	£
Net income/expenditure for the period (as per Statement of Financial Activities)	24,181	(53,250)
	24,181	(53,250)
<b>Adjustments for:</b>		
Depreciation charges	7,482	5,540
Interest received	(27,039)	(6,146)
(Increase) / decrease in Debtors	(70,580)	(49,687)
Increase / (Decrease) in Creditors	(6,054)	(5,437)
	(72,010)	(108,980)
<b>Net cash used in operating activities</b>	(72,010)	(108,980)

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**14. Analysis of cash and cash equivalents**

	2024 £	2023 £
Cash in hand	916,013	966,644
<b>Total cash and cash equivalents</b>	<b>916,013</b>	<b>966,644</b>

**15. Analysis of changes in net debt**

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	966,644	(50,631)	916,013
	<b>966,644</b>	<b>(50,631)</b>	<b>916,013</b>

**16. Operating lease commitments**

At 31 March 2024 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	54,356	-
Later than 1 year and not later than 5 years	178,750	-
	<b>233,106</b>	<b>-</b>

The company entered into a 5 year lease on 5 April 2023.

**17. Related party transactions**

During the year the charity had additional committed grants of £400,000 from Sequoia Trust (2023: £168,000). Mr Paul Marshall is also a trustee of The Sequoia Trust and was a trustee of EPI for part of the year until he resigned on 1 January 2024.

The Charity received donations of £10,000 (2023 - £20,000) from Lord Nash who was also a trustee but resigned on 1 January 2024.

The Charity also received Conference sponsorship income of £6,325.83 from Fair Education Alliance who Natalie Perera is a trustee of.

**EDUCATION POLICY INSTITUTE**

England & Wales - Charity number 1102186

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# Accounts

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Registered number: 04579498  
Charity number: 1102186

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**EDUCATION POLICY INSTITUTE**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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**EDUCATION POLICY INSTITUTE**

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<b>Trustees' Report</b>	2 - 7
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<b>Statement of Financial Activities</b>	11
<b>Balance Sheet</b>	12
<b>Statement of Cash Flows</b>	13
<b>Notes to the Financial Statements</b>	14 - 25
<p>The following pages do not form part of the statutory financial statements:</p>	
<b>Charity Detailed Income and Expenditure Account and Summaries</b>	

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EDUCATION POLICY INSTITUTE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2023

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<b>Trustees</b>	Sir Paul Marshall, Chair Baroness Morgan of Huyton Mr Charles Brand Dr Kitty Stewart Sir Michael Wilshaw Lord Nash
<b>Company registered number</b>	04579498
<b>Charity registered number</b>	1102186
<b>Registered office</b>	150 Buckingham Palace Road London SW1W 9TR
<b>Company Secretary</b>	Mr David Laws
<b>Executive Chairman</b>	Mr David Laws
<b>Chief Executive Officer</b>	Ms Natalie Perera
<b>Independent auditors</b>	Calders (1883) LLP Chartered Accountants & Statutory Auditors 30 Orange Street London WC2H 7HF

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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The Trustees who are also directors present their annual report together with the audited financial statements of the charity for the 1 April 2022 to 31 March 2023. The Trustees Report serves the purposes of both a Trustees' report and a directors' report under company law.

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

As a result of providing for grants committed in the prior year out of which expenditure has been incurred since the prior year end, this has contributed to a deficit for 2023 but over the two year ends 2022 and 2023 there has been an overall increase in reserves since 2021.

#### **Objectives and activities**

##### **a. Policies and objectives**

Policies and Objectives: The principal objects of the charity are non-partisan advancement of education of the public in the economic, social and political sciences and their effect on public policy and the policy-making process in the UK and the promotion of objective research, and any other purposes deemed charitable under the law of England and Wales. There have been no changes in the objectives since our last Annual Report. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, and the duties set out in Section 17 (5) of the Charities Act 2011, including the guidance "Public Benefit: Running a Charity".

##### **b. Main activities undertaken to further the charity's purposes for the public benefit**

Main activities undertaken to further the charity's purposes for the public benefit: Our main activities and how we try to achieve our principal objectives for the benefit of the public are described below. All our charitable activities focus on the advancement of education of the public in the UK and are undertaken to further our charitable purposes for the public benefit.

#### **Achievements and performance**

##### **a. Review of activities**

1st April 2022 to 31st March 2023.

The Education Policy Institute is an independent, impartial and evidence-based research institute, which aims to promote high quality education outcomes, regardless of social background. We continue to use quantitative and other methods to analyse all phases of education in England, to help policy makers and practitioners to adopt more effective strategies to improve outcomes. We particularly focus on policy challenges relating to the long "tail" of low attainment, and we seek to promote policy solutions which close the education gap between vulnerable children and adults, and the rest of the pupil and adult populations. We are also interested in non-attainment related education and child development issues, and we have an important strand of work on child wellbeing and mental health.

2022/23 saw a gradual transition to usual working arrangements, following the Covid-19 pandemic. More resources were put into effective hybrid working, while the number of our "in-person" meetings and events also increased compared with the previous two years.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Achievements and performance (continued)

##### a. Review of activities

EPI has continued to produce a wide variety of outputs across our researcher areas and has also helped to inform policy making through sitting on government advisory boards and other Commissions. Our work has continued to have significant impact through the media and other routes. We have had a large programme of events, roundtables and conferences

This year we continued our important research project partnership with Renaissance Learning. This has helped to provide one of the most accurate and timely sources of information about the impacts of Covid disruption on education outcomes. The research has been used extensively by government to inform analysis and policy responses.

Staff have produced numerous research reports and analysis during the year. The major publications include:

"The impact of the Covid-19 pandemic on children's socio-emotional wellbeing and attainment during the Reception year" (May 2022)

"'Stuck' schools: Can below good Ofsted inspections prevent sustainable improvement?" (June 2022)

"The teaching workforce after the pandemic" (June 2022)

"Teachers' pay in context" (July 2022)

"What works to reduce equality gaps in employment and employability" (July 2022)

"T levels: students taking overlapping qualifications and take-up" (July 2022)

"Educational outcomes and disadvantage gaps in Rochdale" (July 2022)

"Inequalities in GCSE results across England and Wales" (July 2022)

"Language learning in England: why curriculum reform will not reverse the decline or narrow the gaps" (August 2022)

"Neighbourhood characteristics and young people's wellbeing in Greater Manchester" (October 2022)

"Current estimates of school funding pressures" (October 2022)

"Pupil Wellbeing in Essex" (October 2022)

"Financial decision-making in multi-academy trusts" (November 2022)

"The Features of Effective School Groups: Measuring workforce sustainability of effective school groups" (November 2022)

"Digital Skills Divided: Technical provision for 16 to 19 year olds" (November 2022)

"The reaccreditation of ITT providers: Implications for STEM subjects" (December 2022)

"Covid-19 and disadvantage gaps in England 2021" (December 2022)

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Achievements and performance (continued)

##### a. Review of activities

"Essex Year of Reading 2022-23: Reading skills, outcomes and interventions – A review of the evidence" (February 2023)

"The educational outcomes of deaf children in England" (March 2023)

In addition to this, EPI also provided its annual analysis of GCSE and A Level results in the summer of 2022.

##### b. Investment policy and performance

The charity has no investments apart from bank deposits and the Trustees consider this as the appropriate vehicle for holding its funds.

#### Financial review

##### a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### b. Future Developments

In January 2024, the Executive Chair will step down and the charity will be led by the CEO (reporting to the Board of Trustees). A Finance Manager has been appointed to provide additional capacity in the administration of EPI's finances.

The Sequoia Foundation continues to provide ringfenced grants to EPI, and has awarded further funding in 2024 and 2025 for the production of research relating to T Levels, phonics, targeted funding for disadvantaged pupils and the school accountability system.

##### c. Reserves policy

It is the policy of the Trustees that reserves are maintained at a level to finance forecast future operations of the charity.

The charity's unrestricted reserves is £818,742 at the year end. It is currently considered appropriate to maintain reserves at the level of circa £750,000 to £1,000,000 to have sufficient reserves to finance activities in the event that the level of unrestricted donations should fall significantly. A review of the appropriate level of Reserves will be carried out in 2024.

Note the Trustees have obtained confirmation of ongoing funding support from its main donor.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Financial review (continued)

##### d. Summary of income and expenditure

The charity's restricted income during the reporting year was £430,760 (2022: £592,595). At the same time restricted expenditure increased to £368,303 (2022: £280,790).

The charity's unrestricted income during the reporting year was £930,043 (2022: £1,189,633). At the same time unrestricted expenditure decreased to £1,045,751 (2022: £1,054,133).

Total voluntary income decreased to £532,549 (2022: £957,595). Income from our research, sponsored events and membership subscriptions for the year is £822,108 (2022: £823,907).

##### e. Principal funding

Ongoing financial management is the responsibility of the Trustees. The annual budget is approved by the Trustees. Statements are presented to the Trustees, with explanations provided for variations from budget. The principal sources of funding are grants from a number of charitable trusts and sponsorship income for research, events and corporate subscriptions.

##### f. Research interns

It is the Institute's policy to pay research interns, typically working for between 1 - 3 months, at the London Living Wage.

