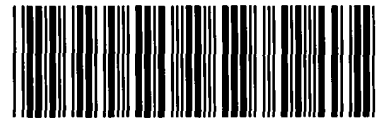


Charity Registration No. 1099645

Company Registration No. 04503712 (England and Wales)

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

SATURDAY



A8ØUKM4Q

A08

09/03/2019

#170

COMPANIES HOUSE

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

Trustees Professor Sir Ivor Martin Crewe
Sir George Peter Scott
Dame Sandra Burselm
Professor Dame Helen Wallace
Sir David Robert Bell

Charity number 1099645

Company number 04503712

Registered office 80 Mount Street
Nottingham
NG1 6HH

Independent examiner Shaw Gibbs Limited
264 Banbury Road
Oxford
OX2 7DY

Bankers Lloyds Bank (Headington)
87 London Road
Headington
Oxford
Oxfordshire
OX3 9AB

Solicitors Freeths LLP Nottingham
80 Mount Street
Nottingham
NG1 6HH

HIGHER EDUCATION POLICY INSTITUTE COMPANY LIMITED BY GUARANTEE CONTENTS

	Page
Trustees' report	1 - 6
Statement of Trustees' responsibilities	7
Independent examiner's report	8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12 - 16

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)
FOR THE YEAR ENDED 31 JULY 2018**

The Trustees present their report and financial statements for the year ended 31 July 2018.

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 2018**

Reports

Twenty reports were produced during the 2017/18 financial year, more than in any previous year – up from seven in 2013/14, 12 in 2014/15, 13 in 2015/16 and 15 in 2016/17:

1. Diana Beech, with a Foreword by Peter Tatchell, *Cracking the code: A practical guide for university free speech policies*, HEPI Report 109, 19 July 2018
2. Diana Beech, *Change is coming: how universities can navigate through turbulent political times*, HEPI Policy Note 7 (in conjunction with PwC), 7 June 2018
3. Jonathan Neves and Nick Hillman, *HEPI / Advance HE Student Academic Experience Survey 2018*, HEPI Report 108, 7 June 2018
4. Charlotte Freitag and Nick Hillman, *How different is Oxbridge?*, HEPI Report 107, 24 May 2018
5. Paul Clarke and Diana Beech (eds), *Reaching the parts of society universities have missed: A manifesto for the new Director of Fair Access and Participation*, HEPI Report 106, 10 May 2018
6. Nick Hillman, *Post-18 Review: 10 Points-of-Note on fixing the broken parts of our education and training system based on recent HEPI output*, 30 April 2018
7. Iain Martin, *Benchmarking widening participation: how should we measure and report progress?*, HEPI Policy Note 6, 5 April 2018
8. Bahram Bekhradnia and Diana Beech, *Demand for Higher Education to 2030*, HEPI Paper 105, 15 March 2018
9. Nick Hillman, *Differential tuition fees: Horses for courses*, HEPI Paper 104, 22 February 2018
10. Professor Tan Chorh Chuan, *Major shifts in global higher education: A perspective from Asia: 2017 HEPI Annual Lecture*, HEPI Paper 103, 1 February 2018
11. Gavan Conlon, Maike Halterbeck and Jenna Julius, *The costs and benefits of international students by parliamentary constituency*, HEPI Paper 102, 11 January 2018
12. Tim Blackman, *What affects how much students learn?*, HEPI Policy Note 5, 8 January 2018
13. Sally Turnbull, *A Guide to UK League Tables in Higher Education*, HEPI Paper 101, 4 January 2018
14. Jane Mackey and Nick Hillman, *HEPI / YouthSight Student Poll: A Brexit Youthquake?*, HEPI Policy Note 4, 18 December 2017
15. Nick Hillman, *Why the OBR's forecasts on students must improve*, HEPI Policy Note 3, 1 December 2017
16. Vicky Olive (with a Foreword by David Coombe), *How much is too much? Cross-subsidies from teaching to research in British universities*, HEPI Paper 100, 9 November 2017
17. Diana Beech (with a Foreword by Professor Chris Husbands), *Going for Gold: Lessons from the TEF provider submissions*, HEPI Report 99, 19 October 2017
18. Anthony Seldon and Dr Alan Martin, *The Positive and Mindful University*, HEPI Occasional Paper 18, 21 September 2017

