INSTITUTE FOR PUBLIC POLICY RESEARCH LIMITED
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2013

Charity Registration No. 800065

Company Registration No. 02292601 (England & Wales)
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INSTITUTE FOR PUBLIC POLICY RESEARCH LIMITED
(A Company Limited by Guarantee)
Company No: 02292601
Charity No: 800065

REPORT OF THE TRUSTEES

The Trustees, who are also Directors of the Company for the purposes of the Companies Act, present their annual report and audited financial statements for the year ended 31 December 2013.

LEGAL AND ADMINISTRATIVE INFORMATION

Full Name of Charity: Institute for Public Policy Research Limited
Other Names used by the Charity: Institute for Public Policy Research, IPPR
Charity Registration Number: 800065
Company Registration Number: 02292601

Directors and Trustees: Directors and Trustees who have acted during the year and to the date of this report were:

Lord Andrew Adonis – Chair (Appointed 27 March 2013)
Dr Donald Peck – Treasurer
Dame Jane Roberts DBE – Secretary

Mr James Purnell (Resigned 27 March 2013)
Sir John Armitt (Appointed 16 October 2013)
Ms Caroline Daniel (Appointed 16 October 2013)
Mr Chris Powell
Lord Eatwell of Stratton St Margaret
Lord Hollick of Notting Hill
Baroness Parminter of Godalming
Mr David Pitt-Watson
Mr John Makinson (Resigned 27 March 2013)
Ms Noreena Hertz
Ms Jess Search
Mr David Claydon

Chief Executive: The day to day management of the organisation is delegated to Chief Executive Nick Pearce.

Registered Office and:
Operations Address 13-14 Buckingham Street
London
WC2N 6DF

Company Secretary: Dame Jane Roberts DBE

Independent Auditors: Clark Brownscombe Limited
8 The Drive
Hove
BN3 3JT

Bankers: Unity Trust Bank plc
9 Brindleyplace
4 Oozells Square
Birmingham
B1 2HB
REPORT OF THE TRUSTEES – continued

Bankers: Co-operative Bank plc
OFS 9 Prescot Street
London
E1 8BE

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

How the Charity is constituted and the nature of the governing document
The Charity is constituted as a company limited by guarantee and is governed by a Memorandum and Articles of Association.

Method of recruitment and appointment of 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.

Induction and training of 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.

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. IPPR Trading Limited carries out commercially commissioned research.

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

- An annual review of the major risks to which the Charity is exposed
- The establishment of systems and procedures to mitigate those risks
- The implementation of procedures designed to minimise any potential impact on the Charity should any of those risks materialise.

The most significant external risk faced by the Charity is the potential volatility of funding. This is being addressed through the reserves policy described below and through the diversification of income sources both in terms of sector (to reduce reliance on corporate 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.
OBJECTIVES

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.

The Trustees confirm they have regard to the Charity Commission’s guidance on public benefit and consider each year how it meets the public benefit objectives outlined in Section 17(5) of the Charities Act 2011.

PRINCIPAL ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

One way of measuring IPPR’s success in 2013 would be in numbers: 1.2 million words, 70 reports, 1.5 million website page views, half a million unique visitors, 300,000 report downloads, 383 articles and blogs, 136 broadcast interviews, 35,000 Twitter followers, 30,000 video views. By this standard alone, 2013 confirmed that IPPR as one of the most productive and high profile think tanks in the UK.

However, these numbers only capture a small element of IPPR’s success in the year which saw significant advances on a strong year in 2012. Early in the year we launched our flagship The Condition of Britain project which was described by the Head of Labour’s policy review, Jon Cruddas as having the potential to be as ‘big and influential as IPPR’s famous Commission on Social Justice’ in the 1990s. The project was characterised by rigorous analysis and innovative, creative approaches – including an authored film for Newsnight; a grassroots video project Voices of Britain; a series of highly interactive local study visits; and the participative and popular events at conferences.

Another big moment was the publication of the final report of IPPR Commission on Higher Education in June. It achieved widespread media coverage for its main recommendations and the report has been a continuing strong ‘seller’ with more than seven and half thousand downloads by the end of the year. Also in the education field, our Vocational Education in English Schools (May 2013) highlighted the dangerous decline of vocational courses and its consequences for youth employment rates. In March, we published a second report on cutting edge education policy by Sir Michael Barber called An Avalanche is coming – it and its sister publication published in 2012 have been downloaded nearly 50,000 times.