#### Structure, governance and management

##### a. Constitution

Education Policy Institute is a charitable company limited by guarantee, incorporated on 1st November 2002 and registered as charity number 1102186 on 19th February 2004. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. Since May 2016 the operating name and identity has been the Education Policy Institute.

##### b. Methods of appointment or election of Trustees

Trustees are elected by a simple majority of all the Trustees entitled to attend and vote at any meeting of the Board. Trustees are appointed by recommendation and informal interview processing and approval by the full board. There is currently no formal policy of training and induction in place for new Trustees. However, all current Trustees have extensive experience of legal issues relating to charities and are also advised by the Company Secretary on such matters. Should the need for a more formal policy arise, this will be considered by the Trustees.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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#### Structure, governance and management (continued)

##### c. Organisational structure and decision-making policies

The current Trustees of the charity are also directors of the charity for the purposes of the Companies Act. The Trustees are responsible for setting the overall strategy of the charity and ensuring that the charitable purposes are adhered to and they retain overall responsibility for the running of the charity and delegation to relevant committees and/or sub Boards, as appropriate. The Trustees meet quarterly. Members of the Advisory Board provide input and advice on an ad hoc basis. Members of the Advisory Board include academics, commentators, education practitioners and senior parliamentarians.

##### d. Financial risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that all risks have been addressed and, where appropriate, systems are in place to mitigate the exposure to major risks.

#### Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

#### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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EDUCATION POLICY INSTITUTE

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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023

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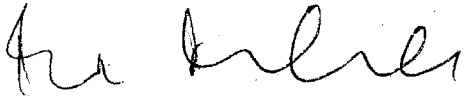
**Auditors**

The auditors, Calders (1883) LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

**Small companies note**

The Trustees' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by order of the members of the board of Trustees and signed on their behalf by:



**Sir Paul Marshall (Chair)**  
Trustee  
12 December 2023

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE

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#### Opinion

We have audited the financial statements of Education Policy Institute (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2023 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 Charities Act 2011.

#### 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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**EDUCATION POLICY INSTITUTE**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE  
(CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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EDUCATION POLICY INSTITUTE

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE  
(CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

[Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.]

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

 T Badiani (1883) LLP

**T Badiani (Senior Statutory Auditor)**

**for and behalf of  
Calders (1883) LLP**

Chartered Accountants & Statutory Auditors

30 Orange Street

London

WC2H 7HF

12 December 2023

Calders (1883) LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**EDUCATION POLICY INSTITUTE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
<b>INCOME FROM:</b>					
Donations, grants and legacies	2	430,760	101,789	532,549	957,595
Charitable activities	3	-	822,108	822,108	823,907
Investments	4	-	6,146	6,146	726
<b>TOTAL INCOME</b>		<b>430,760</b>	<b>930,043</b>	<b>1,360,803</b>	<b>1,782,228</b>
<b>EXPENDITURE ON:</b>					
Raising funds : Management operations, fundraising and communications	5	-	136,625	136,625	128,893
Charitable activities		368,303	909,126	1,277,428	1,206,030
<b>TOTAL EXPENDITURE</b>		<b>368,303</b>	<b>1,045,751</b>	<b>1,414,054</b>	<b>1,334,923</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>62,457</b>	<b>(115,708)</b>	<b>(53,251)</b>	<b>447,305</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		421,796	934,448	1,356,244	908,939
Net movement in funds		62,457	(115,708)	(53,251)	447,305
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>484,253</b>	<b>818,740</b>	<b>1,302,993</b>	<b>1,356,244</b>

The notes on pages 14 to 25 form part of these financial statements.

**EDUCATION POLICY INSTITUTE**  
**REGISTERED NUMBER: 04579498**

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	10	12,025	6,261
		<u>12,025</u>	<u>6,261</u>
<b>CURRENT ASSETS</b>			
Debtors	11	507,225	457,537
Cash at bank and in hand		966,644	1,080,782
		<u>1,473,869</u>	<u>1,538,319</u>
Creditors: amounts falling due within one year	12	(182,899)	(188,336)
		<u>1,290,970</u>	<u>1,349,983</u>
<b>NET CURRENT ASSETS</b>		<u>1,290,970</u>	<u>1,349,983</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,302,995</u>	<u>1,356,244</u>
<b>NET ASSETS EXCLUDING PENSION ASSET</b>		<u>1,302,995</u>	<u>1,356,244</u>
<b>TOTAL NET ASSETS</b>		<u><u>1,302,995</u></u>	<u><u>1,356,244</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds	2	484,253	421,796
Unrestricted funds		818,742	934,448
		<u>1,302,995</u>	<u>1,356,244</u>
<b>TOTAL FUNDS</b>		<u><u>1,302,995</u></u>	<u><u>1,356,244</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



**Sir Paul Marshall (Chair)**  
Trustee

12 December 2023

The notes on pages 14 to 25 form part of these financial statements.

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EDUCATION POLICY INSTITUTE

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023

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	2023 £	2022 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	(108,981)	256,284
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(11,304)	(3,729)
Interest from investments	6,147	726
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(5,157)	(3,003)
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	(114,138)	253,281
Cash and cash equivalents at the beginning of the year	1,080,782	827,501
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>966,644</u>	<u>1,080,782</u>

The notes on pages 14 to 25 form part of these financial statements

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Education Policy Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 1.2 Going concern

The charity's main donor has provided confirmation that it will continue to provide financial support to the charity for at least 12 months from the signing of the financial statements. The Trustees therefore consider that it is appropriate to adopt the going concern basis for the preparation of the financial statements.

##### 1.3 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### 1.4 Fund accounting

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

##### 1.5 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 1. Accounting policies (continued)

##### 1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities

##### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Fixtures and fittings	- 3 years straight line
Office equipment	- 3 years straight line

##### 1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

##### 1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash at bank and 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.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.12 Financial instruments

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

2. Income from donations, grants and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations and Grants	-	101,789	101,789	365,000
Restricted Grants	430,760	-	430,760	592,595
	<u>430,760</u>	<u>101,789</u>	<u>532,549</u>	<u>957,595</u>
<i>Total 2022</i>	<u>592,595</u>	<u>365,000</u>	<u>957,595</u>	

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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#### 2. Income from donations, grants and legacies (continued)

The Education Policy Institute received grants from three sources during the year for specific projects. The funds are deemed to be for a restricted purpose and expenditure in these grants are recorded separately.

Unbound Philanthropy which had an unspent grant brought forward of £40,051 and during the year £33,389 was expended leaving a carried forward balance of £6,663. The grant was provided in relation to core support of a research program on educational outcomes of vulnerable children.

Unbound Philanthropy provided a new grant in the year of £15,000 and £3,167 was expended leaving a carried forward balance of £11,833. The grant is to fund the project on home schooling in England at prevalence, child characteristics and family motivations.

The Stitching Benevolentia has a grant brought forward of £45,745 with £44,663 being expended within the year, the unspent grant carried forward is £1,082. The grant was issued to fund a research project exploring the prevalence of managed moves and the local protocols which govern them.

Middlesex University has provided a new restricted grant totalling £11,479 during the year and £12,928 has been expended with the an amount carried forward being (£1,449). A further grant tranche of £2,747 was received after the year end to bring this balance back into a surplus. The grant was provided to fund the project on developing EY leadership through digitally mediated professional learning.

NIESR has provided a new restricted grant totalling £13,750 during the year and £8,150 has been expended with a balance carried forward of £5,600. This grant was provided to fund research in relation to the impact of COVID-19 on educational, language and socioemotional outcomes in key stage 1.

The Sequoia Trust had a balance brought forward of £336,000 and has undertaken to provide a new restricted grant of £64,000. During the year, £71,363 has been expensed in the year with a balance carried forward of £328,637. The sum of £336,000 was granted to utilise on projects relating to a building school model, research on teacher quality and research on young peoples mental health. The balance of the grant was restricted to the charities operational and financial obligations.

The Paul Hamlyn Foundation provided a new restricted grant of £22,000 with £19,945 expended in the year with a balance carried forward of £2,055. The grant provided is a "Voice, Influence and Partnership" grant where a final report will be due one month after the completion of the grant.

A restricted grant of £25,000 was provided by Lord Nash and £5,279 was expended leaving a carried balance of £19,721. The grant was provided to support research into finding data on the number of children outside of formal education across the country.

The Prudence Trust provided a restricted grant of £80,000 in the year and £Nil was expended leaving a carried forward balance of £80,000. The grant is to be allocated to the research project "Mapping mental health and wellbeing services across the country"

The Welsh Government provided an unrestricted grant of £32,500 and £26,794 was expended in the year leaving a carried forward balance of £5,706. The purpose of the funding is for the charity to carry out scoping research on the incentives for teachers in Wales to work in challenging circumstances.

Gareth Thomas provided an unrestricted grant of £31,250 and £6,599 was expended in the year leaving a carried forward balance of £24,651. The donation is to support the research into finding data on the number of children outside of formal education across the country, who these children are, the reason they are not in state education and their post secondary outcomes.

A grant was committed by the Department of Education in 29 March 2023 for £21,700 which has not

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**2. Income from donations, grants and legacies (continued)**

been provided for the year due to conditions that need to be satisfied before payment. A sum of £245 has been spent on the grant in the year.

