

REGISTERED COMPANY NUMBER: 02292601 (England and Wales)
REGISTERED CHARITY NUMBER: 800065
REGISTERED CHARITY NUMBER (Scotland): SCO 46557

AMENDED

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018
FOR

INSTITUTE FOR PUBLIC POLICY RESEARCH
(A COMPANY LIMITED BY GUARANTEE)

These accounts

- Replace the original set
- Are now the statutory set
- Have been prepared as they were at the date of the original accounts

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

INSTITUTE FOR PUBLIC POLICY RESEARCH

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FOR THE YEAR ENDED 31ST DECEMBER 2018

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INSTITUTE FOR PUBLIC POLICY RESEARCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the charity and its subsidiary for the year ended 31st December 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's object is to contribute to public understanding of social, economic and political questions through research, discussion and publication. At any time, there are many such questions and the Institute has to select those which are most urgent, most important, most susceptible to resolution and to which its own competencies are relevant. To some extent, urgency is determined by the politics of the day; those issues which are prominent in public debate, and for which public policy action is likely at some future point, are the ones where the public has the most urgent need to be informed. As part of this process IPPR develops and disseminates policy ideas.

In 2015 the Charity amended its charitable objects in order to ensure they are fit for purpose with regard to current and future activities.

The Charity Commission provided their formal consent to these changes on 24th August 2015, and the trustees passed a written resolution adopting the new objects on 14th September 2015. The revised objects are set out below:

The Company's objects are:

- a) to promote research into (and the publication of the useful results thereof) and the education of the public in the economic, social and political sciences and in science and technology, the voluntary sector and social enterprise, public services, and industry and commerce;
- b) to advance the voluntary sector and the efficiency of public services which serve (or further) a charitable purpose;
- c) to advance physical and mental health;
- d) to relieve poverty, unemployment, or those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage;
- e) to advance environmental protection or improvement and sustainable development;
- f) to advance the arts, culture, heritage or science; and
- g) to advance such other exclusively charitable purposes as the Trustees in their absolute discretion determine.

Throughout these Memorandum and Articles of Association a 'charitable purpose' is a purpose that is regarded as charitable under the laws of every part of the United Kingdom, and the term 'charitable' is to be interpreted in accordance with the laws of every part of the United Kingdom.

Sustainable development means 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'.

INSTITUTE FOR PUBLIC POLICY RESEARCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2018**

OBJECTIVES AND ACTIVITIES

Principal Activities, Achievements and Performance

2018 was a successful year for IPPR. IPPR continued to undertake rigorous research to inform public understanding of crucial policy issues. The Institute delivered an impressive programme of research and publications as well as events and social media to disseminate the findings of our work and contribute to the debate on public policy. Key achievement included:

- Commission on Economic Justice

In September we published the Commission of Economic Justice's final report on reforming the UK economy, Prosperity and Justice: A plan for the new economy. The report was the result of an 18-month programme of research which involved all parts of IPPR. In addition to a major press campaign which achieved blanket coverage for IPPR's ideas and proposals, we produced a series of videos summarising the report's ten-point plan for reform and a podcast series aimed at educating the public on key economic challenges.

The report was welcomed across the political spectrum, including by the leader of the Liberal Democrats, Greens, Scottish National Party and Labour Party, as well as some senior figures in the Conservative party, the Editor of the Financial Times and the Assistant General Secretary of the CBI.

Off the back of the success of the Commission, IPPR launched a major Economics prize aimed at seeking out the best ideas for generating faster, yet sustainable growth in the UK.

- Lord Darzi review on the Future of the NHS

IPPR review of the future of the NHS was widely credited for shaping the Government's reform and NHS funding agenda. The report was written and launched by Lord Darzi, a former Labour health minister and professor of surgery, alongside Lord Prior, a former Conservative health minister and Chairman of UCL Hospital. Other eminent members of the advisory panel included Sir John Bell, Regius Professor of Medicine at Oxford, Geraldine Strathee, the former National Clinical Director for Mental Health, and Peter Harrison, CEO of Siemens Healthcare. The CEO of NHS England, Simon Stevens, thanked IPPR for its contribution.