We continued to be a major voice on economic affairs, scoring a notable media hit in January with our paper on the financialisation of the UK economy, which called for the breaking up of the big banks. Our publication on wealth taxes was published in March and our work on increasing profit sharing, published in August, has been influential. Ahead of the Budget in March IPPR argued for new fiscal rules for reducing the public debt to GDP ratio over a 10 year period and also argued for removing ring fencing of certain departmental spending because of the impact on other departments. We have continued to push for stronger investment in infrastructure, particularly away from London and the South East – updating our work on underinvestment in Northern transport infrastructure in a report in August.

IPPR North, IPPR’s autonomous think tank for the North, had another strong year. Other work on infrastructure highlighted the North East’s potential as an international gateway, while UK First? published in March looked at how more foreign direct investment could be attracted to the North. IPPR North continued to make strategic arguments for the devolution of greater powers to city regions and to push the localism agenda. IPPR’s North extensive events programme in Newcastle continued very successfully.
IPPR continued to make significant interventions on employment and welfare issues. In January 2013, the Shadow Chancellor took up our idea of a Job Guarantee for young people unemployed for more than 12 months, and in November our report No More NEETS, proposing a new youth allowance and separate education and training track for 18-24 year olds, had a major impact. An important social security report argued the case for a different sort of welfare cap, which would help to bear down on the underlying drivers of expenditure. IPPR continued to publish innovative work on increasing pay, including through the expansion of the Living Wage. In April 2013, the Labour leader committed to creating Living Wage Zones as advocated by IPPR and Resolution Foundation in a report in April 2013. IPPR’s proposal for Dutch style ‘collective pensions’ – published in December 2013 – was commended by the Liberal Democrat Pensions Minister, Steve Webb. IPPR’s work on reforming public services, under the rubric of the ‘relational state’ was advanced – two reports on reforming health care, towards a more ‘whole person’ approach – were published in December.

Building on work in 2012, IPPR continued to take a lead in childcare policy. A report, published in July, based on a survey of child minders, helped lead to the Deputy Prime Minister blocking planned changes to child ratio rules. Further work on the issue, including a major paper as part of the Condition of Britain project, argued that universal childcare should be prioritised over expanding tax credits and benefits. In a major article in May, IPPR director Nick Pearce argued for recasting the child poverty target and developing a new strategy for reducing the numbers of children in poverty. In March, the report Great Expectations set out a new agenda for contemporary feminism, highlighting that fathers get a pay bonus, a counterpart of the so called ‘motherhood penalty’, while a related report showing how increasing numbers of mothers are the main ‘breadwinners’ in their families caused a media splash in August.

Frontline, a new ‘Teach First’ style initiative to encourage top students to go into children’s social work, which IPPR help to incubate in 2012, opened its London office, next door to IPPR, in May 2013 and pilot schemes start in autumn 2014.

IPPR’s steadily influential work on energy policy burst into the headlines in the autumn as the issue reached the top of the political agenda. Back in February, the government introduced a reform, first proposed by IPPR, to make ‘switching’ easier by limiting the number of tariffs energy suppliers can offer. During the passage of the Energy Bill, IPPR’s arguments for how decarbonising the power sector could help to lower household energy bills were much cited. In November, our Help to Heat report set out a comprehensive and cost neutral policy framework to improve the energy efficiency of the UK’s housing stock which has been highly influential as energy policy is developed across the political spectrum. A series of major events, including with Shadow Energy and Climate Change Secretary, Caroline Flint, and with the Energy and Climate Change Secretary, Ed Davey, have cemented IPPR’s position at the centre of climate change and energy policy.

IPPR continued to play a leading role in the migration debate. In January, we published our Framework of Principles for migration, as part of the Progressive Migration project; in November our highly influential work on foreign students, which urged maximising rather than driving down numbers, was published to much fanfare, and at the very end of the year, we made a strategic intervention in the highly toxic debate over Romanian and Bulgarian migration, which led to blanket media coverage. The Progressive Migration project was brought to a culmination.

