

Charity Registration No. 1099645

Company Registration No. 04503712 (England and Wales)

HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

 **shawgibbs**
accountants & business advisers

WEDNESDAY



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**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Professor Sir Ivor Martin Crewe Sir George Peter Scott Dame Alexandra Burselm Helen Sarah Wallace Sir David Robert Bell	(Appointed 28 December 2016) (Appointed 21 December 2016)
Chief executive officer	Nick Hillman	
President	Bahram Bekhrandia	
Charity number	1099645	
Company number	04503712	
Principal address	99 Banbury Road Oxford OX2 6JX	
Registered office	80 Mount Street Nottingham NG1 6HH	
Independent examiner	Shaw Gibbs Limited 264 Banbury Road Oxford OX2 7DY	
Bankers	Lloyds Bank 87 London Road Headington Oxford Oxfordshire OX3 9AB	
Solicitors	Freeths LLP Nottingham 80 Mount Street Nottingham United Kingdom NG1 6HH	

HIGHER EDUCATION POLICY INSTITUTE COMPANY LIMITED BY GUARANTEE CONTENTS

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**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 JULY 2017**

The Trustees present their report and accounts for the year ended 31 July 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The Institute was established in 2002 to promote higher education for the public benefit by:

- identifying relevant policy issues;
- using evidence to help tackle those issues and, where no such research exists or it is inadequate, carrying out, commissioning or fostering such research; and
- ensuring that such issues and research are brought to the attention of policy makers and other parties.

To achieve these objectives, HEPI:

- conducts and commissions research;
- keeps in close touch with research conducted by others;
- produces reports, and ensures they are widely disseminated to key players;
- arranges seminars and conferences to ensure that the evidence is widely understood;
- visits higher education institutions to find out their current concerns and inform them of wider policy debates;
- maintains contacts with policy makers and those who influence and are affected by higher education policy; and
- works with the media, including social media, to disseminate information.

Details of significant activities undertaken during the financial year are given more fully below.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Strategic report

Achievements and performance

HEPI's mission is to ensure as far as possible that higher education policy development in the UK is informed by research, knowledge and experience. This brief note reports some of our main activities and achievements over the past year.

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
STRATEGIC REPORT)**

FOR THE YEAR ENDED 31 JULY 2017

Reports

Fifteen reports were produced during the 2016/17 financial year, more than in any previous year – up from seven in 2013/14, 12 in 2014/15 and 13 in 2016/17:

1. *The Comprehensive University: An Alternative to Social Stratification by Academic Selection* by Tim Blackman, HEPI Occasional Paper 17, 20 July 2017
2. *Reality Check: A report on university applicants' attitudes and perceptions*, HEPI / Unite Students, HEPI Report 97, 4 July 2017
3. *Misunderstanding Technical and Professional Education: Six Category Mistakes* by Mary Curnock Cook, HEPI Policy Note 1, 22 June 2017
4. *2017 Student Academic Experience Survey* by Jonathan Neves and Nick Hillman, HEPI / HEA, HEPI Report 96, 7 June 2017
5. *Whither teacher education and training?* by John Cater, HEPI Report 95, 27 April 2017
6. *Return on investment? How universities communicate with the outside world* by Richard Garner, Occasional Paper 16, 30 March 2017
7. *Reforming BTECs: Applied General qualifications as a route to higher education* by Scott Kelly, HEPI Report 94, 23 February 2017
8. *Rebooting learning for the digital age: What next for technology-enhanced higher education?* by Sarah Davies, Joel Mullan and Paul Feldman, HEPI Report 93, 2 February 2017
9. *Wealth Creation for the 21st Century: New Designs for Opportunity, Equity & Prosperity* by Martha Kanter, HEPI Report 92, HEPI 2016 Annual Lecture, 23 January 2017
10. *The determinants of international demand for UK higher education* by Gavan Conlon, Rohit Ladher and Maïke Halterbeck, HEPI / Kaplan, HEPI Report 91, 12 January 2017
11. *Alternative providers of higher education: issues for policymakers* by John Fielden and Robin Middlehurst, HEPI Report 90, 5 January 2017
12. *International university rankings: For good or ill?* by Bahram Bekhradnia, HEPI Report 89, 15 December 2016
13. *Protecting the Public Interest in Higher Education* by Bill Rammell, Occasional Paper 15, 13 October 2016
14. *The invisible problem? Improving students' mental health* by Poppy Brown, with a Foreword by the Rt Hon. Norman Lamb MP, HEPI Report 88, 22 September 2016
15. *Tackling Wicked Issues: Prestige and Employment Outcomes in the Teaching Excellence Framework* by Paul Blackmore, Richard Blackwell and Martin Edmondson, HEPI Occasional Paper 14, 8 September 2016