- Environment and Climate Change

IPPR hosted a clean air summit with the Greater London Authority and UK100, a network of local government leaders from across the political spectrum. The summit was attended by the mayors of London, Birmingham, Manchester, Liverpool and Bristol, as well as the former Secretary of State for the Environment. Over a dozen more representatives from local government attended. They discussed action and their commitments to tackle air pollution. Local leaders committed to action arising out of the event and agreed to meet again to follow up on these commitments.

Our report Atmosphere: Towards a proper strategy for tackling Greater Manchester's air pollution crisis revealed the extent of the air pollution crisis in Greater Manchester. Mayor Burnham expressed an interest in exploring the recommendation of a clean air zone.

- Women and the Economy programme

The programme launched two flagship reports on the gender pay gap. The first set out new analysis on the extent of the pay gap and was launched by Stella Creasy MP, Kate O'Neill from the Government Equalities Office and Emma Codd from Deloitte. The second report examined the impact of the first year of compulsory gender pay gap reporting. It found that the regulations were having the desired impact in driving the issue up the agenda of employers and called for the introduction of a mandatory Fair Pay Report. Jo Swinson MP spoke at the launch event, as well as speakers from Business in the Community and Government Equalities Office.

INSTITUTE FOR PUBLIC POLICY RESEARCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2018**

OBJECTIVES AND ACTIVITIES

Principal Activities, Achievements and Performance

- Local Migration Panels

We launched the results of an 18-month investigation of the impact of migration on three local areas. The reports put forward action for local and national government for ensuring higher levels of public confidence and increased integration support for migrants. The migration programme also produced ongoing analysis on the impact of restrictions on EU Free Movement on different economic sectors. The analysis was cited by a range of media and policymakers.

- IPPR North

IPPR North continued its advocacy work for the Northern Powerhouse. Its proposals were publicly endorsed by the northern mayors and other key organisations including the Joseph Rowntree Foundation and Northern Services Health Alliance.

IPPR North ran three roundtable events as part of our Natural Assets North project, which aimed to explore how the good management of the environment directly underpins the North's economic potential, as well as its importance for the visitor economy.

It also produced research on the value of volunteering in the North and a series on Natural Assets North briefing papers. IPPR North also hosted a Q-Step intern from the University of Manchester.

- IPPR Scotland

IPPR Scotland's work on reforming the Scottish economy secured cross-party support including from Nicola Sturgeon, Richard Leonard (Scottish Labour leader and NEC member), and the Scottish Conservatives' Economic spokesperson. IPPR Scotland also launched analysis on the Northern Ireland and Scotland skills system, outlining the changes needed to prepare learning and training systems for automation and ageing.

Public Benefit

In shaping our objectives and planning our activities for the year, the Trustees have given consideration to the duties set out in section 17(5) of the Charities Act 2011 to have due regard to public benefit. In particular, the Trustees have considered how the planned activities will contribute to the overall aims and objectives that they have set.

Plans for Future Periods

IPPR's key plans for 2019 include:

- To launch the Centre for Economic Justice to carry forward and build on the work of the Commission on Economic Justice that reported in the autumn of 2018.
 - To set up a major new programme to understand the implications of human induced environmental change and its potential catastrophic outcomes on societies so as to influence policy and politics. We will set up an Environmental Justice Commission to generate a new political consensus for radical reform.
 - Continue to be the leading voice in health and social care policy; building on the independent review of the NHS in 2018 and becoming the lead advocate for making social care free at the point of need.
 - Ensure that IPPR is an important voice in the Brexit debate, underpinned by ground-breaking research that will seek to frame the debate and inform policymakers in Whitehall and leading political figures on all sides.
 - Continue experimentation with new ways of disseminating our work, taking advantage of new forms of digital technology.
 - Continued efforts to bring in a wide range of expert voices and contributors to our research from across the political spectrum.
 - Continuing to conduct and promote high profile, rigorous and impactful research across the full spectrum of policy areas.
 - Adding to our reserves so that we reach a level equivalent to 4-5 months of operating costs.
-

INSTITUTE FOR PUBLIC POLICY RESEARCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2018**

FINANCIAL REVIEW

Financial review

2018 was a highly successful year for IPPR after a most challenging 2017. During 2018 IPPR has managed to add £140,000 to its reserves. This was as a result of making structural changes and careful planning in a turbulent political environment. The added reserves put the total reserves at a level to cover 4-5 months of trading expenditure.

