

REGISTERED NUMBER: 03918992 (England and Wales)

**Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2017
for
Policy Network & Communications Limited**



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for the Year Ended 31 December 2017**

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Policy Network & Communications Limited

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:

Lord RJ Liddle
MJ Browne
Dr P Diamond
J Kronig
Lord G Radice
S Beer
Lord A Adonis
S Hockman QC
Professor A M Gamble
Dame H S Wallace

REGISTERED OFFICE:

8/9 Well Court
London
EC4M 9DN

REGISTERED NUMBER:

03918992 (England and Wales)

SENIOR STATUTORY AUDITOR:

Richard Billinghamurst

AUDITORS:

Knox Cropper
Chartered Accountants and Statutory Auditors
8/9 Well Court
London
EC4M 9DN

**Report of the Directors
for the Year Ended 31 December 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company is to advance the education of the public in the economic, social and political sciences in the United Kingdom and abroad. As explained in note 9 to the financial statements the company's main donor has indicated that this is the final year he will fully fund the company's activities. As a result, the Directors took the decision to close the company's Tufton Street office which happened in July 2018. As a result, the Directors are confident that the company has met all contractual and legal obligations arising from the withdrawal of Sainsbury funding. Their intention is that the core mission and activities of Policy Network will continue.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Lord RJ Liddle
MJ Browne
Dr P Diamond
J Kronig
Lord G Radice
S Beer
Lord A Adonis
S Hockman QC
Professor A M Gamble
Dame H S Wallace

Other changes in directors holding office are as follows:

Ms S J M Hitch - resigned 10 October 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 surplus or deficit 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;

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

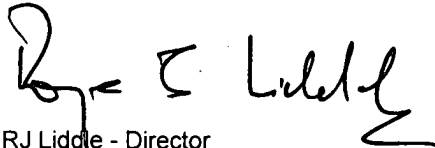
**Report of the Directors
for the Year Ended 31 December 2017**

AUDITORS

The auditors, Knox Cropper, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Lord RJ Liddle', with a stylized flourish at the end.

Lord RJ Liddle - Director

17 September 2018

Opinion

We have audited the financial statements of Policy Network & Communications Limited (the 'company') for the year ended 31 December 2017 on pages six to ten. 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).

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 a Report of the Auditors 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 draw attention to note 9 in the financial statements, which reports the cessation of funding from the company's main donor. As a result, the Directors took the decision to close Policy Network's Tufton Street office which happened in July 2018. As a result the Directors are confident that the company has met all contractual and legal obligations arising from the withdrawal of Sainsbury funding. Their intention is that the core mission and activities of Policy Network will continue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

**Report of the Independent Auditors to the Members of
Policy Network & Communications Limited**

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 determine 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.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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 on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Richard Billinghamurst (Senior Statutory Auditor)
for and on behalf of Knox Cropper
Chartered Accountants and Statutory Auditors
8/9 Well Court
London
EC4M 9DN

17 September 2018

**Income Statement
for the Year Ended 31 December 2017**

	Notes	2017 £	2016 £
INCOME		927,814	903,022
Direct costs		<u>195,742</u>	<u>166,040</u>
GROSS SURPLUS		732,072	736,982
Administrative expenses		<u>711,561</u>	<u>746,653</u>
OPERATING SURPLUS/(DEFICIT) and SURPLUS/(DEFICIT) BEFORE TAXATION	4	20,511	(9,671)
Tax on surplus/(deficit)		<u>6,138</u>	<u>(2,555)</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR		<u>14,373</u>	<u>(7,116)</u>

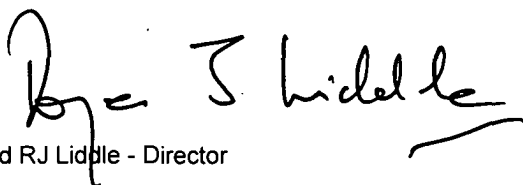
The notes on pages 8 to 10 form part of these financial statements

Balance Sheet
31 December 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	5		-		5,214
CURRENT ASSETS					
Debtors	6	2,555		13,113	
Prepayments and accrued income		18,381		25,999	
Cash at bank		257,644		253,435	
		<u>278,580</u>		<u>292,547</u>	
CREDITORS					
Amounts falling due within one year	7	37,191		70,745	
NET CURRENT ASSETS			<u>241,389</u>		<u>221,802</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>241,389</u>		<u>227,016</u>
RESERVES					
Income and expenditure account			<u>241,389</u>		<u>227,016</u>
			<u>241,389</u>		<u>227,016</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 17 September 2018 and were signed on its behalf by:


Lord RJ Liddle - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2017**

1. STATUTORY INFORMATION

Policy Network & Communications Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

As explained in note 9 in these financial statements, the Directors are of the opinion that there is no material difference between the carrying values of the company's assets and liabilities and their realisable values.

Income

Income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Income principally comprises donations received in respect of the year, and the invoiced value of sponsorship and other services supplied by the company. Any income received under contract is recognised as the costs of fulfilling contractual obligations are incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings - 25% straight line

Office equipment - 33% straight line

Because of the pace of technological development the Directors consider it prudent to write off the cost of computer equipment and software in the year of acquisition.

Financial instruments

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently valued at their settlement value.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to surplus or deficit on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average monthly number of employees during the year was 7 (2016 - 8).

4. OPERATING SURPLUS/(DEFICIT)

The operating surplus (2016 - operating deficit) is stated after charging:

	2017	2016
	£	£
Depreciation - owned assets	5,214	5,214
Auditors' remuneration - for audit services	5,160	5,160
For other services	1,530	2,511
	<u>11,904</u>	<u>12,885</u>

5. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2017	
and 31 December 2017	<u>114,091</u>
DEPRECIATION	
At 1 January 2017	108,877
Charge for year	<u>5,214</u>
At 31 December 2017	<u>114,091</u>
NET BOOK VALUE	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>5,214</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Other debtors	<u>2,555</u>	<u>13,113</u>

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Trade creditors	5,340	1,903
Taxation and social security	13,306	1,220
Other creditors	<u>18,545</u>	<u>67,622</u>
	<u>37,191</u>	<u>70,745</u>

8. **LIMITED BY GUARANTEE**

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

9. **GOING CONCERN**

The company's main donor has indicated that the year ended 31 December 2017 will be the final period that funding will be available. He has indicated that at the end of this period he is prepared to fund any reasonable costs associated with down scaling the company, including the cost of redundancies and the early settlement of property and other leases.

As a result, the Directors took the decision to close Policy Network's Tufton Street office which happened in July 2018. The Directors are confident that the company has met all contractual and legal obligations arising from the withdrawal of Sainsbury funding. Their intention is that the core mission and activities of Policy Network will continue.