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
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FOR THE YEAR ENDED 31 JULY 2017

Events

There were 27 major HEPI events in 2016/17, up from 11 in 2014/15 and 16 in 2015/16:

1. HEPI / Unite Students' Policy Seminar on applicants' views, chaired by Nick Hillman, 4 July 2017
2. HEPI Debate on 'There is a role for the profit motive in higher education' at the Buckingham Festival of Higher Education, chaired by Nick Hillman, 29 June 2017
3. HEPI Debate on 'Is it time to call time on university rankings?' at the Buckingham Festival of Higher Education, chaired by Nick Hillman, 28 June 2017
4. HEPI Partner Dinner with Tim Melville-Ross, Chair of HEFCE, chaired by Professor Sir Ivor Crewe, 27 June 2017
5. HEPI / Unite Students dinner on university applicants, with Professor Sir Steve Smith, Vice-Chancellor of the University of Exeter, chaired by Nick Hillman, 20 June 2017
6. HEPI / UPP Foundation lunch on 'What does good work mean for graduates?' with Matthew Taylor, Chief Executive of the RSA, on the future of the graduate labour market, chaired by Nick Hillman, 20 June 2017
7. HEPI 2017 Annual Conference sponsored by UPP and Times Higher Education with speakers including Sir Anthony Seldon, Vice-Chancellor at the University of Buckingham, Mary Curnock Cook and Jack Britton, Institute for Fiscal Studies, chaired by Nick Hillman and Diana Beech, 7 June 2017
8. HEPI / Elsevier dinner on 'Gender in the global research landscape', with Professor Anthony Finkelstein, Chief Scientific Adviser for National Security, chaired by Diana Beech, 18 May 2017
9. HEPI / QAA dinner in London on academic standards in the US and UK with Dr Judith Eaton, President of the US Council of Higher Education Accreditation, chaired by Nick Hillman, 8 May 2017
10. HEPI/Unite Students dinner in Glasgow, 'Is there still a single higher education sector in the UK?', with Professor Sir Ian Diamond, Vice-Chancellor of the University of Aberdeen, chaired by Nick Hillman, 2 May 2017
11. HEPI University Partners' Annual Policy Briefing Day, with speakers including Gordon Marsden, Shadow Minister for Higher Education, Further Education and Skills, Dr John Cater, Vice-Chancellor of Edge Hill University, and Rachel Wolf, formerly in the Number 10 Policy Unit, chaired by Nick Hillman, 27 April 2017
12. HEPI / Firetail dinner on 'The Class of 2030', with an opening speech by Professor Sir David Eastwood, Vice-Chancellor of the University of Birmingham, 29 March 2017
13. HEPI / UPP Foundation Roundtable Lunch on 'Redesigning the HE system to make it fit for purpose', with opening remarks by Lord Willetts, 28 March 2017
14. HEPI / HEA Parliamentary Breakfast Seminar on 'Post-Brexit Britain: what is the "new normal" for universities?', with speakers including Professor Shearer West, then Deputy Vice-Chancellor, University of Sheffield, Sunder Katwala, Director, British Future, and Professor Sally Mapstone, Principal and Vice-Chancellor, University of St Andrews, chaired by Nick Hillman, 22 March 2017
15. HEPI / HEA Parliamentary Breakfast Seminar on 'Splendid isolation? Have universities become too dis-engaged from their local communities?', with Professor Joy Carter, Vice-Chancellor of the University of Winchester, Bill Rammell, Vice-Chancellor of the University of Bedfordshire, and Professor William Whyte, Fellow of St John's College, Oxford, chaired by Nick Hillman, 22 February 2017