IPPR’s distinctive take on the ‘English question’ was another feature of 2013. In a major report in July England and its Two Unions research showed the continuing growth of English political identity, its alignment with euroscepticism and the rise of UKIP as a party of English nationalism. In the autumn we held a series of very successful events with British Future across England under the banner ‘A Festival of Englishness’ which stimulated widespread media debate. IPPR also developed its work on the growing debate on Scottish independence, with interventions on the how ‘devomore’ would offer the best solution for Scotland within the Union.
INSTITUTE FOR PUBLIC POLICY RESEARCH LIMITED
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Charity No: 800065

REPORT OF THE TRUSTEES – continued

In June, the Cabinet Office published a report commissioned from IPPR on international lessons for reform of the civil service. The work was described as a set of ‘sensible measures that should command cross-party support’ by the chair of the Public Accounts Committee, Margaret Hodge MP. IPPR’s work on political inequality has been influential, and our proposal to make first time voting compulsory stimulated widespread debate.

The director’s blog continued to attract high reader numbers (32,500) and in its first full year of operation, our quarterly journal Juncture – and Juncture on-line -consolidated its position as the leading journal of political ideas on the centre left. It was cited by the Observer as a major influence, subscriptions to the journal increased, visits to IPPR’s Juncture on-line pages topped 50,000 in the year and a wide range of top international thinkers wrote for the Journal, with one of the highlights being the speech by the Harvard political philosopher, Roberto Unger, in November.

IPPR’s newsletter went out weekly to more than 22,000 people and in the summer we published a second version of our innovative Our Work pamphlet. IPPR’s party conference programme was among the most extensive and well attended. In January 2013, we announced that IPPR had committed to never having any all male panels at its events and we have been working with others to improve gender balance at public events.

IPPR continued to be one of the leading think tanks in its use of digital outputs and social media channels, producing info graphics, Storifies, prezi slide shares and other forms of data visualisation. We are a leading participant in the WonkComms initiative.

PLANS FOR FUTURE PERIODS

IPPR’s plans for 2013 include:

- The culmination of our Condition of Britain project, with a major report and event in July.
- The launch of a 3 year research programme on employment and skills issues across Europe. An international summit on April 1st 2014 and the publication of an employment scorecard will be the first outputs of this multi-year project.
- A major report on public service reform to advance the idea of the ‘relational state
- Further work to build on advancing the universal childcare agenda
- A new advisory group looking at the future of health and social care
- An IPPR publication setting out the major policy issues that will be most important at the 2015 General Election
- The final report of the Progressive Migration project, setting out a Fair Deal on Migration
- The launch of a completely overhauled IPPR website and a new form of on-line publishing of IPPR reports
- An on-going programme of ‘major international speakers’ at IPPR
- Work setting out the choices on tax and spend that will confront any in-coming government in 2015
- Further work on contributory welfare
- New research on energy and climate policy
- The final report of our “devomore” research
FINANCIAL REVIEW

Income in 2013 £3.080m was £346k more than in 2012 (£2.734m). IPPR had a surplus of £11,659 in 2013 compared with a surplus of £18,352 in 2012. Expenditure was £3.068m compared with £2.716m in 2012.

Income
Voluntary income £2.876m represents donations both to individual research projects and to our central ‘Core Partners’ programme. Our donation income comes from a variety of sectors including corporates, trusts and foundations and individual donors. The majority of this income supports specific research projects.

The Activities for Generating Funds income of £166k (2012: £124k) comprises commissioned research.

Conference fees and sponsorship income was £24k (2012: £223k).

Expenditure
Support costs (which are allocated to activities as shown in note 6) are 24% of total expenditure (2012: 23%). Support costs are maintained at a level to provide a solid infrastructure for the organisation within the constraints of limited budgets.

The average staff numbers was 42 (2012:40).

Trading subsidiaries
IPPR Trading Limited carries out commercially commissioned research but only in areas where there is existing expertise or as an extension of existing policy work.

Tangible fixed assets for use by the charity
Details of movements in fixed assets of the organisation, all of which are held without restrictions, are set out in note 8 to the accounts.

Investment powers
There is no restriction on how the Charity’s reserves can be invested. All the cash reserves are currently held in an interest bearing current account.

Reserves
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.