£135,781 was received from Nuffield Foundation during the year in respect of recharges for staff salaries, overheads and other expenses. This was part of a Restricted income grant and has been treated accordingly. The funding provided are for collaborations on the following research projects:

- Comparison of cognitive skills and education attainment across the UK
- Comparing UK policies, outcomes and inequalities in post 16 education and training
- Estimating the influence of headteachers on their schools
- From algorithmic bias to teacher bias

In summary, total unspent restricted funds brought forward was £421,796; a further £430,760 of restricted funds was received and £368,303 was expended during the year to give a total balance of £484,254 to carry forward at the year end.

The grants are for non-partisan advancement of education

**3. Income from charitable activities**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<i>Total funds 2022 £</i>
Conference and events	383,949	<b>383,949</b>	307,494
Research projects	288,275	<b>288,275</b>	418,838
Subscriptions (individual and corporate)	149,884	<b>149,884</b>	97,575
	822,108	<b>822,108</b>	823,907
<i>Total 2022</i>	823,907	<b>823,907</b>	

**4. Investment income**

	<b>Unrestricted funds 2023 £</b>	<b>Total funds 2023 £</b>	<i>Total funds 2022 £</i>
Bank interest received	6,146	<b>6,146</b>	726
<i>Total 2022</i>	726	<b>726</b>	

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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5. Expenditure on raising funds

Costs of raising funds : management operations, fundraising and communications

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Conference and events	62,037	<b>62,037</b>	59,103
Allocation of support costs (Note 8)	74,588	<b>74,588</b>	69,791
	<u>136,625</u>	<u><b>136,625</b></u>	<u>128,894</u>
<i>Total 2022</i>	<u>128,894</u>	<u>128,894</u>	

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

6. Charitable activities

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Unbound grant	36,556	-	36,556	78,246
Nuffield grant	135,781	-	135,781	163,697
Paul Hamlyn grant	19,945	-	19,945	-
Stiching Benevolentia grant	44,663	-	44,663	19,950
Research fees and Subscriptions	-	14,400	14,400	9,643
Sequoia Trust grant	71,363	-	71,363	-
Dyson grant	-	-	-	6,000
Middlesex University grant	12,928	-	12,928	2,586
NIESR grant	8,150	-	8,150	10,312
Welsh Government grant	26,794	-	26,794	-
Lord Nash grant	5,279	-	5,279	-
Gareth Thomas grant	6,599	-	6,599	-
Department for Education	245	-	245	-
Allocation of support costs (Note 8)	-	894,726	894,726	915,596
	<u>368,303</u>	<u>909,126</u>	<u>1,277,429</u>	<u>1,206,030</u>
<i>Total 2022</i>	<u>280,791</u>	<u>925,239</u>	<u>1,206,030</u>	

7. Governance costs

	2023 £	2022 £
Auditors' remuneration	8,000	7,679
Auditors Remuneration (Underprovision for prior year)	4,873	-
Accountancy, payroll fees, auto-enrolment fees (including prior year underprovision)	8,743	6,462
Bookkeeping	3,165	3,125
Legal and professional fees	8,475	6,346
	<u>33,256</u>	<u>23,612</u>

**EDUCATION POLICY INSTITUTE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**8. Support costs**

	Costs of generating funds 2023 £	Charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Office Costs	8,159	73,431	<b>81,590</b>	75,394
Website and IT costs	1,900	17,104	<b>19,004</b>	14,664
Miscellaneous	473	4,255	<b>4,728</b>	3,651
Bank charges	34	303	<b>337</b>	330
Wages and salaries	50,109	952,071	<b>1,002,180</b>	965,393
National insurance	5,291	100,533	<b>105,824</b>	100,091
Pension costs	3,774	71,707	<b>75,481</b>	71,042
Advertising and Promotional	968	8,708	<b>9,676</b>	6,401
Restricted expenditure Unbound (Note 6)	-	(36,556)	<b>(36,556)</b>	(78,246)
Restricted expenditure - Sticing Benevolentia (Note 6)	-	(44,663)	<b>(44,663)</b>	(19,950)
Restricted Expenditure - Nuffield (Note 6)	-	(135,781)	<b>(135,781)</b>	(163,696)
Restricted expenditure - Dyson foundation (Note 6)	-	-	-	(6,000)
Restricted expenditure - Middlesex University (Note 6)	-	(12,928)	<b>(12,928)</b>	(2,586)
Restricted expenditure - NIESR (Note 6)	-	(8,150)	<b>(8,150)</b>	(10,312)
Restricted Expenditure - Sequoia Trust (Note 6)	-	(71,363)	<b>(71,363)</b>	-
Restricted Expenditure - Department for Education (Note 6)	-	(244)	<b>(244)</b>	-
Restricted Expenditure - Paul Hamlyn Foundation (Note 6)	-	(19,945)	<b>(19,945)</b>	-
Restricted Expenditure - Gareth Thomas (Note 6)	-	(6,599)	<b>(6,599)</b>	-
Restricted Expenditure - Lord Nash (Note 6)	-	(5,279)	<b>(5,279)</b>	-
Restricted Expenditure - Welsh Government (Note 6)	-	(26,794)	<b>(26,794)</b>	-
Governance costs (Note 7)	3,326	29,930	<b>33,256</b>	23,612
Depreciation	554	4,986	<b>5,540</b>	5,598
<b>Total</b>	<b>74,588</b>	<b>894,726</b>	<b>969,314</b>	<b>985,386</b>

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**8. Support costs (continued)**

All support costs except for wages and NI are apportioned between costs of generating funds and charitable activities on a 10% : 90% time basis respectively.

Wages and salaries are also apportioned on a time basis as follows;

5% : 95% between costs of generating funds and charitable activities.

**9. Staff costs**

	2023 £	2022 £
Wages and salaries	1,002,180	965,393
Social security costs	105,824	100,091
Contribution to defined contribution pension scheme	75,481	71,042
	1,183,485	1,136,526

The average number of persons employed by the charity during the year was as follows:

	2023 No	2022 No
Management, research and administrative	21	21

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No	2022 No
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	-	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £150,000	1	-
	5	6

No trustees received remuneration or expenses in the year (2022: £Nil).

Total key management remuneration for the year was £170,083 (2022: £174,806).

**EDUCATION POLICY INSTITUTE**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**10. Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2022	8,196	44,868	53,064
Additions	-	11,304	11,304
At 31 March 2023	<u>8,196</u>	<u>56,172</u>	<u>64,368</u>
<b>Depreciation</b>			
At 1 April 2022	8,196	38,607	46,803
Charge for the year	-	5,540	5,540
At 31 March 2023	<u>8,196</u>	<u>44,147</u>	<u>52,343</u>
<b>Net book value</b>			
At 31 March 2023	<u>-</u>	<u>12,025</u>	<u>12,025</u>
At 31 March 2022	<u>-</u>	<u>6,261</u>	<u>6,261</u>

**11. Debtors**

	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	75,081	68,925
Other debtors	31,612	31,912
Prepayments and accrued income	400,532	356,454
Tax recoverable	-	246
	<u>507,225</u>	<u>457,537</u>

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

12. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	4,104	31,350
Other taxation and social security	63,132	63,613
Other creditors	1,264	11,892
Accruals and deferred income	114,399	81,481
	182,899	188,336
	182,899	188,336
	2023	2022
	£	£
<b>Other taxation and social security</b>		
PAYE / NI control	30,246	31,732
VAT control	32,886	31,881
	63,132	63,613
	63,132	63,613

Deferred income relates to the 2023/24 element of annual corporate partnerships and subscriptions invoiced in the year ended 31 March 2023.

13. Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£	£
Net income/expenditure for the year (as per Statement of Financial Activities)	(53,251)	447,305
	(53,251)	447,305
<b>Adjustments for:</b>		
Depreciation charges	5,540	5,598
Interest received	(6,146)	(726)
(Increase) / decrease in debtors	(49,687)	(222,939)
Increase / (decrease) in creditors	(5,437)	27,046
	(108,981)	256,284
<b>Net cash provided by/(used in) operating activities</b>	(108,981)	256,284

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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14. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	966,644	1,080,782
<b>Total cash and cash equivalents</b>	<b>966,644</b>	<b>1,080,782</b>

15. Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,080,782	(114,138)	966,644
	<b>1,080,782</b>	<b>(114,138)</b>	<b>966,644</b>

16. Operating lease commitments

At 31 March 2023 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	-	52,451

At the year end operating lease commitments is £Nil, as the previous lease ended in the prior year Education Policy Institute has signed a new lease agreement after the year end

17. Related party transactions

During the year the charity received grants of £168,000 from Sequoia Trust out of £336,000 that was committed to in 2022. A further £64,000 grant was committed in the year of which £32,000 was received by the year end. (2022: £200,000). Mr Paul Marshall is also a trustee of The Sequoia Trust.

The Charity received donations of £20,000 (2022 - £20,000) from Lord Nash who is also a trustee.