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
STRATEGIC REPORT)**

FOR THE YEAR ENDED 31 JULY 2017

16. HEPI / HEA Parliamentary Breakfast Seminar on 'Splendid isolation? Have universities become too dis-engaged from their local communities?', with Professor Joy Carter, Vice-Chancellor of the University of Winchester, Bill Rammell, Vice-Chancellor of the University of Bedfordshire, and Professor William Whyte, Fellow of St John's College, Oxford, chaired by Nick Hillman, 22 February 2017
17. HEPI / Ellucian Dinner in London on 'Brexit and demand for UK higher education', with Dr Gavan Conlon, Partner at London Economics, 1 February 2017
18. HEPI / HEA Parliamentary Breakfast Seminar on 'An unnatural division? Research and Teaching – how can the twin pillars of HE thrive?', with Professor Chris Husbands (Vice-Chancellor, Sheffield Hallam University) and Professor Paul Blackmore (Professor of Higher Education in the International Centre for University Policy Research, at the Policy Institute, King's College London), chaired by Professor Stephanie Marshall, Chief Executive Officer of the Higher Education Academy, 24 January 2017
19. HEPI / Bridge Group event on social mobility with Alan Milburn, Vikki Boliver (Reader in Social Policy, University of Durham), Omar Shan (Director, Runnymede Trust) and Professor Selina Todd (Vice Principal of St Hilda's College, Oxford), 13 December 2016
20. HEPI / Pearson / Wiley / Kaplan Annual Lecture on 'Wealth Creation in the 21st Century' and Reception with Martha Kanter, 8 December 2016
21. HEPI / Kaplan International Lunch on US / UK higher education with Martha Kanter, 8 December 2016
22. HEPI Partner Dinner with Martha Kanter and Ivor Crewe, 7 December 2016
23. HEPI / UPP Foundation dinner on widening participation with Alan Rusbridger (Principal of Lady Margaret Hall, Oxford) and Professor Tim Blackman (Vice-Chancellor of Middlesex University), 17 November 2016
24. HEPI / Elsevier dinner on the Government's approach to university research with Gareth Davies, Director General Business & Science, 8 November 2016
25. HEPI / New Zealand Higher Commission / NZ-Link event on 'Higher Education in New Zealand: What might the UK learn?' with Professor Sir Graeme Davies, Sir Lockwood Smith (New Zealand High Commissioner and former Minister of Education, 1990 to 1996) and Michael C.R. Davies FRSE, Pro-Vice-Chancellor (Research) at the University of Sussex, 19 October 2016
26. HEPI / UPP roundtable on 'Are our universities facing a mental health crisis?' at the Conservative Party Conference in Birmingham, 4 October 2016
27. HEPI / UPP roundtable on 'Are our universities facing a mental health crisis?' at the Labour Party Conference in Liverpool, 26 September 2016

Reach

In addition to our regular coverage in national, local and student media, our reach in 2016/17 included:

1.5k people on the main HEPI database, who receive hard copies of reports;

5.5k people on HEPI's electronic database for new press releases and blogs; and

7k followers on Twitter.

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
STRATEGIC REPORT)**

FOR THE YEAR ENDED 31 JULY 2017

Financial review

In 2016/17, the key financial indicators moved in the right direction. Income exceeded expenditure, the cash improved and total assets grew.

The organisation now has reserves equivalent to just under one year's expenditure. As the organisation has no long-term significant expenditure commitments other than staff salaries, this is at the upper end of the appropriate level.

In financial year 2016/17, HEPI generated £538,233 in income, which is up by £33,191 (+7%) on the previous year.

Spending in 2016/17 was £449,869, up by £37,983 (+9%) on the previous year.

This means there was a surplus of £88,364, down from £93,156 (- 5%) on the previous year.

In 2016/17, the cash position improved to £603,549, up from £360,306 (+68%) on the previous year. This was bolstered by a one-off payment to cover five year's subscription from BPP University.

Total assets (less current liabilities) were £416,505, up by £88,364 (+27%) on the previous year.

Under the memorandum and articles of association, the Charity has the power to make any investment which the trustees see fit. In 2016/17, the reserves were split between the current account (Lloyds), a savings account (with Aldermore) and a low-to-medium risk equity investment vehicle (Aviva).

Future plans include continuing to conduct and disseminate research to further the aims of the Charity as described above, including running a comprehensive programme of events. HEPI also plans to maintain and develop relationships with existing and potential partner companies and higher education institutions and to raise additional funds by seeking further sponsorship but without ever putting the fundamental character of HEPI as a policy institute at risk.

This financial position was achieved through continued tough control of spending, an increase in Partners and more sponsored activities. The number of full-time equivalent staff grew from 2.4 to 3.4.

The future

HEPI's strong financial performance in 2016/17 and other recent years is not guaranteed to continue. While there are no known catastrophic risks currently facing the organisation, our register of risks includes:

- a likely end of tenure on our reasonably-priced office space in 2019;
- a potential reduction in the heat of higher education policy debates, potentially making it harder for us to garner interest and shape opinion;
- a reliance on a limited number of corporate partners for a relatively large proportion of our income;
- impending changes to the sector that may affect some of our core Partners in profound ways, most notably the Higher Education Academy;
- increased competition for the ear of those who care about higher education policy; and
- staff changes, which could have a disproportionate effect because of the small size of the HEPI core team.