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND
STRATEGIC REPORT)
FOR THE YEAR ENDED 31 JULY 2018**

19. John Last, *A crisis in the creative arts in the UK?*, HEPI Policy Note 2, 7 September 2017
20. Nick Hillman (ed.) (with a Foreword by Les Ebdon), *HEPI / Brightside, Where next for widening participation and fair access? New insights from leading thinkers*, edited by, HEPI Paper 98, 14 August 2017

Events

There were 31 major HEPI events (excluding press conferences) in 2017/18, up from 11 in 2014/15, 16 in 2015/16 and 27 in 2016/17:

14 June 2018: HEPI Debate on 'This House believes it would be of public benefit for far more people to go university', Buckingham

2. 13 June 2018: HEPI Debate on 'This House believes academic selection is wrong at 11 and still wrong at 18', Buckingham
3. 7 June 2018: HEPI Annual Conference on 'From Funding to Fining: Universities in the new age of regulation', London
4. 19 May 2018: HEPI Partner Dinner with Nicola Dandridge (Chief Executive of the Office for Students), London
5. 10 May 2018: HEPI / Brightside event on 'Reaching the parts of society universities have missed: A manifesto for the new Director of Fair Access and Participation', London
6. 8 May 2018: HEPI / PwC roundtable on 'What will success look like for universities in the changing environment for Higher Education? The strategic challenge facing HE leaders', London
7. 19 April 2018: HEPI Policy Briefing Day, London
8. 21 March 2018: HEPI / HEA Parliamentary Breakfast Seminar on 'Equality, Diversity, Inclusivity: Do universities reflect society enough?', London
9. 27 February 2018: HEPI / PwC Dinner on 'Universities in the 4th Industrial Revolution: how will technology impact on higher education, its delivery and the business model that underpins it?', Birmingham
10. 22 February 2018: HEPI / HEA Parliamentary Breakfast Seminar on 'Little Britain or Open Borders – what role for universities in defining Britain's new place on the world stage?', London
11. 20 February 2018: HEPI / HSBC Dinner on 'What students want – how sustainable is the current model of higher education in the UK?', Reading
12. 2 February 2018: HEPI / LSE breakfast on research funding, London
13. 29 January 2018: HEPI / Elsevier Dinner on the Knowledge Exchange Framework, London
14. 24 January 2018: HEPI / HEA Parliamentary Breakfast Seminar on 'How should we understand value for money in HE?', London
15. 11 January 2018: HEPI / Kaplan event on 'The costs and benefits of international students by parliamentary constituency', London

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

FOR THE YEAR ENDED 31 JULY 2018

16. 7 December 2017: HEPI Annual Lecture by Professor Tan Chorh Chuan on 'Major shifts in global higher education: A perspective from Asia', London
17. 7 December 2017: HEPI / Elsevier Lunch with Sir Mark Walport, Chief Executive Designate of UK Research and Innovation, London
18. 29 November 2017: HEPI / Ellucian dinner on 'Higher education in fraught political times', London
19. 27 November 2017: HEPI Partner Dinner with guest speaker Sir Anthony Seldon, chaired by Professor Sir Ivor Crewe, London
20. 22 November 2017: HEPI discussion on 'A University Education – past, present and future', London
21. 9 November 2017: HEPI / PwC Roundtable Dinner on 'The Changing Global Environment for UK Universities' with Professor Sir Alan Langlands, Leeds
22. 25 October 2017: HEPI / Birkbeck Ruth Thompson memorial event, London
23. 19 October 2017: HEPI / UPP Foundation Lunch with Glyn Davis, Vice-Chancellor of the University of Melbourne, London
24. 18 October 2017: HEPI / Resolution Foundation Roundtable Lunch on 'American Universities in Trumpland: At the Edge of Financial Disaster?', London
25. 16 October 2017: HEPI panel discussion, with support from Unite Students on 'The Student Experience: improving outcomes, raising performance', London
26. 12 October 2017: HEPI / Brightside breakfast on 'Where next for widening participation and fair access?', with speakers including the Rt Hon. Rob Halfon MP, London
27. 10 October 2017: HEPI / Unite Students Roundtable dinner on 'Value for money and student expectations', Liverpool
28. 3 October 2017: HEPI / UPP Roundtable on 'Industrial strategy: How can universities become regional hubs for growth?', Manchester
29. 25 September 2017: HEPI / UPP Roundtable on 'Industrial strategy: How can universities become regional hubs for growth?', Liverpool
30. 19 September 2017: HEPI / Bridge Group Policy Seminar on 'University Tuition Fees – what is a fair deal for students?', London
31. 18 September 2017: HEPI / Leadership Foundation panel discussion on 'Challenges facing good governance', London