Therefore the guide level of reserves is at the end of December 2013 between £1m and £1.125m. At the year end the general reserves stand at £1.087m (2012: £1.054m). Therefore the current level of general reserves is considered sufficient. The trustees will continue to review the reserves policy and levels annually.
INSTITUTE FOR PUBLIC POLICY RESEARCH LIMITED
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Company No: 02292601
Charity No: 800065

REPORT OF THE TRUSTEES – continued

STATEMENT OF TRUSTEES’ RESPONSIBILITIES

The Trustees (who are also Directors of Institute for Public Policy Research Ltd for the purposes 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and group 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 Trustees (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 Trustee has taken all steps that he or she ought to have taken as a Trustee 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.

AUDITORS

Clark Brownscombe Limited have indicated their willingness to remain in office and a resolution proposing their re-appointment will be put to the Annual General Meeting.

In preparing this report, the Trustees have taken advantage of special exemptions applicable to small companies conferred by Part 15 of the Companies Act 2006 and within the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the board on 27th April 2014 and signed on their behalf by:

D Peck
Trustee
INSTITUTE FOR PUBLIC POLICY RESEARCH LIMITED
(A Company Limited by Guarantee)
Company No: 02292601
Charity No: 800065

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

We have audited the financial statements of the Institute for Public Policy Research Limited for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet and related notes. 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).

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

Respective responsibilities of Trustees and Auditors

As explained more fully in the Trustees’ Responsibilities Statement, 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.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board’s (APB’s) Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the the group’s and charitable company’s circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Trustees’ Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the group’s and the charitable company’s affairs as at 31 December 2013 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 Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees’ Annual Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.
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 by the parent company;
- the parent company’s Financial Statements are not in agreement with the accounting records and returns;
- present company’s disclosure of Trustees’ remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

P. J. Thacker FCA DChA (Senior Statutory Auditor)
For and on behalf of Clark Brownscombe Limited – Statutory Auditor
8 The Drive
Hove
East Sussex
BN3 3JT

Date: 13 May 2014
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2013
(INCLUDES INCOME AND EXPENDITURE ACCOUNT)

INCOMING RESOURCES

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<th>Note</th>
<th>Unrestricted Funds</th>
<th>Restricted Funds</th>
<th>Total 2013</th>
<th>Total 2012</th>
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Incoming Resources from generated funds
- Voluntary income: £2,876,100
- Activities for generating funds: £165,788
- Investment income: £2,875

Incoming Resources from charitable activities
- Sale of publications: £11,131
- Conference fees and sponsorship: £23,606
- Honoraria & sundry other: £849

TOTAL INCOMING RESOURCES: £3,080,349

RESOURCES EXPENDED

Cost of generating funds
- Costs of generating voluntary income: £17,500
- Fundraising trading: £12,316

Charitable activities
- Research and dissemination on social, political and economic issues: £2,994,471
- Governance costs: £23,018

TOTAL RESOURCES EXPENDED: £3,047,305

NET INCOMING / (OUTGOING) RESOURCES
- £33,044 (negative indicates outgoing)

Transfer between funds

NET MOVEMENT IN FUNDS
- £33,044 (negative indicates outgoing)

TOTAL FUNDS BROUGHT FORWARD
AT 1 JANUARY 2013: £1,054,419

TOTAL FUNDS CARRIED FORWARD
AT 31 DECEMBER 2013: £1,087,193

There are no recognised gains or losses other than those disclosed above.
All of the above results derive from continuing activities and there were no acquisitions in the period.

The notes on pages 12 to 18 form part of the financial statements.
INSTITUTE FOR PUBLIC POLICY RESEARCH LIMITED
(A Company Limited by Guarantee)
Company No: 02292601
Charity No: 800065

BALANCE SHEET
AS AT 31 DECEMBER 2013

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</tbody>
</table>

FIXED ASSETS
Tangible assets
8  27,490   27,490   28,246   28,246
Investment in subsidiaries
16 - 100 - - 100
27,490 27,590 28,246 28,346

CURRENT ASSETS
Debtors
9  464,281  505,761  502,775  640,292
Cash at bank and in hand
1,427,446 1,396,842 734,402 699,678
1,891,727 1,902,603 1,237,177 1,249,970

CREDITORS
Amounts falling due within one year
10 832,024 843,000 189,889 202,782

NET CURRENT ASSETS
1,059,703 1,059,603 1,047,288 1,047,188

TOTAL ASSETS LESS CURRENT LIABILITIES
11 1,087,193 1,087,193 1,075,534 1,075,534

FUNDS
Unrestricted
- General funds
1,087,193 1,087,193 1,054,149 1,054,149
Restricted
- - 21,385 21,385
12 1,087,193 1,087,193 1,075,534 1,075,534

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees on 27th July 2014 and signed on its behalf by:

D Peck - Trustee

The notes on pages 12 to 18 form part of the financial statements.
1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material to the Financial Statements.

