

Centre For Policy Studies Limited

Directors' Report and Financial Statements

Year Ended

30 September 2017

Company Number 1174651



Centre For Policy Studies Limited
(A company limited by guarantee)

Company Information

Directors	Lord Saatchi Sir Michael Heller Mrs Tessa Keswick (resigned 6 April 2017) Mr Fraser Nelson Mr Andrew Knight Lord Strathclyde Viscountess Rothermere Mr Jonathan Goodwin Mr Jonathan Moulton Hon Richard Sharp Professor Niall Ferguson Lord Bamford (appointed 20 February 2018) Professor Michael Clarke Sir Graham Brady MP Lord Hill (appointed 10 May 2017) Mr Douglas Flint (appointed 10 May 2017) Mr Benjamin Elliot (appointed 13 November 2017)
Company secretary	Miss Jennifer Nicholson
Registered number	1174651
Registered office	57 Tufton Street London SW1P 3QL
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Centre For Policy Studies Limited
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Centre For Policy Studies Limited
(A company limited by guarantee)

Directors' Report
For the Year Ended 30 September 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

Directors

The directors who served during the year were:

Lord Saatchi
Sir Michael Heller
Mrs Tessa Keswick (resigned 6 April 2017)
Mr Fraser Nelson
Mr Andrew Knight
Lord Strathclyde
Viscountess Rothermere
Mr Jonathan Goodwin
Mr Jonathan Moulton
Hon Richard Sharp
Professor Niall Ferguson
Professor Michael Clarke
Sir Graham Brady MP
Lord Hill (appointed 10 May 2017)
Mr Douglas Flint (appointed 10 May 2017)

Disclosure of information to auditor

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

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

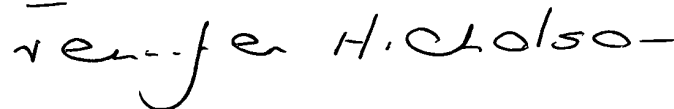
Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 February 2018 and signed on its behalf.



Miss Jennifer Nicholson
Secretary

Centre For Policy Studies Limited
(A company limited by guarantee)

Directors' Responsibilities Statement
For the Year Ended 30 September 2017

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Centre For Policy Studies Limited

(A company limited by guarantee)

Independent Auditor's Report to the Members of Centre For Policy Studies Limited

Opinion

We have audited the financial statements of Centre for Policy Studies Limited ("the Company") for the year ended 30 September 2017 which comprise the statement of income and retained earnings, the statement of financial position and notes to the financial statements, 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 Company's affairs as at 30 September 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Centre For Policy Studies Limited

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Independent Auditor's Report to the Members of Centre For Policy Studies Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Centre For Policy Studies Limited

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Independent Auditor's Report to the Members of Centre For Policy Studies Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors 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 Directors determines 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 Directors are responsible for assessing the 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BDO LLP

Stuart Collins (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 20 February 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Centre For Policy Studies Limited
(A company limited by guarantee)

Statement of Income and Retained Earnings
For the Year Ended 30 September 2017

	Note	2017 £	2016 £
Turnover	2	863,087	734,818
Cost of sales		(687,967)	(699,996)
Gross profit		175,120	34,822
Administrative expenses		(479,607)	(407,077)
Other operating income		240,750	358,267
Operating loss		(63,737)	(13,988)
Interest receivable and similar income		770	1,225
Loss before tax		(62,967)	(12,763)
Tax on loss		-	-
Loss after tax		(62,967)	(12,763)
Retained earnings at the beginning of the year		455,804	468,567
		455,804	468,567
Loss for the year		(62,967)	(12,763)
Retained earnings at the end of the year		392,837	455,804

The notes on pages 8 to 15 form part of these financial statements.

Centre For Policy Studies Limited
(A company limited by guarantee)
Registered number: 1174651

Statement of Financial Position
As at 30 September 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	5		13,774	-	
Tangible assets	6		11,653		4,318
			<u>25,427</u>		<u>4,318</u>
Current assets					
Stocks	7	3,530		1,343	
Debtors: amounts falling due within one year	8	160,334		97,365	
Cash at bank and in hand	9	354,475		522,275	
		<u>518,339</u>		<u>620,983</u>	
Creditors: amounts falling due within one year	10	(150,929)		(169,497)	
Net current assets			<u>367,410</u>		<u>451,486</u>
Total assets less current liabilities			<u>392,837</u>		<u>455,804</u>
Net assets			<u>392,837</u>		<u>455,804</u>
Capital and reserves					
Profit and loss account			<u>392,837</u>		<u>455,804</u>
			<u>392,837</u>		<u>455,804</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 February 2018.