Reach

In addition to our regular coverage in national, local and student media, our reach in 2017/18 included:

1.3k people who received hard copies of each HEPI report;

7.8k people on our electronic communications; and

9.3k 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 2018

Financial review

In 2017/18, the key financial indicators all moved in the right direction. For example: income increased by more than expenditure and both the cash position and the total assets grew.

The organisation has now built up appropriate reserves to match the political uncertainty affecting higher education.

In financial year 2017/18, HEPI generated £623,222 in income, which is up by £84,989 (+16%) on the previous year.

Spending in 2017/18 was £505,330, up by £55,461 (+12%) on the previous year.

This means there was a surplus of £117,892, up from £88,364 (+33%) on the previous year.

In 2017/18, the cash position improved to £626,287, up from £603,549 (+4%) on the previous year. Total assets (less current liabilities) were £534,397, up from £416,505 (+28%) 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 divided between a current account (Lloyds), a savings account (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 but without ever putting the fundamental character of HEPI as a policy institute at risk.

This financial position was achieved through continued careful control of spending, an increase in Partners and more sponsored activities.

The future

HEPI's recent strong financial performance 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 our tenure on the reasonably-priced office space at 99 Banbury Road in either 2018/19 or 2019/20;
- political uncertainty or upheaval, leading to less well-funded higher education institutions, which could affect their willingness to support HEPI's work;
- a reliance on a limited number of corporate partners for a relatively large proportion of our income; 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 2018

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 and up to the date of signature of the financial statements were:

Professor Sir Ivor Martin Crewe

Sir George Peter Scott

Dame Sandra Burselm

Professor Dame Helen Wallace

Sir David Robert Bell

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.

28/2/2019
Professor Sir Ivor Martin Crewe

Trustee

Dated: 

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2018**

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year 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 financial statements, 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 financial statements; and
- prepare the financial statements 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 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.

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
INDEPENDENT EXAMINER'S REPORT**

TO THE TRUSTEES OF HIGHER EDUCATION POLICY INSTITUTE

I report on the financial statements of the Charity for the year ended 31 July 2018, 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 financial statements. 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 financial statements 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements 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 financial statements 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 financial statements to be reached.



Lorna Watson (ACA)

For and on behalf of Shaw Gibbs Limited

264 Banbury Road
Oxford
OX2 7DY

Dated: 21/3/2019

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2018**

		Unrestricted funds	
		2018	2017
	Notes	£	£
<u>Income and endowments from:</u>			
<u>Charitable activities</u>			
Sponsorships and speakers fees	2	105,068	77,967
Conference fees	2	15,038	22,263
Partnership scheme	2	497,792	411,106
Investments	3	4,736	17,597
Other income	4	588	9,300
Total income		623,222	538,233
<u>Expenditure on:</u>			
Charitable activities	5	505,330	449,869
Net income for the year/ Net movement in funds		117,892	88,364
Fund balances at 1 August 2017		416,505	328,141
Fund balances at 31 July 2018		534,397	416,505