Basis of accounting
The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006, applicable accounting standards, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005) issued in March 2005.

Group financial statements
These financial statements consolidate the results of the charity and its wholly-owned subsidiary, IPPR Trading Ltd, 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 paragraph 397 of the SORP.

Incoming resources
All incoming resources are included in the Statement of Financial Activities (SoFA) when the Charity has entitlements to the funds, the Trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient reliability.

Voluntary income is received by way of grants, donations and gifts and is included in full in the SoFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the Charity, are recognised when the Charity becomes unconditionally entitled to the grant.

Donations are credited to income when received and are included in the unrestricted funds if not destined for specific funds.

Investment income is included when receivable.

Resources expended
Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Cost of generating funds comprise of the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

Support costs are allocated across activities on a percentage basis according to the income that each department generates.
ACCOUNTING POLICIES – continued

**Funds**
The Charity has various types of funds for which it is responsible:

Unrestricted funds – are donations and other incoming resources receivable or generated for the objects of the Charity without further specified purpose and are available as general funds.

Restricted funds – comprise monies raised for, or their use restricted to, a specific purpose or contributions subject to donor imposed conditions.

**Tangible fixed assets and depreciation**
Fixed assets are stated at cost less accumulated depreciation. No assets costing less than £900 are capitalised. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives on a straight-line basis at the following rates:

- Furniture and fittings: 25% on cost
- Computer equipment: 25% on cost

**Pensions**
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.

**Foreign currencies**
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. All differences are taken to the Statement of Financial Activities.

**Cashflow statements**
The Charity has taken advantage of the exemption conferred by Financial Reporting Standards 1 not to prepare a Cashflow Statement for the year as the Trustees believe the charitable company is small under the Companies Act 2006.

2. **INCOME**
The income and surplus of expenditure over income are attributable to the one principal activity of the charity which is to contribute to public understanding of social, economic and political questions through research, discussion and publication.

3. **SURPLUS OF RESOURCES FOR THE YEAR**
Excess of expenditure over income is stated after charging:

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<tr>
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<th>Group 2013</th>
<th>Group 2012</th>
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<tr>
<td></td>
<td>£</td>
<td>£</td>
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<tr>
<td>Trustees’ emoluments</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Auditors’ remuneration – Audit Services</td>
<td>-</td>
<td>4,100</td>
</tr>
<tr>
<td>Auditors’ remuneration – Non Audit Services</td>
<td>1,920</td>
<td>1,920</td>
</tr>
<tr>
<td>Depreciation – owned assets</td>
<td>23,580</td>
<td>17,926</td>
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13
4. **EMPLOYEES**

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<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td><strong>Total staff costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>1,652,866</td>
<td>1,469,850</td>
</tr>
<tr>
<td>Social security costs</td>
<td>156,045</td>
<td>152,614</td>
</tr>
<tr>
<td>Pension costs</td>
<td>145,051</td>
<td>121,574</td>
</tr>
<tr>
<td></td>
<td>1,953,962</td>
<td>1,744,038</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>302,280</td>
<td>224,218</td>
</tr>
<tr>
<td></td>
<td><strong>2,256,242</strong></td>
<td><strong>1,968,256</strong></td>
</tr>
</tbody>
</table>

There were three employees with emoluments in excess of £60,000 (2012: 3) 2 within the range £60,001 to £70,000 and 1 in the range £80,000 to £90,000.

The employers’ pension contribution for these 3 amounted to £30,269.