**EDUCATION POLICY INSTITUTE**

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2023 £	2022 £	2022 £
<b>Income</b>				
Donations and grants	101,789		365,000	
Conference and events	383,949		307,494	
Research and projects	287,733		406,917	
Restricted grants receivable	430,760		592,595	
Subscriptions and publications	149,883		97,575	
Bank interest receivable	6,146		726	
Miscellaneous income	544		11,921	
	<u>                    </u>		<u>                    </u>	
<b>Gross income in the reporting period</b>		<b>1,360,804</b>		<b>1,782,228</b>
<b>Less:</b>				
<b>Costs of generating funds</b>				
Conference and events	62,038		59,102	
Research fees and subscriptions	14,400		9,643	
Wages and salaries	1,002,180		965,393	
Employer's national insurance	105,824		100,091	
Pension costs	75,481		71,042	
Office costs	81,688		75,394	
Website and IT costs	19,005		14,664	
Advertising, marketing and recruitment	9,675		6,401	
Auditors' remuneration (including prior year underprovision)	12,873		7,679	
Accountancy and payroll fees (including prior year underprovision)	8,743		6,462	
Bookkeeping (non-audit)	3,165		3,125	
Legal fees	8,475		6,347	
Staff welfare	2,905		2,176	
Bank charges	337		331	
Travel	859		402	
Mileage	51		-	
Depreciation	5,540		5,598	
Entertainment	814		1,073	
	<u>                    </u>		<u>                    </u>	
<b>Total expenditure</b>		<b>1,414,053</b>		<b>1,334,923</b>
<b>Net (expenditure)/income before taxation for the reporting period</b>		<u><b>(53,249)</b></u>		<u><b>447,305</b></u>
<b>Net (expenditure)/income for the reporting period</b>		<u><b>(53,249)</b></u>		<u><b>447,305</b></u>
<b>(Deficit)/Surplus for the reporting period</b>		<u><b>(53,249)</b></u>		<u><b>447,305</b></u>

**EDUCATION POLICY INSTITUTE**

England & Wales - Charity number 1102186

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# Accounts

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Registered number: 04579498  
Charity number: 1102186

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**EDUCATION POLICY INSTITUTE**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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**EDUCATION POLICY INSTITUTE**

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EDUCATION POLICY INSTITUTE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2022

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<b>Trustees</b>	Sir Paul Marshall, Chair Baroness Morgan of Huyton Mr Charles Brand Dr Kitty Stewart Sir Michael Wilshaw Lord Nash
<b>Company registered number</b>	04579498
<b>Charity registered number</b>	1102186
<b>Registered office</b>	150 Buckingham Palace Road London SW1W 9TR
<b>Company Secretary</b>	Mr David Laws
<b>Executive Chairman</b>	Mr David Laws
<b>Chief Executive Officer</b>	Ms Natalie Perera
<b>Independent auditors</b>	Calders (1883) LLP Chartered Accountants and Statutory Auditors 30 Orange Street London WC2H 7HF

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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The Trustees who are also directors present their annual report together with the audited financial statements of the charity for the 1 April 2021 to 31 March 2022. The Trustees Report serves the purposes of both a Trustees' report and a directors' report under company law.

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

#### Objectives and activities

##### a. Policies and objectives

Policies and Objectives: The principal objects of the charity are non-partisan advancement of education of the public in the economic, social and political sciences and their effect on public policy and the policy-making process in the UK and the promotion of objective research, and any other purposes deemed charitable under the law of England and Wales. There have been no changes in the objectives since our last Annual Report. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, and the duties set out in Section 17 (5) of the Charities Act 2011, including the guidance "Public Benefit: Running a Charity".

##### b. Main activities undertaken to further the charity's purposes for the public benefit

Main activities undertaken to further the charity's purposes for the public benefit: Our main activities and how we try to achieve our principal objectives for the benefit of the public are described below. All our charitable activities focus on the advancement of education of the public in the UK and are undertaken to further our charitable purposes for the public benefit.

#### Achievements and performance

##### a. Review of activities

1st April 2021 to 31st March 2022.

The Education Policy Institute is an independent, impartial and evidence-based research institute, which aims to promote high quality education outcomes, regardless of social background. We continue to use quantitative and other methods to analyse all phases of education in England, to help policy makers and practitioners to adopt more effective strategies to improve outcomes. We particularly focus on policy challenges relating to the long "tail" of low attainment, and we seek to promote policy solutions which close the education gap between vulnerable children and adults, and the rest of the pupil and adult populations. We are also interested in non-attainment related education and child development issues, and we have an important strand of work on child wellbeing and mental health.

2021/22 was a year in which normal work patterns continued to be disrupted by the global pandemic, but EPI staff coped effectively with these challenges, moving some work into the home environment and making more use of virtual communications.

EPI has continued to produce a wide variety of research work on an extensive range of issues, and has been called to give evidence to parliamentary committees. Our work has had significant impact through the media and other routes. We have had a large programme of events, roundtables and conferences.

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EDUCATION POLICY INSTITUTE

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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

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**Achievements and performance (continued)**

**Review of activities (continued)**

This year we continued our important research project partnership with Renaissance Learning. This has helped to provide one of the most accurate and timely sources of information about the impacts of Covid disruption on education outcomes. The research has been used extensively by government to inform analysis and policy responses.

Staff have produced numerous research reports and analysis during the year. The major publications include:

"Preliminary research findings on education recovery" (April 2021).

"The effects of high quality professional development on teachers and students" (April 2021).

"Education recovery and resilience: recommendations for government" (May 2021).

"Learning loss research: understanding learning loss in the 2020/21 academic year" (July 2021).

"Comparing education catch up spending within and outside the UK" (July 2021).

"A narrowing path to success? 16-19 curriculum breadth and employment outcomes" (September 2021).

"Measuring efficiency in school groups: working paper" (September 2021).

"Education recovery and resilience: Phase 2 report" (October 2021).

"School efficiency: part 1 and part 2" (November 2021).

"Educational Outcomes of refugee and asylum seeking children in England" (December 2021).

"School efficiency part 3". (December 2021).

"Learning loss in the 2021/22 Autumn Term" (January 2022).

"Annual Report on the Disadvantaged Gap" (February 2022).

"School outcomes in Essex" (March 2022).

"Impact of COVID on social and emotional development" (March 2022).

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EDUCATION POLICY INSTITUTE

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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

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**Achievements and performance (continued)**

**b. Investment policy and performance**

The charity has no investments apart from bank deposits and the Trustees consider this as the appropriate vehicle for holding its funds.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

**b. Future Developments**

The Covid-19 pandemic continued to disrupt usual office operations and in person engagement in 2021/22. It is too early to know whether the disruption will continue into 2022/23.

EPI staff will work flexibility, with a mixture of in office/at home work, in order to comply with Covid guidance while working as effectively as possible.

Since 2016, EPI has received annual, unrestricted, grants from the Sequoia Foundation. In recent years, the level of these grants has been declining, as EPI moves towards being financially sustainable without reliance on unrestricted Sequoia grants. However, the foundation has awarded further significant further funding in 2022 and 2023 to support specific areas of work.

**c. Reserves policy**

It is the policy of the Trustees that reserves are maintained at a level to finance forecast future operations of the charity.

The Trustees have obtained confirmation of ongoing funding support from its main donor.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### Financial review (continued)

##### d. Summary of income and expenditure

The charity's restricted income during the reporting year was £592,595 (2021: £310,197). At the same time restricted expenditure increased to £280,790 (2021: £264,197).

The charity's unrestricted income during the reporting year was £1,189,633 (2021: £1,025,850). At the same time unrestricted expenditure decreased to £1,054,133 (2021: £1,113,678).

Total voluntary income increased to £957,595 (2021: £846,901). Income from our research, sponsored events and membership subscriptions increased to £823,907 (2021: £488,217).

The main item of total expenditure related to staffing and payroll costs of £1,136,526 (2021: £1,170,798).

##### e. Principal funding

Ongoing financial management is the responsibility of the Trustees. The annual budget is approved by the Trustees. Statements are presented to the Trustees, with explanations provided for variations from budget. The principal sources of funding are grants from a number of charitable trusts and sponsorship income for research, events and corporate subscriptions.

##### f. Research interns

It is the Institute's policy to pay research interns, typically working for between 1 - 3 months, at the London Living Wage.

#### Structure, governance and management

##### a. Constitution

Education Policy Institute is a charitable company limited by guarantee, incorporated on 1st November 2002 and registered as charity number 1102186 on 19th February 2004. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. Since May 2016 the operating name and identity has been the Education Policy Institute.

##### b. Methods of appointment or election of Trustees

Trustees are elected by a simple majority of all the Trustees entitled to attend and vote at any meeting of the Board. Trustees are appointed by recommendation and informal interview processing and approval by the full board. There is currently no formal policy of training and induction in place for new Trustees. However, all current Trustees have extensive experience of legal issues relating to charities and are also advised by the Company Secretary on such matters. Should the need for a more formal policy arise, this will be considered by the Trustees.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### Structure, governance and management (continued)

##### c. Organisational structure and decision-making policies

The current Trustees of the charity are also directors of the charity for the purposes of the Companies Act. The Trustees are responsible for setting the overall strategy of the charity and ensuring that the charitable purposes are adhered to and they retain overall responsibility for the running of the charity and delegation to relevant committees and/or sub Boards, as appropriate. The Trustees meet quarterly. Members of the Advisory Board provide input and advice on an ad hoc basis. Members of the Advisory Board include academics, commentators, education practitioners and senior parliamentarians.