Reserves policy

The trustees recognise the need to hold reserves to allow protection of core activities in the event of income shortfalls, to promote balanced, long-term strategic planning and to enable the Institute to carry out exploratory research into otherwise unfunded areas of public policy.

The trustees have in the year reviewed the needs, risks and opportunities faced by the charity, along with relevant financial forecasts and analyses. On the basis of this review the trustees recognised the need to hold a general reserve and the size of this reserve should be related to the level of ongoing financial commitments. The trustees decided that as a guide the organisation should keep its general reserves at a level between four to five months of expenditure. This recognises that the bulk of the charity's income is potentially quite volatile and short-term while most of its costs (salaries, property) are relatively fixed.

Based on the above, the guide level of reserves was between £0.8m and £1m at the end of December 2018. At the year end the general reserves stood at £913k (2017: 770k). Therefore, the level of general reserves at the end of 2018 was at a level, which the Trustees consider to be sufficient. The trustees will continue to review the reserves policy and levels annually and approved the 2019 budget and financial plans to keep the current reserves levels, at their December meeting.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is constituted as a company limited by guarantee and is governed by a Memorandum and Articles of Association.

Chief Executive Officer

The day-to-day management of the organisation is delegated to Chief Executive, Tom Kibasi, who took up the post in the second quarter of 2016.

Recruitment and appointment of new trustees

The Trustees (who are the Directors of the company for Companies Act purposes) are elected by the company's members at the Annual General Meeting. One third of the Trustees retire each year. The Trustees have the power to appoint to fill casual vacancies. New Trustees can be nominated by any Trustee.

Organisational structure

The day-to-day running of the organisation is delegated to staff under the leadership of the Chief Executive. The Board of Trustees meet on a quarterly basis primarily to discuss issues of strategic direction both in relation to the running of the Organisation and the research priorities. They therefore approve an annual strategic plan and budget before the start of the year and then monitor progress against the plan during the year.

Group Structure

The Charity fully owns a trading subsidiary, IPPR Trading Limited, which carries out commercially commissioned research and generates income through events.

Induction and training of new trustees

Trustees are given an in-depth introduction to the organisation and the role of Trustee through meetings with other Trustees (including the Chair) and meetings with staff (including the Chief Executive). New Trustees are also given relevant documentation including recent research, meeting minutes and annual reports.

INSTITUTE FOR PUBLIC POLICY RESEARCH

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST DECEMBER 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

During the year the Trustees continued to develop and refine their risk management strategy, which comprises:

- A quarterly and annual review of the major risks to which the Charity is exposed
- The establishment of systems and procedures to mitigate those risks (including a weekly Finance, Governance and Risk meeting of the Chief Executive, Director of Finance, and Director of IPPR North)
- The implementation of procedures designed to minimise any potential impact on the Charity should any of those risks materialise.
- Political risk reviews at every Board meeting - monitoring and ensuring IPPR's independence of party and political bias.

The most significant external risk faced by the Charity is the potential volatility of funding. This is being addressed through the reserves policy and through the continuing diversification of income sources both in terms of sector (to reduce reliance on any single source of donations) and activity (to reduce reliance on restricted research income). Internal risks have been minimised by the strengthening of senior management, financial controls and the research quality assurance process. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02292601 (England and Wales)

Registered Charity number

800065

Registered office

13 - 14 Buckingham Street
London
WC2N 6DF

Trustees

Dr M E Aderin-Pocock	- resigned 17/10/2018
Lord A Adonis	- resigned 16/7/2018
Ms C F Daniel	
Lord J L Eatwell	
Lord C R Hollick	
Professor M Mazzucato	
Baroness K J Parminter	- resigned 17/2/2018
Dr D M Peck	
D J Pitt-Watson	
Sir J C Powell	
Ms J Search	
Baroness A M Suttie	