Future budget planning is being undertaken on a conservative basis in order to reflect such risks.

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
STRATEGIC REPORT)**

FOR THE YEAR ENDED 31 JULY 2017

Structure, governance and management

The Charity is a company limited by guarantee.

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Professor Sir Ivor Martin Crewe

Sir George Peter Scott

Dame Alexandra Burselm

Professor Sir Nigel John Thrift

(Resigned 13 January 2017)

Helen Sarah Wallace

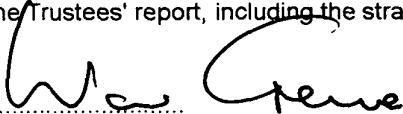
(Appointed 28 December 2016)

Sir David Robert Bell

(Appointed 21 December 2016)

The number of trustees shall not be less than three or more than five. They meet on a quarterly basis to administer the charity. An advisory board (appointed by the trustees) advises the trustees on the business of the Institute. The first Chief Executive of the Institute was appointed by the Higher Education Funding Council for England (HEFCE). The trustees appointed the current one and will appoint each successive Chief Executive. The Chief Executive is responsible for the day-to-day running of the charity, and is accountable to the trustees collectively for the use of the charity's resources.

The Trustees' report, including the strategic report, was approved by the Board of Trustees.



Professor Sir Ivor Martin Crewe

Trustee

Dated: 8/2/18

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2017**

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

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

In preparing these accounts, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts 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.

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF HIGHER EDUCATION POLICY INSTITUTE**

I report on the accounts of the Charity for the year ended 31 July 2017, which are set out on pages 9 to 16.

Respective responsibilities of Trustees and examiner

The Charity's Trustees, who are also the directors of Higher Education Policy Institute for the purposes of company law, are responsible for the preparation of the accounts. The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of Institute of Chartered Accountants in England and Wales:

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the accounts under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Lorna Watson (ACA)

For and on behalf of Shaw Gibbs Limited

264 Banbury Road
Oxford
OX2 7DY

Dated: 27/1/2018

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2017**

		Unrestricted funds	
		2017	2016
	Notes	£	£
<u>Income and endowments from:</u>			
<u>Charitable activities</u>			
Sponsorships and speakers fees	2	77,967	98,470
Conference fees	2	22,263	14,175
Partnership scheme	2	411,106	385,228
Investments	3	17,597	6,169
Other income	4	9,300	1,000
Total income		538,233	505,042
<u>Expenditure on:</u>			
Charitable activities	5	449,869	411,886
Net income for the year/ Net movement in funds		88,364	93,156
Fund balances at 1 August 2016		328,141	234,985
Fund balances at 31 July 2017		416,505	328,141

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 JULY 2017**

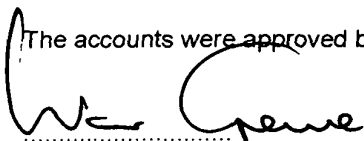
	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	8		5,560		6,254
Current assets					
Debtors	9	56,599		42,765	
Cash at bank and in hand		603,549		360,306	
		<u>660,148</u>		<u>403,071</u>	
Creditors: amounts falling due within one year	10	<u>(249,203)</u>		<u>(81,184)</u>	
Net current assets			410,945		321,887
Total assets less current liabilities			<u>416,505</u>		<u>328,141</u>
Income funds					
Unrestricted funds			416,505		328,141
			<u>416,505</u>		<u>328,141</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 July 2017. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts.

The Trustees' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on 24/1/18



Professor Sir Ivor Martin Crewe
Trustee

Company Registration No. 04503712

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2017**

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	12		228,661		32,262
Investing activities					
Purchase of tangible fixed assets		(3,015)		(474)	
Interest received		17,597		6,169	
Net cash generated from investing activities			14,582		5,695
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			243,243		37,957
Cash and cash equivalents at beginning of year			360,306		322,349
Cash and cash equivalents at end of year			603,549		360,306

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017**

1 Accounting policies

Charity information

Higher Education Policy Institute is a private company limited by guarantee incorporated in England and Wales. The registered office is, 80 Mount Street, Nottingham, NG1 6HH.

1.1 Accounting convention

The accounts have been prepared in accordance with the Charity's Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 July 2017 are the first accounts of Higher Education Policy Institute prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 August 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Incoming resources in the period shown in the Statement of Financial Activities represents funds received from the partnership schemes, consultancy fees and other miscellaneous sources.

Income from grants is recognised in full in the statement of financial activities on a receivable basis according to conditions imposed by the donor.

Income from partnership scheme is recognised when the company obtains a right to consideration in exchange for its performance. Any amounts received in advance are deferred to future periods.