##### d. Financial risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that all risks have been addressed and, where appropriate, systems are in place to mitigate the exposure to major risks.

#### Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes 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. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

#### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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EDUCATION POLICY INSTITUTE

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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2022

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**Auditors**

The auditors, Calders (1883) LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

**Small companies note**

The Trustees' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by order of the members of the board of Trustees on 18 October 2022 and signed on their behalf by:



**Sir Paul Marshall (Chair)**  
Trustee

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE

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#### Opinion

We have audited the financial statements of Education Policy Institute (the 'charity') for the year ended 31 March 2022, which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2022 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.

#### 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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EDUCATION POLICY INSTITUTE

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE  
(CONTINUED)

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of 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 Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees 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 Trustees' Report and from the requirement to prepare a Strategic Report.

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE (CONTINUED)

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#### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation.

With regards to laws and regulations relating to the operating aspects of the charitable company, these were discussed with management and were not considered fundamental to the operating of the charity therefore should not have a material impact on the financial statements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

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EDUCATION POLICY INSTITUTE

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE  
(CONTINUED)

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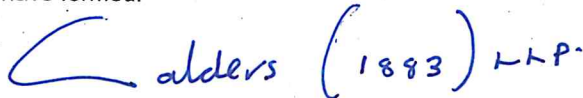
**Auditors' responsibilities for the audit of the financial statements (continued)**

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

 *Calders (1883) LLP*

**T Badiani (Senior Statutory Auditor)**

for and on behalf of  
**Calders (1883) LLP**

Chartered Accountants and Statutory Auditors

30 Orange Street

London

WC2H 7HF

18 October 2022

EDUCATION POLICY INSTITUTE

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>INCOME FROM:</b>					
Donations, grants and legacies	2	592,595	365,000	957,595	846,901
Charitable activities	3	-	823,907	823,907	488,217
Investments	4	-	726	726	929
<b>TOTAL INCOME</b>		<b>592,595</b>	<b>1,189,633</b>	<b>1,782,228</b>	<b>1,336,047</b>
<b>EXPENDITURE ON:</b>					
Raising funds : Management operations, fundraising and communications	5	-	128,894	128,894	90,895
Charitable activities		280,790	925,239	1,206,030	1,286,980
<b>TOTAL EXPENDITURE</b>		<b>280,790</b>	<b>1,054,133</b>	<b>1,334,923</b>	<b>1,377,875</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>311,805</b>	<b>135,500</b>	<b>447,305</b>	<b>(41,828)</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		109,991	798,948	908,939	950,767
Net movement in funds		311,805	135,500	447,305	(41,828)
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>421,796</b>	<b>934,448</b>	<b>1,356,244</b>	<b>908,939</b>

The notes on pages 15 to 25 form part of these financial statements.

EDUCATION POLICY INSTITUTE  
REGISTERED NUMBER: 04579498

BALANCE SHEET  
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible assets	10	6,261	8,130
		<u>6,261</u>	<u>8,130</u>
<b>CURRENT ASSETS</b>			
Debtors	11	457,537	234,598
Cash at bank and in hand		1,080,782	827,501
		<u>1,538,319</u>	<u>1,062,099</u>
Creditors: amounts falling due within one year	12	(188,336)	(161,290)
<b>NET CURRENT ASSETS</b>		<u>1,349,983</u>	<u>900,809</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,356,244</u>	<u>908,939</u>
		<u>1,356,244</u>	<u>908,939</u>
<b>TOTAL NET ASSETS</b>		<u><u>1,356,244</u></u>	<u><u>908,939</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds		421,796	109,991
Unrestricted funds		934,448	798,948
<b>TOTAL FUNDS</b>		<u><u>1,356,244</u></u>	<u><u>908,939</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 18 October 2022 and signed on their behalf by:



**Sir Paul Marshall (Chair)**  
Trustee

The notes on pages 15 to 25 form part of these financial statements.

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EDUCATION POLICY INSTITUTE

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022

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	2022 £	2021 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	256,284	(46,726)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(3,729)	(4,763)
Interest from investments	726	291
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,003)</b>	<b>(4,472)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>253,281</b>	<b>(51,198)</b>
Cash and cash equivalents at the beginning of the year	827,501	878,699
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>1,080,782</b>	<b>827,501</b>

The notes on pages 15 to 25 form part of these financial statements

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Education Policy Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 1.2 Going concern

The charity's main donor has provided confirmation that it will continue to provide financial support to the charity for at least 12 months from the signing of the financial statements.

The Trustees therefore consider that it is appropriate to adopt the going concern basis for the preparation of the financial statements.

##### 1.3 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### 1.4 Fund accounting

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

##### 1.5 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 1. Accounting policies (continued)

##### 1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities

##### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Fixtures and fittings	- 3 years straight line
Office equipment	- 3 years straight line

##### 1.8 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

##### 1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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1. Accounting policies (continued)

1.10 Cash at bank and in hand

Cash at bank and 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.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.12 Financial instruments

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

2. Income from donations, grants and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	-	365,000	365,000	496,900
Grants	592,595	-	592,595	310,197
Government grants	-	-	-	39,804
	<u>592,595</u>	<u>365,000</u>	<u>957,595</u>	<u>846,901</u>
<i>Total 2021</i>	<u>310,197</u>	<u>536,704</u>	<u>846,901</u>	

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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2. Income from donations, grants and legacies (continued)

The Education Policy Institute received grants from three sources during the year for specific projects. The funds are deemed to be for a restricted purpose and expenditure in these grants are recorded separately.

Unbound Philanthropy which had an unspent grant brought forward of £38,297 received further tranches of £80,000 with £78,245 expended in the year, the unspent grant carried forward is £40,051.

Nuffield has provided further restricted grants totalling £163,697 during the year which have all been expended.

EPI had a brought forward grant from The James Dyson Foundation for £6,000 which has been completely expended in the year.

The Stitching Benevolentia has a grant brought forward of £65,695 with £19,950 being expended within the year, the unspent grant carried forward is £45,745.

Middlesex University has provided a new restricted grant totalling £2,586 during the year which has been fully expended.

NIESR has provided a new restricted grant totalling £10,312 during the year which has been fully expended.

The Sequoia Trust has undertaken to provide new restricted grants totalling £336,000 during the year this amount has been carried forward.

3. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Conference and events	307,494	307,494	211,274
Research projects	418,838	418,838	195,071
Subscriptions (individual and corporate)	97,575	97,575	81,872
	<u>823,907</u>	<u>823,907</u>	<u>488,217</u>
<i>Total 2021</i>	<u>488,217</u>	<u>488,217</u>	

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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4. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest received	726	726	929
	<u>726</u>	<u>726</u>	<u>929</u>
<i>Total 2021</i>	<u>929</u>	<u>929</u>	

5. Expenditure on raising funds

Costs of raising funds : management operations, fundraising and communications

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Conference and events	59,103	59,103	19,875
Allocation of support costs (Note 8)	69,791	69,791	71,020
	<u>128,894</u>	<u>128,894</u>	<u>90,895</u>
<i>Total 2021</i>	<u>90,895</u>	<u>90,895</u>	

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

6. Charitable activities

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Unbound grant expenditure	78,246	-	78,246	41,654
Nuffield grant	163,697	-	163,697	264,197
Stiching grant	19,950	-	19,950	10,290
Research fees and subscriptions	-	9,643	9,643	60,032
Dyson grant	6,000	-	6,000	-
Middlesex University grant	2,586	-	2,586	-
NIESR grant	10,312	-	10,312	-
Allocation of support costs (Note 8)	-	915,596	915,596	910,808
	<u>280,791</u>	<u>925,239</u>	<u>1,206,030</u>	<u>1,286,981</u>
<i>Total 2021</i>	<u>361,777</u>	<u>914,914</u>	<u>1,276,691</u>	

7. Governance costs

	2022 £	2021 £
Auditors' remuneration (including prior year under provision)	7,679	9,748
Accountancy, payroll fees, auto-enrolment fees	3,739	6,348
Accountancy and advice prior year under provision	2,723	2,827
Bookkeeping	3,125	3,333
Legal and professional fees	6,346	1,357
	-	-
	<u>23,612</u>	<u>23,613</u>

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

8. Support costs

	Costs of generating funds 2022 £	Charitable activities 2022 £	Total funds 2022 £	Total funds 2021 £
Office costs	7,539	67,855	75,394	73,529
Website and IT costs	1,466	13,198	14,664	15,501
Miscellaneous	365	3,286	3,651	-
Bank charges	32	298	330	319
Advertising and promotional	640	5,761	6,401	5,094
Wages and salaries	48,270	917,124	965,394	951,094
National insurance	5,005	95,086	100,091	100,996
Pension costs	3,552	67,490	71,042	118,708
Restricted expenditure Unbound (Note 6)	-	(78,246)	(78,246)	(41,654)
Restricted expenditure - Nuffield (Note 6)	-	(163,696)	(163,696)	(264,197)
Restricted expenditure - Sticing Benevolentia (Note 6)	-	(19,950)	(19,950)	(10,290)
Restricted expenditure - Dyson foundation (Note 6)	-	(6,000)	(6,000)	-
Restricted expenditure - Middlesex University (Note 6)	-	(2,586)	(2,586)	-
Restricted expenditure - NIESR (Note 6)	-	(10,312)	(10,312)	-
Governance costs (Note 7)	2,361	21,251	23,612	23,623
Depreciation	561	5,037	5,598	9,104
<b>Total</b>	<b>69,791</b>	<b>915,596</b>	<b>985,387</b>	<b>981,827</b>

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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8. Support costs (continued)

All support costs except for wages and NI are apportioned between costs of generating funds and charitable activities on a 10% : 90% time basis respectively.