Senior Statutory Auditor

John Thacker FCA DChA

Auditors

Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

INSTITUTE FOR PUBLIC POLICY RESEARCH

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Unity Trust Bank plc
9 Brindleyplace
4 Oozells Square
Birmingham
B1 2HB

National Westminster Bank plc
Drummond House
1 Redheughs Avenue
Edinburgh
EH12 9JN

Solicitors

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London,
EC2V 6BB

Insurance Brokers

Stackhouse Poland Ltd
New House, Bedford Road
Guildford, Surrey
GU1 4SJ

INSTITUTE FOR PUBLIC POLICY RESEARCH

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST DECEMBER 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute for Public Policy Research for the purposes of company law) are responsible for preparing the Report of the Trustees 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

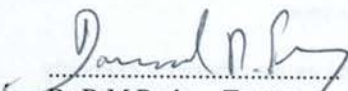
In so far as the trustees are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Chariot House Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 26th September 2019 and signed on its behalf by:


Dr D M Peck - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR PUBLIC POLICY RESEARCH**

Opinion

We have audited the financial statements of Institute for Public Policy Research (the parent 'charitable company') and its subsidiary for the year ended 31st December 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charitable Company's Balance Sheet, the Consolidated Cash Flow Statement 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charitable company's affairs as at 31st December 2018 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 group and the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR PUBLIC POLICY RESEARCH**

Matters on which we are required to report by exception

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or charitable 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 Independent 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 Independent Auditors.

Use of our report

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Thacker FCA DChA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Date: 27th September 2019

INSTITUTE FOR PUBLIC POLICY RESEARCH

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,509,200	74,500	2,583,700	2,873,001
Charitable activities	4				
Charitable activities		26,103	-	26,103	80,397
Investment income	3	738	-	738	289
Total		<u>2,536,041</u>	<u>74,500</u>	<u>2,610,541</u>	<u>2,953,687</u>
EXPENDITURE ON					
Charitable activities	5				
Support Costs		7,600	-	7,600	7,000
Research and dissemination on social, political and economic issues		2,333,247	126,500	2,459,747	3,197,908
Total		<u>2,340,847</u>	<u>126,500</u>	<u>2,467,347</u>	<u>3,204,908</u>
NET INCOME/(EXPENDITURE)		195,194	(52,000)	143,194	(251,221)
RECONCILIATION OF FUNDS					
Total funds brought forward		717,961	52,000	769,961	1,021,182
TOTAL FUNDS CARRIED FORWARD		<u>913,155</u>	<u>-</u>	<u>913,155</u>	<u>769,961</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities

The notes form part of these financial statements

INSTITUTE FOR PUBLIC POLICY RESEARCH (REGISTERED NUMBER: 02292601)

**CONSOLIDATED BALANCE SHEET
AT 31ST DECEMBER 2018**

		Unrestricted fund	Restricted funds	2018 Total funds	2017 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	10	-	-	-	8,188
CURRENT ASSETS					
Debtors	12	408,410	-	408,410	624,891
Cash at bank		<u>980,354</u>	<u>-</u>	<u>980,354</u>	<u>627,053</u>
		1,388,764	-	1,388,764	1,251,944
CREDITORS					
Amounts falling due within one year	13	<u>(475,609)</u>	<u>-</u>	<u>(475,609)</u>	<u>(490,171)</u>
NET CURRENT ASSETS		<u>913,155</u>	<u>-</u>	<u>913,155</u>	<u>761,773</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>913,155</u>	<u>-</u>	<u>913,155</u>	<u>769,961</u>
NET ASSETS		<u>913,155</u>	<u>-</u>	<u>913,155</u>	<u>769,961</u>
FUNDS	15				
Unrestricted funds				913,155	717,961
Restricted funds				<u>-</u>	<u>52,000</u>
TOTAL FUNDS				<u>913,155</u>	<u>769,961</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET - CONTINUED
AT 31ST DECEMBER 2018

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 26th September 2019 and were signed on its behalf by:



Dr D M Peck - Trustee

The notes form part of these financial statements

INSTITUTE FOR PUBLIC POLICY RESEARCH (REGISTERED NUMBER: 02292601)

