

Registered number: 03122495

OXFORD POLICY MANAGEMENT LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

THURSDAY



AAJZJKW

A35

23/12/2021

#325

COMPANIES HOUSE

OXFORD POLICY MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	C S Adam D A Freeman M Ntiru T L Songini N M Henstridge (resigned 13 January 2020, re-appointed 28 October 2020) P A Batchelor (appointed 27 October 2020) R F A Cooke (appointed 27 October 2020) K J Willis (resigned 30 June 2020) S R Franzen (resigned 25 September 2020) C Miller (resigned 27 October 2020) P A V Naert (resigned 27 October 2020) B Sexton (appointed 13 January 2020, resigned 27 October 2020) A Da Silva (resigned 27 October 2020) S De (resigned 27 October 2020)
Company secretary	D R Jukes
Registration number	03122495
Registered office	Level 3 Clarendon House Cornmarket Street Oxford OX1 3HJ
Independent auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers	National Westminster Bank 121 High Street Oxford OX1 4DD

OXFORD POLICY MANAGEMENT LIMITED

CONTENTS

	Page
Group strategic report	4 – 11
Group carbon emissions disclosure	12 - 13
Section 172 (1) statement	14 – 17
Directors' report	18 – 21
Independent auditor's report	22 – 24
Consolidated statement of comprehensive income	25
Consolidated statement of financial position	26
Company statement of financial position	27
Consolidated statement of changes in equity	28
Company statement of changes in equity	29
Consolidated statement of cash flows	30
Notes to the financial statements	31 – 53

OXFORD POLICY MANAGEMENT LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2021

Principal activities and business review

Oxford Policy Management Limited (the “Company”) and its subsidiaries (collectively referred to herein as the “Group” or “OPM”) is principally engaged in the provision of analysis, advice, and support in the design, implementation, and evaluation of economic and social development policies in low- and middle-income countries. The Group is an organisation driven by its mission to support economic growth, poverty reduction and reduced disadvantage in developing countries through public policy and reform.

The directors have monitored the progress of Group strategy by reference to selected financial and non-financial performance indicators. The financial indicators are turnover and gross profit, other operating charges, and operating profit along with cash and working capital. The directors closely monitor the key profitability metrics. The non-financial indicators include gauges of impact on public policy to support economic growth and reduced poverty and disadvantage where the Group works, whether directly from project work or more indirectly through research publications and other forms of thought leadership.

Financial performance for the eighteen months to 31st March 2021 has been analysed as follows (please note the comparative period covers twelve months):

	Period to:			
	March 2021 (18 months)		September 2019 (12 months)	
	£'000	% of Revenue	£'000	% of Revenue
Turnover	135,939	-	87,362	-
Gross profit	27,104	20%	15,375	18%
Administrative expenses	(18,616)	(14%)	(14,566)	(17%)
Exceptional administrative expenses	(704)	(1%)	663	1%
Operating profit/(loss)	7,784	6%	1,472	2%

The reporting period was extended to 18 months from 1st October, 2019 to align with the UK tax year. The period followed a 6-month return to profitability process to end-September 2019. The operating profit for the complete 18-month period to end-March 2021 was £7.8 million, equivalent to 6% of turnover. Furthermore, the operating profit outperformed budget expectations, after adjusting for one-off items, such as precautionary cost reduction measures taken as the COVID-19 pandemic hit.

The Company's board of directors (the “Board”) had approved the following corporate strategic priorities for the period October 2019 to September 2020, which were incorporated in the twelve-month 2019/20 business plan:

- consolidation in financial performance and operating efficiency,
- diversification of clients; and,
- stronger use of the international offices ('internationalisation'), while also
- sustaining delivery of OPM's mission to have a positive contribution to 'growth, poverty reduction, and reduced disadvantage' in the developing countries where OPM works.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

From early March 2020, the risks of the emerging COVID-19 global pandemic became clear. A group from the Management Team led and delivered the Group response. It consisted of arrangements for remote working ahead of formal lockdowns, a pivoting of work towards addressing the pandemic, including publishing on the medium-term impact of the pandemic, and a number of measures for sustaining the resilience of the Group. Those measures included: (i) pay cuts for the Management Team and cuts in Board fees; (ii) reduced company pension contributions to the statutory minimum; (iii) cuts in overhead budgets; and (iv) temporarily reducing staff contractual hours and pay to 90 per cent of their previous levels.

In addition, early and decisive action delivered by the COVID-19 Team helped ensure that OPM was resilient to the risks to operations, and to the new risks in our markets. For example, the impact of the pandemic on UK gross national income ("GNI") led to cuts in UK Official Development Assistance ("ODA") during 2020. In addition, the merger of the FCO with DFID to become FCDO was announced. While some OPM projects were delayed, and some cancelled, at the same time some new work was also commissioned. In November 2020 the UK government announced a dramatic cut in ODA from the equivalent of 0.7% of UK GNI to 0.5%.

Some changes to the Board took place in October 2020, including to the posts of Chair and CEO. A new 'Senior Management Team' was appointed providing internal continuity, but with scope for refreshing senior management, and strengthening diversity, through recruitment.

The new Board's priorities were: (i) the restoration of the Company's employer pension contributions, regular salary reviews, and promotions – based on securing financial resilience, which depend on replenishing the pipeline of work and a solid operating performance; in addition (ii) improvement of the quality of management and financial information – which would depend on the successful delivery of a new IT system, MS Dynamics; and (iii) strengthening project management ((ii) and (iii) being implemented through the Clarity Programme).