Wages and salaries are also apportioned on a time basis as follows;

5% : 95% between costs of generating funds and charitable activities.

9. Staff costs

	2022 £	2021 £
Wages and salaries	965,393	994,538
Social security costs	100,091	100,996
Contribution to defined contribution pension scheme	71,042	75,264
	<u>1,136,526</u>	<u>1,170,798</u>

The average number of persons employed by the charity during the year was as follows:

	2022 No	2021 No
Management, research and administrative	<u>21</u>	<u>22</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No	2021 No
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	1
	<u>6</u>	<u>6</u>

No trustees received remuneration or expenses in the year (2021: £Nil).

Total key management remuneration for the year was £174,806 (2021: £192,293).

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

10. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2021	8,196	41,139	49,335
Additions	-	3,729	3,729
At 31 March 2022	<u>8,196</u>	<u>44,868</u>	<u>53,064</u>
<b>Depreciation</b>			
At 1 April 2021	7,955	33,250	41,205
Charge for the year	241	5,357	5,598
At 31 March 2022	<u>8,196</u>	<u>38,607</u>	<u>46,803</u>
<b>Net book value</b>			
At 31 March 2022	<u>-</u>	<u>6,261</u>	<u>6,261</u>
At 31 March 2021	<u>241</u>	<u>7,889</u>	<u>8,130</u>

11. Debtors

	2022 £	2021 £
<b>Due within one year</b>		
Trade debtors	68,925	178,702
Other debtors	31,912	31,612
Prepayments and accrued income	356,454	17,510
Tax recoverable	246	6,774
	<u>457,537</u>	<u>234,598</u>

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	31,350	14,683
Other taxation and social security	63,613	90,114
Other creditors	20,213	17,469
Accruals and deferred income	73,160	39,024
	<b>188,336</b>	<b>161,290</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Other taxation and social security</b>		
PAYE / NI control	31,732	33,265
VAT control	31,881	56,849
	<b>63,613</b>	<b>90,114</b>

Deferred income relates to the 2022/23 element of annual corporate partnerships and subscriptions invoiced in the year ended 31 March 2022.

13. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	447,305	(41,828)
<b>Adjustments for:</b>		
Depreciation charges	5,598	9,104
Interest received	(726)	(291)
(Increase) / decrease in debtors	(222,939)	4,112
Increase / (decrease) in creditors	27,046	(17,823)
<b>Net cash provided by/(used in) operating activities</b>	<b>256,284</b>	<b>(46,726)</b>

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

14. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	1,080,782	827,501
<b>Total cash and cash equivalents</b>	<b>1,080,782</b>	<b>827,501</b>

15. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	827,501	253,281	1,080,782
	827,501	253,281	1,080,782

16. Pension commitments

The company contributes to certain directors and employees defined contribution schemes and the pension charge represents the amounts paid by the company to the funds and amounted to £71,042 (2021 - £75,264) There was a balance of £Nil (2021 - £Nil) outstanding at the balance sheet date.

17. Operating lease commitments

At 31 March 2022 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	52,451	38,224
Later than 1 year and not later than 5 years	-	43,683
	52,451	81,907

18. Related party transactions

During the year the charity received donations of £200,000 (2021 - £350,000), and committed to provide restricted grants of £336,000 (2021 - £NIL) from The Sequoia Trust, of which Mr Paul Marshall is also a Trustee.

The Charity received donations of £20,000 (2021 - £20,000) from Lord Nash who is also a trustee.

**EDUCATION POLICY INSTITUTE**

England & Wales - Charity number 1102186

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# Accounts

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Registered number: 04579498  
Charity number: 1102186

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**EDUCATION POLICY INSTITUTE**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

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EDUCATION POLICY INSTITUTE

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The following pages do not form part of the statutory financial statements:

**Charity Detailed Income and Expenditure Account and Summaries**

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EDUCATION POLICY INSTITUTE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021

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<b>Trustees</b>	Sir Paul Marshall, Chair Baroness Morgan of Huyton Mr Charles Brand Dr Kitty Stewart Sir Michael Wilshaw Lord Nash
<b>Company registered number</b>	04579498
<b>Charity registered number</b>	1102186
<b>Registered office</b>	150 Buckingham Palace Road London SW1W 9TR
<b>Company Secretary</b>	Mr David Laws
<b>Executive Chairman</b>	Mr David Laws
<b>Independent auditors</b>	Calders (1883) LLP Chartered Accountants and Statutory Auditors 30 Orange Street London WC2H 7HF

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The Trustees who are also directors present their annual report together with the audited financial statements of the charity for the 1 April 2020 to 31 March 2021. The Trustees Report serves the purposes of both a Trustees' report and a directors' report under company law.

Since the charity qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

#### **Objectives and activities**

##### **a. Policies and objectives**

The principal objects of the charity are the non-partisan advancement of education of the public in the economic, social and political sciences and their effect on public policy and the policy-making process in the UK and the promotion and publication of objective research, and any other purposes deemed charitable under the law of England and Wales. There have been no changes in the objectives since the last annual report. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit, and the duties set out in Section 17 (5) of the Charities Act 2011, including the guidance "Public Benefit: Running a Charity (PB2)."

##### **b. Main activities undertaken to further the charity's purposes for the public benefit**

Our main activities and how we try to achieve our principal objectives for the benefit of the public are described below. All our charitable activities focus on the advancement of education of the public in the UK and are undertaken to further our charitable purposes for the public benefit.

#### **Achievements and performance**

##### **a. Review of activities**

1st April 2020 to 31st March 2021.

The Education Policy Institute is an independent, impartial and evidence-based research institute, which aims to promote high quality education outcomes, regardless of social background. We continue to use quantitative and other methods to analyse all phases of education in England, to help policy makers and practitioners to adopt more effective strategies to improve outcomes. We are particularly focused on policy challenges relating to the long "tail" of low attainment, and we seek to promote policy solutions which close the education gap between vulnerable children and adults, and the rest of the pupil and adult population. We are also interested in non-attainment related education and child development issues, and we have an important strand of work on child wellbeing and mental health.

2020/21 was a challenging year for many organisations, due to the global covid pandemic. For most of this period, staff were required to work from home, and few in person events or meetings were possible. The organisation adapted well to this challenge and supported staff to work effectively out of the office. Only a small number of activities were cancelled or delayed due to the pandemic, and the organisation continued to make progress towards financial sustainability during this time.

EPI has continued to produce a wide variety of reports on an extensive range of issues. EPI staff have been called upon to give evidence to parliamentary committees, and we have held a number of open events and roundtables.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Achievements and performance (continued)

##### Review of activities (continued)

We have worked this year in partnership with Renaissance Learning to produce estimates of pandemic-related learning loss. This work has been commissioned by the Department for Education, and it has been the lead measure of learning loss which has been available to the government, and has helped inform the government's catch-up planning.

Staff have produced numerous research reports and analysis during the year. The major publications include:

"Preventing the disadvantage gap from increasing during and after the Covid-19 pandemic" (May 2020).

"Is the recruitment and retention strategy starting to pay off?" (June 2020).

"Getting pupils back into school: the unresolved problem of transport" (July 2020).

"Annual Report on Disadvantaged Gap" (July 2020).

"School funding allocations 2021/22" (July 2020).

"Addressing the digital divide in education." (August 2020).

"Reflections on exam results 2020: an avoidable crisis?" (August 2020).

"The Covid-19 pandemic and the early years workforce" (September 2020).

"Education responses across the UK to the Covid-19 pandemic." (October 2020).

"A systematic review of early years degrees and employment pathways." (December 2020).

"Early years workforce, qualifications and children's outcomes." (December 2020).

"Assessing Covid-19 cost pressures on England's schools." (December 2020).

"How leading education nations develop and reform their curriculum systems". (January 2021).

"Children and Young People's emotional and mental health." (January 2021).

"Learning loss research: understanding progress in the 2020-21 academic year" (February 2021).

"Education reopening and catch up across the UK". (February 2021).

"Measuring the disadvantaged gap in 16-19 education." (March 2021).

"Identifying pupils with special education needs and disabilities." (March 2021).

"The national funding formula: consideration of better targeting to disadvantaged pupils." (March 2021).

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Achievements and performance (continued)

##### b. Investment policy and performance

The charity has no investments apart from bank deposits and the Trustees consider this as the appropriate vehicle for holding its funds.

