

Registered number: 04579498
Charity number: 1102186

EDUCATION POLICY INSTITUTE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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

EDUCATION POLICY INSTITUTE

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

Trustees	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)
Company registered number	04579498
Charity registered number	1102186
Registered office	150 Buckingham Palace Road London SW1W 9TR
Company Secretary	Natalie Perera
Chief Executive Officer	Ms Natalie Perera
Independent auditors	Calders (1883) LLP Chartered Accountants & Statutory Auditors 30 Orange Street London WC2H 7HF

EDUCATION POLICY INSTITUTE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2024

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)

EDUCATION POLICY INSTITUTE

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

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

EDUCATION POLICY INSTITUTE

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

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.

EDUCATION POLICY INSTITUTE

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

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.

EDUCATION POLICY INSTITUTE

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

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.

EDUCATION POLICY INSTITUTE

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

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', written over a light blue horizontal line.

Charles Brand

Trustee

Date: 30th January 2025

EDUCATION POLICY INSTITUTE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EDUCATION POLICY INSTITUTE

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.

EDUCATION POLICY INSTITUTE

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

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.

EDUCATION POLICY INSTITUTE

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

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

EDUCATION POLICY INSTITUTE

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

- 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. This description forms part of our Auditors' Report.

EDUCATION POLICY INSTITUTE

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

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 £	Total funds 2023 £
INCOME FROM:					
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
TOTAL INCOME		843,454	945,838	1,789,292	1,360,803
EXPENDITURE ON:					
Raising funds	5	-	238,078	238,078	136,625
Charitable activities		783,736	743,297	1,527,033	1,277,428
TOTAL EXPENDITURE		783,736	981,375	1,765,111	1,414,053
NET MOVEMENT IN FUNDS		59,718	(35,537)	24,181	(53,250)
RECONCILIATION OF FUNDS:					
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)
TOTAL FUNDS CARRIED FORWARD		543,971	783,204	1,327,175	1,302,994

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 £
FIXED ASSETS			
Tangible assets	10	10,201	12,023
		<u>10,201</u>	<u>12,023</u>
CURRENT ASSETS			
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)
NET CURRENT ASSETS		<u>1,316,974</u>	<u>1,290,971</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,327,175</u>	<u>1,302,994</u>
NET ASSETS EXCLUDING PENSION ASSET		<u>1,327,175</u>	<u>1,302,994</u>
TOTAL NET ASSETS		<u><u>1,327,175</u></u>	<u><u>1,302,994</u></u>
CHARITY FUNDS			
Restricted funds		543,971	484,253
Unrestricted funds		783,204	818,741
TOTAL FUNDS		<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.

EDUCATION POLICY INSTITUTE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

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

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

EDUCATION POLICY INSTITUTE

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

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.

EDUCATION POLICY INSTITUTE

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

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.

EDUCATION POLICY INSTITUTE

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

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 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
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>	

EDUCATION POLICY INSTITUTE

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

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 expensed 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

EDUCATION POLICY INSTITUTE

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

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	252,940	383,949
Research projects	487,973	487,973	288,275
Subscriptions (individual and corporate)	142,248	142,248	149,884
	<u>883,161</u>	<u>883,161</u>	<u>822,108</u>
Total 2023	<u>822,108</u>	<u>822,108</u>	

EDUCATION POLICY INSTITUTE

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

4. Investment income

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

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	150,829	62,037
Allocation of support costs (Note 8)	87,249	87,249	74,588
	<u>238,078</u>	<u>238,078</u>	<u>136,625</u>
<i>Total 2023</i>	<u>136,625</u>	<u>136,625</u>	

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><u>368,303</u></u>	<u><u>909,126</u></u>	<u><u>1,277,429</u></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><u>36,155</u></u>	<u><u>33,256</u></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 - Sticking 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
Total	87,249	710,021	797,270	969,314

EDUCATION POLICY INSTITUTE

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

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
	<u>1,425,942</u>	<u>1,183,485</u>

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

	2024 No	2023 No
Management, research and administrative	<u>25</u>	<u>21</u>

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
	<u>4</u>	<u>5</u>

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 £
Cost or valuation			
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>
Depreciation			
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>
Net book value			
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 £
Due within one year		
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>

EDUCATION POLICY INSTITUTE

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

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
	<u>176,844</u>	<u>182,898</u>
	2024 £	2023 £
Other taxation and social security		
PAYE / NI control	35,441	30,246
VAT control	16,167	32,886
	<u>51,608</u>	<u>63,132</u>

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)
Adjustments for:		
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)
Net cash used in operating activities	<u>(72,010)</u>	<u>(108,980)</u>

EDUCATION POLICY INSTITUTE

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

14. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	916,013	966,644
Total cash and cash equivalents	916,013	966,644

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
	966,644	(50,631)	916,013

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	-
	233,106	-

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.