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 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	8		3,787		5,560
Current assets					
Debtors	9	63,256		56,599	
Cash at bank and in hand		626,287		603,549	
		<u>689,543</u>		<u>660,148</u>	
Creditors: amounts falling due within one year	10	<u>(158,933)</u>		<u>(249,203)</u>	
Net current assets			530,610		410,945
Total assets less current liabilities			<u>534,397</u>		<u>416,505</u>
Income funds					
Unrestricted funds			534,397		416,505
			<u>534,397</u>		<u>416,505</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 2018. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements 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 financial statements, 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 financial statements were approved by the Trustees on 28/2/2019



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 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	12		19,810		228,661
Investing activities					
Purchase of tangible fixed assets		(1,808)		(3,015)	
Interest received		4,736		17,597	
Net cash generated from investing activities			2,928		14,582
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			22,738		243,243
Cash and cash equivalents at beginning of year			603,549		360,306
Cash and cash equivalents at end of year			626,287		603,549
Short term deposits included in current asset investments			-		-
Bank overdrafts included in creditors payable within one year			-		-

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

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

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

1.2 Going concern

At the time of approving the financial statements, 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 financial statements.

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 financial statements.

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.

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

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018**

1 Accounting policies

(Continued)

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 2018	Total 2017
	£	£	£	£	£
Income within charitable activities	105,068	15,038	497,792	617,898	511,336

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018**

3 Investments

	2018	2017
	£	£
Income from investments	3,873	16,695
Interest receivable	863	902
	<u>4,736</u>	<u>17,597</u>

4 Other income

	2018	2017
	£	£
Other income	<u>588</u>	<u>9,300</u>

5 Charitable activities

	2018	2017
	£	£
Staff costs	266,029	222,359
Office costs	55,788	57,882
Conferences, seminars, catering, room hire and consultant	124,731	121,279
Other expenditure	46,990	42,373
	<u>505,330</u>	<u>449,867</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 2018**

7 Employees

Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
Average employee numbers	<u>5</u>	<u>4</u>

Employment costs

	2018 £	2017 £
Wages and salaries	216,832	181,916
Social security costs	21,926	18,096
Other pension costs	27,271	22,347
	<u>266,029</u>	<u>222,359</u>

One employee earned more than £60,000 per annum

8 Tangible fixed assets

	Website Costs £	Computer Equipment £	Total £
Cost			
At 1 August 2017	10,676	21,611	32,287
Additions	1,391	417	1,808
At 31 July 2018	<u>12,067</u>	<u>22,028</u>	<u>34,095</u>
Depreciation and impairment			
At 1 August 2017	7,297	19,430	26,727
Depreciation charged in the year	2,292	1,289	3,581
At 31 July 2018	<u>9,589</u>	<u>20,719</u>	<u>30,308</u>
Carrying amount			
At 31 July 2018	<u>2,478</u>	<u>1,309</u>	<u>3,787</u>
At 31 July 2017	<u>3,379</u>	<u>2,181</u>	<u>5,560</u>

**HIGHER EDUCATION POLICY INSTITUTE
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018**

9 Debtors	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	42,401	56,599
Other debtors	20,855	-
	<u>63,256</u>	<u>56,599</u>
10 Creditors: amounts falling due within one year	2018	2017
	£	£
Other taxation and social security	8,087	58,016
Trade creditors	6,632	4,970
Other creditors	6,958	8,434
Accruals and deferred income	137,256	177,783
	<u>158,933</u>	<u>249,203</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	2018	2017
	£	£
Surplus for the year	117,892	88,364
Adjustments for:		
Investment income recognised in statement of financial activities	(4,736)	(17,597)
Depreciation and impairment of tangible fixed assets	3,581	3,708
Movements in working capital:		
(Increase) in debtors	(6,657)	(13,834)
(Decrease)/increase in creditors	(90,270)	168,020
Cash generated from operations	<u>19,810</u>	<u>228,661</u>