BALANCE SHEET
AT 31ST DECEMBER 2018


	Notes	Unrestricted fund £	Restricted funds £	Total 2018 funds £	Total 2017 funds £
FIXED ASSETS					
Tangible assets	10	-	-	-	8,188
Investments	11	<u>100</u>	<u>-</u>	<u>100</u>	<u>100</u>
		100	-	100	8,288
CURRENT ASSETS					
Debtors	12	392,392	-	392,392	765,935
Cash at bank		<u>941,954</u>	<u>-</u>	<u>941,954</u>	<u>464,703</u>
		1,334,346	-	1,334,346	1,230,638
CREDITORS					
Amounts falling due within one year	13	<u>(445,608)</u>	<u>-</u>	<u>(445,608)</u>	<u>(468,965)</u>
NET CURRENT ASSETS		<u>888,738</u>	<u>-</u>	<u>888,738</u>	<u>761,673</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>888,838</u>	<u>-</u>	<u>888,838</u>	<u>769,961</u>
NET ASSETS		<u>888,838</u>	<u>-</u>	<u>888,838</u>	<u>769,961</u>
FUNDS					
Unrestricted funds				888,838	717,961
Restricted funds				<u>-</u>	<u>52,000</u>
TOTAL FUNDS				<u>888,838</u>	<u>769,961</u>

The notes form part of these financial statements

BALANCE SHEET - CONTINUED
AT 31ST DECEMBER 2018

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on 26th September 2019 and were signed on its behalf by:


.....
Dr D M Peck - Trustee

The notes form part of these financial statements

INSTITUTE FOR PUBLIC POLICY RESEARCH

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>352,563</u>	<u>(105,231)</u>
Net cash provided by (used in) operating activities		<u>352,563</u>	<u>(105,231)</u>
Cash flows from investing activities:			
Interest received		<u>738</u>	<u>289</u>
Net cash provided by (used in) investing activities		<u>738</u>	<u>289</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		353,301	(104,942)
Cash and cash equivalents at the beginning of the reporting period		<u>627,053</u>	<u>731,995</u>
Cash and cash equivalents at the end of the reporting period		<u>980,354</u>	<u>627,053</u>

The notes form part of these financial statements

INSTITUTE FOR PUBLIC POLICY RESEARCH

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	143,194	(251,221)
Adjustments for:		
Depreciation charges	8,188	6,379
Interest received	(738)	(289)
Decrease/(increase) in debtors	216,481	95,069
(Decrease)/increase in creditors	<u>(14,562)</u>	<u>44,831</u>
Net cash provided by (used in) operating activities	<u>352,563</u>	<u>(105,231)</u>

INSTITUTE FOR PUBLIC POLICY RESEARCH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', 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 with the exception of investments which are included at market value.

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary, IPPR Trading Ltd, prepared to 31 December 2018 on a line by line basis. A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by Section 408 of the Companies Act 2006 and the SORP.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

No assets costing less than £900 are capitalised.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Taxes purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes and the subsidiary company has made sufficient covenant / gift aid payments to the parent charity to extinguish any liability to corporation tax.

INSTITUTE FOR PUBLIC POLICY RESEARCH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST DECEMBER 2018

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension

All staff have the opportunity to take part in a stakeholder pension scheme under a salary sacrifice payable by the employer during the year on behalf of the employee.

Operating lease

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Donations	2,176,370	2,136,345
Activities for generating funds	<u>407,330</u>	<u>736,656</u>
	<u>2,583,700</u>	<u>2,873,001</u>

A comprehensive list of donors is available from our website: <https://www.ippr.org/about/how-we-are-funded>
Donations received during the year included:

Between £50,001-£150,000

Barrow Cadbury
Central London Forward
City of London Corporation
Friends Provident Foundation
Further Education Trust for Leadership
Gilead
Google
Health Foundation
John Mills
JP Morgan
Martin Taylor
Millfield House Foundation
Nationwide Building Society
Paul Hamlyn Foundation
Stephen Peel