1.5 Resources expended

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

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017**

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Website costs	3 years straight line
Computer Equipment	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Charitable activities

	Sponsorships and speakers fees	Conference fees	Partnership scheme	Total 2017	Total 2016
	£	£	£	£	£
Income within charitable activities	<u>77,967</u>	<u>22,263</u>	<u>411,106</u>	<u>511,336</u>	<u>497,873</u>

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017**

3 Investments

	2017	2016
	£	£
Income from investments	16,695	5,442
Interest receivable	902	727
	<u>17,597</u>	<u>6,169</u>

4 Other income

	2017	2016
	£	£
Other income	<u>9,300</u>	<u>1,000</u>

5 Charitable activities

	2017	2016
	£	£
Staff costs	222,360	190,350
Office costs	55,788	57,882
Conferences, seminars, catering, room hire and consultant	124,731	121,279
Other expenditure	46,990	42,373
	<u>449,869</u>	<u>411,884</u>

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017**

7 Employees

Number of employees

The average monthly number employees during the year was:

	2017 Number	2016 Number
Average employee numbers	4	4

Employment costs

	2017 £	2016 £
Wages and salaries	181,916	153,793
Social security costs	18,096	14,550
Other pension costs	22,348	22,007
	<u>222,360</u>	<u>190,350</u>

One employee earned more than £60,000 per annum

8 Tangible fixed assets

	Website Costs £	Computer Equipment £	Total £
Cost			
At 1 August 2016	10,676	18,596	29,272
Additions	-	3,015	3,015
At 31 July 2017	<u>10,676</u>	<u>21,611</u>	<u>32,287</u>
Depreciation and impairment			
At 1 August 2016	5,161	17,858	23,019
Depreciation charged in the year	2,136	1,572	3,708
At 31 July 2017	<u>7,297</u>	<u>19,430</u>	<u>26,727</u>
Carrying amount			
At 31 July 2017	<u>3,379</u>	<u>2,181</u>	<u>5,560</u>
At 31 July 2016	<u>5,515</u>	<u>739</u>	<u>6,254</u>

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017**

9 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	56,599	26,399
Other debtors	-	16,366
	<u>56,599</u>	<u>42,765</u>

10 Creditors: amounts falling due within one year

	2017	2016
	£	£
Other taxation and social security	58,016	-
Trade creditors	4,970	3,033
Other creditors	8,434	7,845
Accruals and deferred income	177,783	70,306
	<u>249,203</u>	<u>81,184</u>

11 COMPANY LIMITED BY GUARANTEE

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

12 Cash generated from operations

	2017	2016
	£	£
Surplus for the year	88,364	93,156
Adjustments for:		
Investment income recognised in statement of financial activities	(17,597)	(6,169)
Depreciation and impairment of tangible fixed assets	3,708	3,032
Movements in working capital:		
(Increase)/decrease in debtors	(13,834)	8,204
Increase/(decrease) in creditors	168,020	(65,961)
Cash generated from operations	<u>228,661</u>	<u>32,262</u>

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE**

**MANAGEMENT INFORMATION
FOR THE YEAR TO 31 JULY 2017**

The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors report on page 6.

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE**

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR TO 31 JULY 2017**

	2017	2016
	£	£
TURNOVER		
Grant and other income	537,331	504,315
OVERHEADS		
Administrative expenses	<u>449,869</u>	<u>411,884</u>
OPERATING SURPLUS	87,462	92,431
Bank interest receivable	902	727
SURPLUS ON ORDINARY ACTIVITIES	<u><u>88,364</u></u>	<u><u>93,158</u></u>

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE DETAILED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR TO 31 JULY 2017**

	2017 £	2016 £
Resources expended:		
Staff costs:		
Wages and salaries	222,360	190,350
Office costs:		
Rent	10,479	10,670
Publications and printing costs	39,648	40,425
Telephone	1,839	1,296
Insurance	1,711	1,104
Office equipment	2,111	4,387
Conferences, seminars, catering, room hire and consultant:		
Conferences and seminars	53,108	42,329
Survey costs	33,575	33,470
Catering and room hire		15,726
Consultant	38,048	29,754
Other expenditure:		
Sundry expenditure	6,633	4,901
Books and periodicals	466	659
Bank charges	604	239
Subscriptions	1,319	379
Advertising	1,535	500
Depreciation	3,708	3,033
Legal and professional	6,540	14,222
Travel and subsistence	21,759	13,751
Accountancy fees	4,425	4,689
	<u>449,869</u>	<u>411,884</u>