Lord Saatchi
Director

The notes on pages 8 to 15 form part of these financial statements.

Centre For Policy Studies Limited

(A company limited by guarantee)

Notes to the Financial Statements

For the Year Ended 30 September 2017

1. General information

Centre for Policy Studies Limited is a private company incorporated in England and Wales under the Companies Act. It is a company limited by guarantee. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation. The address of the registered office is given on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. Information on the impact of first-time adoption of section 1A Small Entities in FRS 102 is given in note 15.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. In preparing these financial statements the directors have not had to make any significant judgements or estimates.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover represents amounts invoiced exclusive of VAT.

2.3 Intangible assets

Intangible assets recorded are comprised of website development costs. Where the Company's website is expected to generate future revenue in excess of the costs of developing that website, expenditure on the functionality of the website is capitalized and treated as an intangible asset. Expenditures incurred on maintaining the website and expenditures incurred on developing the website used only for advertising and promotional purposes are written off as incurred.

After recognition, under the cost model, intangible assets are measured at costs less any accumulated amortisation and any accumulated impairment.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Website costs	-	33 % straight line
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Centre For Policy Studies Limited

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Notes to the Financial Statements **For the Year Ended 30 September 2017**

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following bases:

Fixtures & fittings	- 20% straight line
Office equipment	- 20% straight line
Computer equipment	- 50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

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

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Centre For Policy Studies Limited

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Notes to the Financial Statements **For the Year Ended 30 September 2017**

2. Accounting policies (continued)

2.8 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.9 Creditors

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

Centre For Policy Studies Limited

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Notes to the Financial Statements **For the Year Ended 30 September 2017**

2. Accounting policies (continued)

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.11 Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

3. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £8,500 (2016 - £8,250).

4. Employees

The average monthly number of employees, including directors, during the year was 5 (2016 - 13).

Centre For Policy Studies Limited
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Notes to the Financial Statements
For the Year Ended 30 September 2017

5. Intangible assets

	Website £
Cost	
Additions	15,015
At 30 September 2017	<u>15,015</u>
Amortisation	
Charge for the year	1,241
At 30 September 2017	<u>1,241</u>
Net book value	
At 30 September 2017	<u><u>13,774</u></u>
At 30 September 2016	<u><u>-</u></u>

Centre For Policy Studies Limited
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Notes to the Financial Statements
For the Year Ended 30 September 2017

6. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 October 2016	10,864	28,087	68,622	107,573
Additions	6,736	181	4,110	11,027
At 30 September 2017	<u>17,600</u>	<u>28,268</u>	<u>72,732</u>	<u>118,600</u>
Depreciation				
At 1 October 2016	10,864	28,087	64,304	103,255
Charge for the year on owned assets	-	-	3,692	3,692
At 30 September 2017	<u>10,864</u>	<u>28,087</u>	<u>67,996</u>	<u>106,947</u>
Net book value				
At 30 September 2017	<u>6,736</u>	<u>181</u>	<u>4,736</u>	<u>11,653</u>
At 30 September 2016	<u>-</u>	<u>-</u>	<u>4,318</u>	<u>4,318</u>

7. Stocks

	2017 £	2016 £
Finished goods and goods for resale	<u>3,530</u>	<u>1,343</u>

8. Debtors

	2017 £	2016 £
Trade debtors	60,822	53,600
Other debtors	4,822	3,387
Prepayments and accrued income	94,690	40,378
	<u>160,334</u>	<u>97,365</u>

Centre For Policy Studies Limited
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Notes to the Financial Statements
For the Year Ended 30 September 2017

9. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	354,475	522,275
	<u>354,475</u>	<u>522,275</u>

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	19,625	5,633
Other taxation and social security	9,954	8,657
Other creditors	21,656	-
Accruals and deferred income	99,694	155,207
	<u>150,929</u>	<u>169,497</u>

11. Commitments under operating leases

At 30 September 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	100,000	33,333
Later than 1 year and not later than 5 years	400,000	-
Later than 5 years	479,167	-
	<u>979,167</u>	<u>33,333</u>

Centre For Policy Studies Limited

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Notes to the Financial Statements For the Year Ended 30 September 2017

12. Income under operating lease

At 30 September the Company had future income from rental payments under an operating lease as follows:

	2017 £	2016 £
Not later than 1 year	25,950	16,992
Later than 1 year and not later than 5 years	20,462	-
	<u>46,412</u>	<u>16,992</u>

13. Related party transactions

During the year directors of the Company made donations and contributions towards the sponsorship of events in the amount of £75,000 (2016 - £25,000).

14. Controlling party

The company is controlled by the Board. In the opinion of the directors there is no ultimate controlling party.

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.