#### Financial review

##### a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

##### b. Future Developments

The Covid-19 pandemic continued to disrupt usual office operations and in person engagement in 2021/22. It is too early to know whether the disruption will continue into 2022/23.

EPI staff will work flexibility, with a mixture of in office/at home work, in order to comply with Covid guidance while working as effectively as possible.

Since 2016, EPI has received annual, unrestricted, grants from the Sequoia Foundation. In recent years, the level of these grants has been declining, as EPI moves towards being financially sustainable without reliance on unrestricted Sequoia grants. The last unrestricted grant, of £200,000, was received in Autumn 2021. However, the foundation has awarded further funding in 2022 and 2023 to support specific areas of work.

##### c. Reserves policy

It is the policy of the Trustees that reserves are maintained at a level to finance forecast future operations of the charity.

The Trustees have obtained confirmation of ongoing funding support from its main donor.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Financial review (continued)

##### d. Summary of income and expenditure

The charity's turnover during the reporting year was £1,025,850 (2020: £1,610,537). At the same time resources expended reduced to £1,377,875 (2020: £1,418,091).

##### Income

Voluntary income decreased to £846,901 (2020: £939,578). Income from our research, sponsored events and membership subscriptions decreased to £488,217 (2020: £668,378).

##### Expenditure

The main item of expenditure related to staffing and payroll costs of £1,170,768 (2020: £1,060,403).

##### e. Principal funding

Ongoing financial management is the responsibility of the Trustees. The annual budget is approved by the Trustees. Statements are presented to the Trustees, with explanations provided for variations from budget. The principal sources of funding are grants from a number of charitable trusts and sponsorship income for research, events and corporate subscriptions.

##### f. Research interns

It is the Institute's policy to pay research interns, typically working for between 1 - 3 months, at the London Living Wage.

#### Structure, governance and management

##### a. Constitution

Education Policy Institute is a charitable company limited by guarantee, incorporated on 1st November 2002 and registered as charity number 1102186 on 19th February 2004. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed by its Articles of Association. Since May 2016 the operating name and identity has been the Education Policy Institute.

##### b. Methods of appointment or election of Trustees

Trustees are elected by a simple majority of all the Trustees entitled to attend and vote at any meeting of the Board. Trustees are appointed by recommendation and informal interview processing and approval by the full board. There is currently no formal policy of training and induction in place for new Trustees. However, all current Trustees have extensive experience of legal issues relating to charities and are also advised by the Company Secretary on such matters. Should the need for a more formal policy arise, this will be considered by the Trustees.

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## EDUCATION POLICY INSTITUTE

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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#### Structure, governance and management (continued)

##### c. Organisational structure and decision-making policies

The current Trustees of the charity are also directors of the charity for the purposes of the Companies Act. The Trustees are responsible for setting the overall strategy of the charity and ensuring that the charitable purposes are adhered to and they retain overall responsibility for the running of the charity and delegation to relevant committees and/or sub Boards, as appropriate. The Trustees meet quarterly. Members of the Advisory Board provide input and advice on an ad hoc basis. Members of the Advisory Board include academics, commentators, education practitioners and senior parliamentarians.

##### d. Financial risk management

The Trustees have assessed the major risks to which the charity is exposed and are satisfied that all risks have been addressed and, where appropriate, systems are in place to mitigate the exposure to major risks.

#### Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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.

#### Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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EDUCATION POLICY INSTITUTE

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TRUSTEES' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021

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**Auditors**

The auditors, Calders (1883) LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

**Small companies note**

The Trustees' Report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by order of the members of the board of Trustees on 20 January 2022 and signed on their behalf by:



**Sir Paul Marshall (Chair)**  
Trustee

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE

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#### Opinion

We have audited the financial statements of Education Policy Institute (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2021 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.

#### 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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**EDUCATION POLICY INSTITUTE**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE  
(CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of 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 Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees 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 Trustees' Report and from the requirement to prepare a Strategic Report.

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## EDUCATION POLICY INSTITUTE

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE (CONTINUED)

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#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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 Trustees 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 Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' responsibilities for the audit of the financial statements**

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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation.

With regards to laws and regulations relating to the operating aspects of the charitable company, these were discussed with management and were not considered fundamental to the operating of the charity therefore should not have a material impact on the financial statements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

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EDUCATION POLICY INSTITUTE

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE  
(CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements (continued)**

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our 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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**T Badiani (Senior Statutory Auditor)**  
for and on behalf of  
**Calders (1883) LLP**  
Chartered Accountants and Statutory Auditors  
30 Orange Street  
London  
WC2H 7HF

20 January 2022

EDUCATION POLICY INSTITUTE

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>INCOME FROM:</b>					
Donations, grants and legacies	2	310,197	536,704	846,901	939,578
Charitable activities	3	-	488,217	488,217	668,378
Investments	4	-	929	929	2,581
<b>TOTAL INCOME</b>		<b>310,197</b>	<b>1,025,850</b>	<b>1,336,047</b>	<b>1,610,537</b>
<b>EXPENDITURE ON:</b>					
Raising funds : Management operations, fundraising and communications	5	-	90,895	90,895	141,400
Charitable activities		316,141	970,839	1,286,980	1,276,691
<b>TOTAL EXPENDITURE</b>		<b>316,141</b>	<b>1,061,734</b>	<b>1,377,875</b>	<b>1,418,091</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(5,944)</b>	<b>(35,884)</b>	<b>(41,828)</b>	<b>192,446</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		115,937	834,830	950,767	758,321
Net movement in funds		(5,944)	(35,884)	(41,828)	192,446
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>109,993</b>	<b>798,946</b>	<b>908,939</b>	<b>950,767</b>

The notes on pages 15 to 25 form part of these financial statements.

**EDUCATION POLICY INSTITUTE**  
**REGISTERED NUMBER: 04579498**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 Restated £
<b>FIXED ASSETS</b>			
Tangible assets	10	8,130	12,471
		<u>8,130</u>	<u>12,471</u>
<b>CURRENT ASSETS</b>			
Debtors	11	234,598	238,711
Cash at bank and in hand		827,501	878,699
		<u>1,062,099</u>	<u>1,117,410</u>
Creditors: amounts falling due within one year	12	(161,290)	(179,114)
<b>NET CURRENT ASSETS</b>		<u>900,809</u>	<u>938,296</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>908,939</u>	<u>950,767</u>
		<u>908,939</u>	<u>950,767</u>
<b>TOTAL NET ASSETS</b>		<u><u>908,939</u></u>	<u><u>950,767</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds		109,993	115,937
Unrestricted funds		798,946	834,830
<b>TOTAL FUNDS</b>		<u><u>908,939</u></u>	<u><u>950,767</u></u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 20 January 2022 and signed on their behalf by:

**Sir Paul Marshall (Chair)**  
Trustee

The notes on pages 15 to 25 form part of these financial statements.

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EDUCATION POLICY INSTITUTE

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2021

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	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	(46,726)	127,071
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	(4,763)	(3,259)
Interest from investments	291	2,581
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,472)</b>	<b>(678)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>(51,198)</b>	<b>126,393</b>
Cash and cash equivalents at the beginning of the year	878,699	752,306
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>827,501</b>	<b>878,699</b>

The notes on pages 15 to 25 form part of these financial statements

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Education Policy Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Going concern**

The charity's main donor has provided confirmation that it will continue to provide financial support to the charity for at least 12 months from the signing of the financial statements. The Trustees therefore consider that it is appropriate to adopt the going concern basis for the preparation of the financial statements.

**1.3 Company status**

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

**1.4 Fund accounting**

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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**1.5 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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## EDUCATION POLICY INSTITUTE

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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#### 1. Accounting policies (continued)

##### 1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities

##### 1.7 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

##### 1.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Fixtures and fittings	- 3 years straight line
Office equipment	- 3 years straight line

##### 1.9 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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1. Accounting policies (continued)

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and 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.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

1.13 Financial instruments

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

2. Income from donations, grants and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	-	496,900	496,900	500,000
Grants	310,197	-	310,197	439,578
Government grants	-	39,804	39,804	-
	<u>310,197</u>	<u>536,704</u>	<u>846,901</u>	<u>939,578</u>
Total 2020	<u>439,578</u>	<u>500,000</u>	<u>939,578</u>	

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

**2. Income from donations, grants and legacies (continued)**

The Education Policy Institute received grants from three sources during the year for specific projects. The funds are deemed to be for a restricted purpose and expenditure in these grants are recorded separately.

Unbound Philanthropy which had an unspent grant brought forward of £39,951 (restated) received a further tranche of £40,000 with £41,653 expended in the year.

Nuffield has provided further restricted grants totalling £264,197 during the year which have all been expended.

EPI received a new grant from The James Dyson Foundation for £6,000 with no costs expended in the year and so this is the amount carried forward.

The Gatsby grant has a brought forward balance of nil (restated).

The Stitching Benevolentia has a grant brought forward of £75,985 (restated) with £10,290 being expended within the year.