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

2. DONATIONS AND LEGACIES

Between £20,001-£50,000

Sir Trevor Chinn
Citizens Advice
Commission on Poverty and Inequality
CPL Industries
Deloitte LLP
Equality and Human Rights Commission
European Climate Foundation
Eversholt Rail
Independent Age
Joseph Rowntree Foundation
Klynveld Peat Marwick Goerdeler
Lloyds
Merck Sharpe & Dohme
Newcastle City Council
Partners for a New Economy
Provident Financial
Siemens

Between £10,001-£20,000

ASDA
Aviva
BP
British Private Equity & Venture Capital Association
Friedrich Ebert Stiftung
Future Care Capital
Hollick Family Foundation
Honeywell International Inc
Janssen
Legal and General Capital
London First
National Association of Schoolmasters Union of Women Teachers
National Power
Pinsent Masons
Rethinking Mental Health
Santander
Shell
Uber
Union of Shop, Distributive and Allied Workers
Unison
Unison North West
United Utilities
Yorkshire Water

INSTITUTE FOR PUBLIC POLICY RESEARCH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

3. INVESTMENT INCOME

	2018	2017
	£	£
Deposit account interest	<u>738</u>	<u>289</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2018	2017
		£	£
Sale publications	Charitable activities	10,873	23,841
Conference fees and sponsorship	Charitable activities	-	1,000
Honoraria & sundry	Charitable activities	<u>15,230</u>	<u>55,556</u>
		<u>26,103</u>	<u>80,397</u>

5. CHARITABLE ACTIVITIES COSTS

	2018	2017
	£	£
Support Costs	7,600	7,000
Research and dissemination on social, political and economic issues	<u>2,459,747</u>	<u>3,197,908</u>
	<u>2,467,347</u>	<u>3,204,908</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	8,188	6,379
Auditor's remuneration - Audit services	5,200	4,800
Auditor's remuneration - Non Audit services	<u>2,400</u>	<u>2,200</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st December 2018 nor for the year ended 31st December 2017.

Trustees' expenses

There were reimbursed expenses paid to 1 Trustee totalling £169 (2017 - £58) in respect of travelling expenses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

8. STAFF COSTS

	2018	2017
	£	£
Wages and Salaries	1,431,618	1,824,973
Social Security costs	137,157	184,544
Pension costs	<u>116,465</u>	<u>133,023</u>
	<u>1,685,240</u>	<u>2,142,540</u>

The average monthly number of employees during the year was as follows:

	2018	2017
Research	27	35
External Affairs	8	6
Operations	<u>6</u>	<u>5</u>
	<u>41</u>	<u>46</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
£60,001 - £70,000	-	2
£70,001 - £80,000	-	1
£80,001 - £90,000	-	1
£90,001 - £100,000	-	1
£100,000 - £110,000	<u>1</u>	-
	<u>1</u>	<u>5</u>

Key management emoluments, deemed to be the Trustees and senior management, amounted to £465,923 (2017: £462,116)

9. 2017 COMPARATIVES FOR THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,335,167	537,834	2,873,001
Charitable activities			
Charitable activities	80,397	-	80,397
Investment income	<u>289</u>	-	<u>289</u>
Total	<u>2,415,853</u>	<u>537,834</u>	<u>2,953,687</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018**

9. 2017 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
EXPENDITURE ON			
Charitable activities			
Support Costs	7,000	-	7,000
Research and dissemination on social, political and economic issues	<u>2,692,074</u>	<u>505,834</u>	<u>3,197,908</u>
Total	<u>2,699,074</u>	<u>505,834</u>	<u>3,204,908</u>
NET INCOME/(EXPENDITURE)	(283,221)	32,000	(251,221)
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,001,182</u>	<u>20,000</u>	<u>1,021,182</u>
TOTAL FUNDS CARRIED FORWARD	<u>717,961</u>	<u>52,000</u>	<u>769,961</u>