**Number of employees**

The average number of employees analysed by function was:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>Dissemination</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Support</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42</td>
<td>40</td>
</tr>
</tbody>
</table>

5. **BREAKDOWN OF COSTS OF CHARITABLE ACTIVITIES (GROUP)**

<table>
<thead>
<tr>
<th>Activities</th>
<th>Undertaken Directly</th>
<th>Support Costs</th>
<th>Total 2013</th>
<th>Total 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research and development</td>
<td>1,816,113</td>
<td>596,619</td>
<td>2,412,732</td>
<td>2,081,038</td>
</tr>
<tr>
<td>Events</td>
<td>153,084</td>
<td>50,290</td>
<td>203,374</td>
<td>200,434</td>
</tr>
<tr>
<td>Publications and media</td>
<td>300,900</td>
<td>98,850</td>
<td>399,750</td>
<td>368,480</td>
</tr>
<tr>
<td></td>
<td><strong>2,270,097</strong></td>
<td><strong>745,759</strong></td>
<td><strong>3,015,856</strong></td>
<td><strong>2,649,952</strong></td>
</tr>
</tbody>
</table>

6. **BREAKDOWN OF SUPPORT COSTS BY ACTIVITY (GROUP)**

<table>
<thead>
<tr>
<th></th>
<th>Total 2013</th>
<th>Total 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>293,760</td>
<td>261,159</td>
</tr>
<tr>
<td>Direction</td>
<td>273,501</td>
<td>187,661</td>
</tr>
<tr>
<td>Property</td>
<td>160,572</td>
<td>149,087</td>
</tr>
<tr>
<td>Depreciation</td>
<td>17,926</td>
<td>17,926</td>
</tr>
<tr>
<td></td>
<td><strong>745,759</strong></td>
<td><strong>615,833</strong></td>
</tr>
</tbody>
</table>
7. CORPORATION TAX

No corporation tax has been provided in these accounts because the income of the holding company, a registered charity, is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988 and the subsidiary company has made sufficient covenant / gift aid payments to the parent charity to extinguish any liability to corporation tax.

8. TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Computers and other equipment</th>
<th>Fixtures and fittings</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>At 1 January 2013</td>
<td>51,437</td>
<td>20,268</td>
<td>71,705</td>
</tr>
<tr>
<td>Additions</td>
<td>22,824</td>
<td></td>
<td>22,824</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>74,261</td>
<td>20,268</td>
<td>94,529</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2013</td>
<td>28,258</td>
<td>15,201</td>
<td>43,459</td>
</tr>
<tr>
<td>Charge for year</td>
<td>18,513</td>
<td>5,067</td>
<td>23,580</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>46,771</td>
<td>20,268</td>
<td>67,039</td>
</tr>
<tr>
<td>Net book values</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2013</td>
<td>27,490</td>
<td></td>
<td>27,490</td>
</tr>
<tr>
<td>At 31 December 2012</td>
<td>23,179</td>
<td>5,067</td>
<td>28,246</td>
</tr>
</tbody>
</table>

9. DEBTORS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments and accrued income</td>
<td>130,172</td>
<td>130,172</td>
<td>185,793</td>
<td>185,793</td>
</tr>
<tr>
<td>Trade debtors</td>
<td>334,109</td>
<td>316,768</td>
<td>316,982</td>
<td>316,762</td>
</tr>
<tr>
<td>Amounts due from subsidiary</td>
<td>-</td>
<td>58,821</td>
<td>-</td>
<td>137,737</td>
</tr>
<tr>
<td></td>
<td>464,281</td>
<td>505,761</td>
<td>502,775</td>
<td>640,292</td>
</tr>
</tbody>
</table>

10. LIABILITIES: Amounts falling within one year

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>98,282</td>
<td>72,057</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>621,500</td>
<td>4,100</td>
</tr>
<tr>
<td>Other taxes and PAYE</td>
<td>56,349</td>
<td>46,059</td>
</tr>
<tr>
<td>VAT payable</td>
<td>40,891</td>
<td>68,979</td>
</tr>
<tr>
<td>Other creditors</td>
<td>15,002</td>
<td>11,587</td>
</tr>
<tr>
<td></td>
<td>832,024</td>
<td>202,782</td>
</tr>
</tbody>
</table>
11. BALANCE SHEET ANALYSIS OF NET ASSETS BETWEEN FUNDS

<table>
<thead>
<tr>
<th>GROUP</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>27,490</td>
<td>-</td>
<td>27,490</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>464,281</td>
<td>-</td>
<td>464,281</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>1,427,446</td>
<td>-</td>
<td>1,427,446</td>
</tr>
<tr>
<td></td>
<td>1,891,727</td>
<td>-</td>
<td>1,891,727</td>
</tr>
<tr>
<td><strong>Creditors</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>832,024</td>
<td>-</td>
<td>832,024</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>1,059,703</td>
<td>-</td>
<td>1,059,703</td>
</tr>
</tbody>
</table>

| Total assets less current liabilities |      |            |       |
| at 31 December 2013                | 1,087,193 | -          | 1,087,193|