**3. Income from charitable activities**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Conference and events	211,274	211,274	137,072
Research projects	195,071	195,071	454,665
Subscriptions (individual and corporate)	81,872	81,872	76,641
	<u>488,217</u>	<u>488,217</u>	<u>668,378</u>
<i>Total 2020</i>	<u>668,378</u>	<u>668,378</u>	

**4. Investment income**

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank interest received	929	929	2,581
	<u>929</u>	<u>929</u>	<u>2,581</u>
<i>Total 2020</i>	<u>2,581</u>	<u>2,581</u>	

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

5. Expenditure on raising funds

Costs of raising funds : management operations, fundraising and communications

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Conference and events	19,875	19,875	52,541
Allocation of support costs (Note 8)	71,020	71,020	88,859
	<u>90,895</u>	<u>90,895</u>	<u>141,400</u>
<i>Total 2020</i>	<u>141,400</u>	<u>141,400</u>	

6. Charitable activities

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 (restated) £
Unbound grant expenditure	41,654	-	41,654	33,191
Nuffield grant	264,197	-	264,197	286,806
Gatsby grant	-	-	-	21,780
Stiching grant	10,290	-	10,290	20,000
Research fees and subscriptions	-	60,032	60,032	130,482
Printing of publications	-	-	-	2,097
Allocation of support costs (Note 8)	-	910,808	910,808	782,335
	<u>316,141</u>	<u>970,840</u>	<u>1,286,981</u>	<u>1,276,691</u>
<i>Total 2020</i>	<u>361,777</u>	<u>914,914</u>	<u>1,276,691</u>	

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

7. Governance costs

	2021 £	2020 £
Auditors' remuneration (including prior year under provision)	9,748	9,630
Accountancy, payroll fees, auto-enrolment fees	6,348	6,075
Accountancy and advice prior year under provision	2,827	3,500
Bookkeeping	3,333	3,017
Legal and professional fees	1,367	1,069
	-	-
	<u>23,623</u>	<u>23,291</u>

8. Support costs

	Costs of generating funds 2021 £	Charitable activities 2021 £	Total funds 2021 £	Total funds 2020 (restated) £
Office costs	7,353	66,176	73,529	102,097
Website and IT costs	1,550	13,951	15,501	-
Miscellaneous	-	-	-	5,700
Bank charges	32	287	319	385
Consultancy	-	-	-	25,196
Advertising and promotional	509	4,585	5,094	6,810
Wages and salaries	47,318	903,776	951,094	899,459
National insurance	5,050	95,946	100,996	96,070
Pension costs	5,935	112,773	118,708	64,874
Restricted expenditure Unbound (Note 6)	-	(41,654)	(41,654)	(33,191)
Restricted expenditure - Nuffield (Note 6)	-	(264,197)	(264,197)	(286,806)
Restricted expenditure - Sticing Benevolentia	-	(10,290)	(10,290)	(20,000)
Restricted expenditure - Gatsby (Note 7)	-	-	-	(21,780)
Governance costs (Note 7)	2,362	21,261	23,623	23,291
Depreciation	910	8,194	9,104	9,089
<b>Total</b>	<u>71,019</u>	<u>910,808</u>	<u>981,827</u>	<u>871,194</u>

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EDUCATION POLICY INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

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8. Support costs (continued)

All support costs except for wages and NI are apportioned between costs of generating funds and charitable activities on a 10% : 90% time basis respectively.

Wages and salaries are also apportioned on a time basis as follows;

5% : 95% between costs of generating funds and charitable activities.

9. Staff costs

	2021 £	2020 £
Wages and salaries	951,094	899,459
Social security costs	100,996	96,070
Contribution to defined contribution pension scheme	118,708	64,874
	<u>1,170,798</u>	<u>1,060,403</u>

The average number of persons employed by the charity during the year was as follows:

	2021 No	2020 No
Management, research and administrative	<u>22</u>	<u>21</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No	2020 No
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	1
	<u>6</u>	<u>6</u>

No trustees received remuneration or expenses in the year (2020: £Nil).

Total key management remuneration for the year was £95,600 (2020: £95,600).

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

**10. Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 April 2020	8,196	36,376	44,572
Additions	-	4,763	4,763
At 31 March 2021	<u>8,196</u>	<u>41,139</u>	<u>49,335</u>
<b>Depreciation</b>			
At 1 April 2020	5,832	26,269	32,101
Charge for the year	2,123	6,981	9,104
At 31 March 2021	<u>7,955</u>	<u>33,250</u>	<u>41,205</u>
<b>Net book value</b>			
At 31 March 2021	<u>241</u>	<u>7,889</u>	<u>8,130</u>
At 31 March 2020	<u>2,364</u>	<u>10,107</u>	<u>12,471</u>

**11. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	178,702	185,362
Other debtors	31,612	32,436
Prepayments and accrued income	17,510	20,280
Tax recoverable	6,774	633
	<u>234,598</u>	<u>238,711</u>

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

**12. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	14,683	33,738
Other taxation and social security	90,114	72,398
Other creditors	17,469	33,187
Accruals and deferred income	39,024	39,791
	<b>161,290</b>	<b>179,114</b>

	2021 £	2020 £
<b>Other taxation and social security</b>		
PAYE / NI control	33,265	35,410
VAT control	56,849	36,988
	<b>90,114</b>	<b>72,398</b>

Deferred income relates to the 2021/22 element of annual corporate partnerships and subscriptions invoiced in the year ended 31 March 2021.

**13. Prior year adjustments**

There has been a prior year presentational adjustment resulting in a re-analysis of wages and salaries on grant expenditure from unrestricted to restricted funds in the sum of £83,096. The funds were spent in accordance with the grant conditions; the adjustment being presentational re-analysis and does not result in a net change in overall charity funds.

**14. Reconciliation of net movement in funds to net cash flow from operating activities**

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(41,828)	192,446
<b>Adjustments for:</b>		
Depreciation charges	9,104	9,532
Interest received	(291)	(2,581)
(Increase) / decrease in debtors	4,112	(147,358)
Increase / (decrease) in creditors	(17,823)	75,032
<b>Net cash provided by/(used in) operating activities</b>	<b>(46,726)</b>	<b>127,071</b>

EDUCATION POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021

**15. Analysis of cash and cash equivalents**

	2021 £	2020 £
Cash in hand	827,501	878,699
<b>Total cash and cash equivalents</b>	<b>827,501</b>	<b>878,699</b>

**16. Analysis of changes in net debt**

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	878,699	(51,198)	827,501
	<b>878,699</b>	<b>(51,198)</b>	<b>827,501</b>

**17. Pension commitments**

The company makes payments to the individual pension schemes of twenty six (2020 - twenty six) employees. The pension cost charge represents contributions paid by the company to the individual pension schemes which amounted to £118,708 (2020 - £64,874). The sum of £112 (2020 - £18,480) of contributions were outstanding at the balance sheet date.

**18. Operating lease commitments**

At 31 March 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	38,224	48,053
Later than 1 year and not later than 5 years	43,683	91,738
	<b>81,907</b>	<b>139,791</b>

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**EDUCATION POLICY INSTITUTE**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**19. Related party transactions**

During the year the charity received donations of £350,000 (2020 - £500,000) from The Sequoia Trust, of which Mr Paul Marshall is also a Trustee.

The Charity received donations of £20,000 from Lord Nash who is also a trustee.

EDUCATION POLICY INSTITUTE

**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2021 £	2020 £	2020 £
<b>Income</b>				
Donations and grants	496,900		500,000	
Conference and events	211,274		137,072	
Research and projects	183,517		447,765	
Restricted grants receivable	310,198		439,578	
Subscriptions and publications	81,872		76,641	
Bank interest receivable	929		2,582	
Miscellaneous income	11,553		6,899	
Furlough income	39,804		-	
	1,336,047		1,610,537	
<b>Gross income in the reporting period</b>		<b>1,336,047</b>		<b>1,610,537</b>
<b>Less:</b>				
<b>Costs of generating funds</b>				
Conference and events	19,875		52,541	
Printing of publications	-		2,097	
Research fees and subscriptions	60,032		130,489	
Wages and salaries	951,094		899,459	
Employer's national insurance	100,996		96,070	
Pension costs	118,708		64,874	
Office costs	73,529		102,097	
Website and IT costs	15,501		-	
Advertising, marketing and recruitment	5,094		6,809	
Consultancy	-		25,196	
Auditors' remuneration (including prior year underprovision)	9,748		9,630	
Accountancy and payroll fees (including prior year underprovision)	9,175		9,574	
Bookkeeping (non-audit)	3,333		3,018	
Legal fees	1,367		1,069	
Miscellaneous	-		5,694	
Bank charges	319		385	
Depreciation	9,104		9,089	
	1,377,875		1,418,091	
<b>Total expenditure</b>		<b>1,377,875</b>		<b>1,418,091</b>
<b>Net (expenditure)/income before taxation for the reporting period</b>		<b>(41,828)</b>		<b>192,446</b>
<b>Net (expenditure)/income for the reporting period</b>		<b>(41,828)</b>		<b>192,446</b>

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EDUCATION POLICY INSTITUTE

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INCOME AND EXPENDITURE ACCOUNT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021

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	2021 £	2021 £	2020 £	2020 £
(Deficit)/Surplus for the reporting period		<u>(41,828)</u>		<u>192,446</u>

The notes on pages 15 to 25 form part of these financial statements.