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1st January 2018	20,268	99,786	120,054
Disposals	<u>(20,268)</u>	<u>(99,786)</u>	<u>(120,054)</u>
At 31st December 2018	-	-	-
DEPRECIATION			
At 1st January 2018	20,268	91,598	111,866
Charge for year	-	8,188	8,188
Eliminated on disposal	<u>(20,268)</u>	<u>(99,786)</u>	<u>(120,054)</u>
At 31st December 2018	-	-	-
NET BOOK VALUE			
At 31st December 2018	-	-	-
At 31st December 2017	-	<u>8,188</u>	<u>8,188</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1st January 2018 and 31st December 2018	<u>100</u>
NET BOOK VALUE	
At 31st December 2018	<u>100</u>
At 31st December 2017	<u>100</u>

There were no investment assets outside the UK.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £	Company 2018 £	Group 2017 £	Company 2017 £
Trade debtors	340,711	224,867	498,396	363,867
Amounts owed by group undertakings	-	116,571	-	347,709
Other debtors	19,745	3,000	76,136	4,000
Prepayments and accrued income	<u>47,954</u>	<u>47,954</u>	<u>50,359</u>	<u>50,359</u>
	<u>408,410</u>	<u>392,392</u>	<u>624,891</u>	<u>765,935</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £	Company 2018 £	Group 2017 £	Company 2017 £
Trade creditors	70,033	40,032	80,689	59,482
Social security and other taxes	36,336	36,336	44,710	44,710
VAT	51,101	51,101	131,798	131,799
Other creditors	18,539	18,539	39,466	39,466
Accruals and deferred income	<u>299,600</u>	<u>299,600</u>	<u>193,508</u>	<u>193,508</u>
	<u>475,609</u>	<u>445,608</u>	<u>490,171</u>	<u>468,965</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018**

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	-	48,360
Between one and five years	113,412	15,054
In more than five years	<u>364,486</u>	<u>-</u>
	<u>477,898</u>	<u>63,414</u>

15. MOVEMENT IN CONSOLIDATED FUNDS

	At 1/1/18 £	Net movement in funds £	At 31/12/18 £
Unrestricted funds			
General fund	717,961	195,194	913,155
Restricted funds			
FETL Grant	26,000	(26,000)	-
Welcoming Britain Project	11,000	(11,000)	-
Future of Migration Project	<u>15,000</u>	<u>(15,000)</u>	<u>-</u>
	52,000	(52,000)	-
TOTAL FUNDS	<u>769,961</u>	<u>143,194</u>	<u>913,155</u>

Net movement in consolidated funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,536,041	(2,340,847)	195,194
Restricted funds			
FETL Grant	-	(26,000)	(26,000)
Welcoming Britain Project	-	(11,000)	(11,000)
Future of Migration Project	-	(15,000)	(15,000)
Progressive Brexit	61,000	(61,000)	-
Integration Interventions	7,500	(7,500)	-
Integration Programme	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>
	74,500	(126,500)	(52,000)
TOTAL FUNDS	<u>2,610,541</u>	<u>(2,467,347)</u>	<u>143,194</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

15. MOVEMENT IN CONSOLIDATED FUNDS - continued

Comparatives for movement in consolidated funds

	At 1/1/17 £	Net movement in funds £	At 31/12/17 £
Unrestricted Funds			
General fund	1,001,182	(283,221)	717,961
Restricted Funds			
The Difference (fresh start) - Inclusion Trust	20,000	(20,000)	-
FETL Grant	-	26,000	26,000
Welcoming Britain Project	-	11,000	11,000
Future of Migration Project	-	15,000	15,000
	20,000	32,000	52,000
TOTAL FUNDS	1,021,182	(251,221)	769,961

Comparative net movement in consolidated funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	2,415,853	(2,699,074)	(283,221)
Restricted funds			
The Difference (fresh start) - Inclusion Trust	55,000	(75,000)	(20,000)
FETL Grant	47,500	(21,500)	26,000
Welcoming Britain Project	129,334	(118,334)	11,000
Reforming Council Tax in London	44,000	(44,000)	-
Commission on Economic Justice	200,000	(200,000)	-
Future of Migration Project	39,000	(24,000)	15,000
Progressive Brexit	23,000	(23,000)	-
	537,834	(505,834)	32,000
TOTAL FUNDS	2,953,687	(3,204,908)	(251,221)

15. MOVEMENT IN FUNDS - continued

The following gives the work done by Restricted Projects in 2018 and 2017.