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Unrestricted</th>
<th>Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>27,490</td>
<td>-</td>
<td>27,490</td>
</tr>
<tr>
<td>Investment in subsidiaries</td>
<td>100</td>
<td>-</td>
<td>106</td>
</tr>
<tr>
<td></td>
<td>27,590</td>
<td>-</td>
<td>27,590</td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>505,761</td>
<td>-</td>
<td>505,761</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>1,396,842</td>
<td>-</td>
<td>1,396,842</td>
</tr>
<tr>
<td></td>
<td>1,902,603</td>
<td>-</td>
<td>1,902,603</td>
</tr>
<tr>
<td>Creditors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts falling due within one year</td>
<td>843,000</td>
<td>-</td>
<td>843,000</td>
</tr>
<tr>
<td>Net current assets</td>
<td>1,059,603</td>
<td>-</td>
<td>1,059,603</td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>at 31 December 2013</td>
<td>1,087,193</td>
<td>-</td>
<td>1,087,193</td>
</tr>
</tbody>
</table>
## RESERVES / STATEMENT OF FUNDS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unrestricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General funds</td>
<td>1,054,149</td>
<td></td>
<td>3,080,349</td>
<td>(3,047,305)</td>
<td>1,087,193</td>
</tr>
<tr>
<td>Total unrestricted funds</td>
<td>1,054,149</td>
<td></td>
<td>3,080,349</td>
<td>(3,047,305)</td>
<td>1,087,193</td>
</tr>
<tr>
<td><strong>Restricted funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted funds – open projects</td>
<td>21,385</td>
<td></td>
<td>-</td>
<td>(21,385)</td>
<td>-</td>
</tr>
<tr>
<td>Total restricted funds</td>
<td>21,385</td>
<td></td>
<td>-</td>
<td>(21,385)</td>
<td>-</td>
</tr>
</tbody>
</table>

*Unrestricted funds includes the following:*

In partnership with ODI, IPPR undertook work on public attitudes to development. This work was funded by the Gates Foundation and Charities Aid Foundation, although IPPR received its share of the funds from ODI.

### Restricted funds

Restricted funds are funds from the EU for the Irregular Migrants Research.

## PENSION CONTRIBUTIONS

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 £145,051 (2012: £121,574). At the balance sheet date there were £13,505 (2012: £11,586) of outstanding contributions that were paid in January 2014.

## COMPANY LIMITED BY GUARANTEE

The Charity has no share capital but instead is limited by guarantee, each member being committed to contribute a maximum of £1 in the event of a winding up.

## LEASE COMMITMENTS

The annual commitment for premises leases expires on 31 May 2018 at £102,160 p.a. plus VAT. The annual commitment for photocopier leases expires on 24 July 2016 is £16,200 p.a. plus VAT.
16. 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 2013 was £100,451 (2012: £120,599) and the net profit for the period of £19,621 (2012: £35,740) was donated by Gift Aid to the holding company leaving a net balance sheet total of £100.

IPPR Trading Ltd – Summary profit and loss account

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>100,451</td>
<td>120,599</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(79,000)</td>
<td>(83,000)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>2,058</td>
<td>2,034</td>
</tr>
<tr>
<td>Bank interest</td>
<td>228</td>
<td>175</td>
</tr>
<tr>
<td>Donations to holding company</td>
<td>(19,621)</td>
<td>(35,740)</td>
</tr>
<tr>
<td>Profit on ordinary activities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

17. TRUSTEES AND OTHER RELATED PARTIES

The Trustees have no financial interest in the charity’s surplus or assets and receive no remuneration for acting in that capacity. No Trustee received any reimbursement of expenses.

During the year the company recharged costs of £79,000 (2012: £83,000) to IPPR Trading Ltd. At 31 December 2013 the company was owed from IPPR Trading Ltd £58,821 (2011: £137,737).

IPPR Trading Ltd carried out work, charged at arm’s length, amounting to £NIL (2012: £1,721) to James Purnell, a Trustee and Director.