

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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## 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 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. 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 or 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 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 2023**

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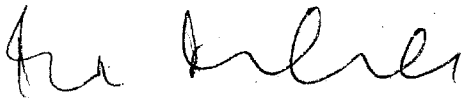
**Auditors**

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.

 **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

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)
<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
<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>	<b>(5,157)</b>	<b>(3,003)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>(114,138)</b>	<b>253,281</b>
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>	<b>966,644</b>	<b>1,080,782</b>

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

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

## EDUCATION POLICY INSTITUTE

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

#### 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

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

#### 4. Investment income

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

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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**

	Costs of generating funds 2023 £	Charitable activities 2023 £	Total funds 2023 £	Total funds 2022 £
Office Costs	8,159	73,431	81,590	75,394
Website and IT costs	1,900	17,104	19,004	14,664
Miscellaneous	473	4,255	4,728	3,651
Bank charges	34	303	337	330
Wages and salaries	50,109	952,071	1,002,180	965,393
National insurance	5,291	100,533	105,824	100,091
Pension costs	3,774	71,707	75,481	71,042
Advertising and Promotional	968	8,708	9,676	6,401
Restricted expenditure Unbound (Note 6)	-	(36,556)	(36,556)	(78,246)
Restricted expenditure - Sticing Benevolentia (Note 6)	-	(44,663)	(44,663)	(19,950)
Restricted Expenditure - Nuffield (Note 6)	-	(135,781)	(135,781)	(163,696)
Restricted expenditure - Dyson foundation (Note 6)	-	-	-	(6,000)
Restricted expenditure - Middlesex University (Note 6)	-	(12,928)	(12,928)	(2,586)
Restricted expenditure - NIESR (Note 6)	-	(8,150)	(8,150)	(10,312)
Restricted Expenditure - Sequoia Trust (Note 6)	-	(71,363)	(71,363)	-
Restricted Expenditure - Department for Education (Note 6)	-	(244)	(244)	-
Restricted Expenditure - Paul Hamlyn Foundation (Note 6)	-	(19,945)	(19,945)	-
Restricted Expenditure - Gareth Thomas (Note 6)	-	(6,599)	(6,599)	-
Restricted Expenditure - Lord Nash (Note 6)	-	(5,279)	(5,279)	-
Restricted Expenditure - Welsh Government (Note 6)	-	(26,794)	(26,794)	-
Governance costs (Note 7)	3,326	29,930	33,256	23,612
Depreciation	554	4,986	5,540	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
	<u>1,183,485</u>	<u>1,136,526</u>

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

	2023 No	2022 No
Management, research and administrative	<u>21</u>	<u>21</u>

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	-
	<u>5</u>	<u>6</u>

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

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



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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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**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
	<u>182,899</u>	<u>188,336</u>
	2023 £	2022 £
<b>Other taxation and social security</b>		
PAYE / NI control	30,246	31,732
VAT control	32,886	31,881
	<u>63,132</u>	<u>63,613</u>

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
<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
<b>Net cash provided by/(used in) operating activities</b>	<u>(108,981)</u>	<u>256,284</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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**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	
	<hr/>		<hr/>	
<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	
	<hr/>		<hr/>	
<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>		<hr/> <b>(53,249)</b>		<hr/> <b>447,305</b>
<b>Net (expenditure)/income for the reporting period</b>		<hr/> <b>(53,249)</b>		<hr/> <b>447,305</b>
<b>(Deficit)/Surplus for the reporting period</b>		<hr/> <b>(53,249)</b>		<hr/> <b>447,305</b>