Commission on Economic Justice

The IPPR Commission on Economic Justice is a two-year programme to explore the challenges facing the UK economy and make recommendations for reform. It is publishing and communicating a series of discussion and policy papers on a wide range of economic issues, along with an interim and final report.

Welcoming Britain

The Local Migration Panels programme is an 18-month initiative which aims to broker a new consensus in Britain's communities about the future role of migration. Through in-depth deliberation with residents in three areas of the UK the aim is to get an in-depth understanding of the factors which drive concerns about migration and develop effective solutions for local and national government.

Future of migration

This project assesses the options for the UK's future migration policy after it leaves the EU and sets out new proposals for a future immigration system for EU and non-EU nationals.

Progressive Brexit

This project explores the Brexit negotiations and the post-Brexit settlement from a progressive perspective. It includes a series of briefings on topics related to Brexit, including papers on public attitudes, trade and inequality, employment protections, and devolution and regional rebalancing.

'21st Century Skills System' project

The FETL Scotland project is a 9-month programme of research looking at what a 21st Century skills system should look like in Northern Ireland and Scotland. It will undertake research events, qualitative and quantitative work to look at the challenges faced by the skills system, to look at what success would look like, and to develop proposals for reform in both Northern Ireland and Scotland

The Difference

A programme to deliver the best education to pupils with mental ill health, and to feed this expertise back into the system to create transformative education for those that need it most.

Integration Interventions

Research into the factors that restrict black and ethnic minority women's ability to participate in the labour market. The project focused on the key role that civil society groups play in supporting isolated women into jobs and highlighted how austerity had negatively affected their ability to provide this support.

Integration Programme

A programme of work which aimed to highlight what local authorities could be doing to address people's concerns about immigration. The project worked in 3 areas of the UK (Coventry, Corby and Sunderland) and had three elements. First, was in-depth analysis of the impact which migration had had in each local area. Second, the creation of deliberative panels made up of local residents who were most concerned about immigration. Third, a local stakeholder group made up of key officials and representatives from civil society and the local private sector. The outputs were a series of reports aimed at local decision makers, and an overarching report setting recommendations for central government.

INSTITUTE FOR PUBLIC POLICY RESEARCH

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 2018

16. PENSION COMMITMENTS

All staff have the opportunity to take part in a stakeholder pension scheme under a salary sacrifice arrangement with a nominated defined contribution group stakeholder pension scheme. Contributions are accounted for in the income and expenditure account when paid. The pension costs charged in the year amounted to £116,465 (2017: £133,023). At the balance sheet date there were £8,539 (2017: £9,466) of outstanding contributions that were paid in January 2019.

17. RELATED PARTY DISCLOSURES

During the year the company recharged costs of £360,718 (2017: £515,672) to IPPR Trading Ltd. At 31 December 2018 the company was owed from IPPR Trading Ltd £116,570 (2017: £328,344).

D Peck, a Trustee of IPPR, in 2017, made a loan of £30,000 which was the balance outstanding at 31.12.17. This was repaid by equal monthly instalments by October 2018.

Lord C R Hollick, a Trustee of IPPR, is a related party of the Hollick Family Foundation which donated £20,000 and Honeywell International Inc which donated £19,500.

18. INVESTMENT IN SUBSIDIARIES

The investment of £100 represents the whole of the issued share capital, which is made up of £1 ordinary shares, of IPPR Trading Ltd, a company incorporated in Great Britain, which carries out commissioned research on public policy. The company's gross income for the year to 31 December 2018 was £472,545 (2017: £682,044) and the net profit for the period of £4,952 (2017: £19,365) will be donated to the holding company leaving a net balance sheet total of £100.

<u>IPPR Trading Ltd - Summary profit and loss account</u>	2018	2017
	£	£
Turnover	472,545	682,044
Cost of sales	(447,959)	(662,409)
Administrative expenses	(269)	(270)
Bank interest	-	-
Donations to holding company	(19,365)	-
Profit on ordinary activities	<u>4,952</u>	<u>19,365</u>

In line with current legislation, the donation of the Profit for the year will be shown in the financial statements to 31.12.19 when it is made.