On the strength of performance during the six months from 1st October 2020 to end-March 2021, which reflected hard work by staff, the pay that staff had foregone was restored. In addition, staff in offices particularly subject to inflation had an out-of-cycle pay review and those who had received no increase since the last Group-wide pay review in 2017 received an increase. These measures were part of the Group moving back to business as usual and driven by the Board's priority to restore pay and conditions.

In March 2021 a Group budget and business plan for the new financial year 2021/22 was prepared, which reflected an expectation that as cuts in the UK ODA were implemented some of OPM's FCDO projects would be cancelled, and some project budgets cut. At the same time, there was an imperative to invest in market diversification, efficient business processes, consistently excellent project management, and new IT systems. In addition, the COVID-19 pandemic continued to impinge on some project operations, and all OPM offices continued to be subject to remote working.

The FY22 budget was prepared within a multi-year financial framework and looked both outward and forward. In particular, the Group plans for delivery against the budget reflected the need to re-shape the business to respond to the challenges of a changing world. The overall objective is to be more efficient, resilient and agile – while retaining OPM's well-founded reputation for technical excellence and quality. Accordingly, OPM's vision for delivering impact and contributing to positive change remains and OPM's strategic priorities for the next three years to help us achieve it are:

- **Remaining a distinctive global organisation** – making the most of OPM's international presence and delivering projects with quality and rigour so they have a truly positive impact
- **Organisational readiness** – building a place where we are proud to work and OPM's values shine through – a place we feel supported, equipped, and inspired to do our best
- **Financial resilience** – strengthening OPM's profitability and balance sheet.

Some of the key activities to achieve these priorities during this financial year include: (i) reshaping the business, which has entailed a limited number of redundancies and changes to teams, completed during the first quarter, and at the same time recruitment to strengthen the capability to win new work with global clients; (ii) continuing to move back to business as usual with the careful restoration of promotions, a Group-wide pay review, and a consultation on increased Company pension contributions; (iii) simplifying business processes, strengthening the consistency and quality of project management, and installing Microsoft Dynamics to replace legacy systems – these activities constitute the “Clarity Programme” which aim to improve operating efficiency and profitability.

Oxford Policy Fellowship

The Oxford Policy Fellowship (“OPF”) is a distinctive OPM innovation: it supports developing country governments by providing them with demand-led technical assistance. The OPF does this by providing high-performing early-career advisors with the opportunity to work within government for two years. The Fellowship had nine Fellows in post to end-September 2019, and has subsequently expanded to 15 in post, all funded by external resources.

By providing governments with key support that they themselves have defined and requested, the Fellowship programme delivers sustainable and locally owned development impact. It has also established a community of practice of government practitioners working at the interface of law and public policy, promoting a culture of knowledge sharing and learning across governments and the wider community.

As a result of the cuts to UK ODA, the UK funding for the Fellowship was not renewed in early 2021. Some welcome and generous support from the Commonwealth Secretariat supported the close-out of the postings for the current cohort of Fellows in 2021. Subsequent fresh support from the Rockefeller Foundation has enabled the Fellowship to continue operations.

The Group’s Thought Leadership

The Group continued to publish a large number of publications and academic journal articles during the period. These have included papers on the impact of the COVID-19 pandemic on low-income countries, a collection of blog posts and podcasts addressing the challenges presented by the impact of the pandemic, and a letter in the Financial Times reflecting an original idea on how to leverage a new issue of IMF ‘Special Drawing Rights’ to support the recovery of low- and middle-income countries from the pandemic with strengthened international development finance. In addition, a number of academic research programmes co-directed and managed by the Group produced a significant number of top-flight academic publications (such as [EDI](#) and [RISE](#)). The organisation values its intellectual contribution and knowledge sharing. A selection of OPM publications during the period are shown in Appendix 1 to this report.

OXFORD POLICY MANAGEMENT LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2021

Human resources

The total number of staff at the end of March 2021 was 486 (end of September 2019: 448).

The most recent calculation of the Group gender pay gap undertaken in April 2020 shows a reduction in the mean but increase in the median. The Group operates a diversity and inclusion committee, with one aim being to support further improvements in the gender pay gap.

	2021	2019
Mean gender pay gap	23.4%	29.2%
Median gender pay gap	24.7%	23.6%

For recruitment, all candidates undergo a formal selection process. These often include psychometric tests and panel interviews, and appropriate levels of due diligence. The Group's new recruits often have a background in academia and/or in the provision of policy research services to government.

The Group has also developed a strong network of Associates. These are senior technical specialists in their respective fields and are available for the Group to call upon as required.

In 2016, the Company established an Employee Benefit Trust (the "Trust"). The beneficiaries of the Trust are all employees of the Group who have passed their probation period (the "Beneficiaries"). The Trust owns 29.4% (2019: 29.4%) of the Company's shares held on trust for the benefit of the Beneficiaries.

Environmental Matters and Energy Use

Climate change disproportionately impacts many lower-income countries that have high exposure, high-sensitivity, and low-adaptive capacity. OPM works with governments and other stakeholders to research, design, and deliver approaches to reduce the impact of climate change and natural disasters.

We work across thematic areas of adaptation and resilience, low carbon growth, climate finance, disaster risk, and urban resilience. Among the activities in these areas, we:

- Conduct in-depth analytical research and assessments to inform practical choices for policy implementation, such as the Energy and Economic Growth Research Programme and the Maintains Research Programme, which supports social services' adaptation to external shocks.
- Provide evidence-based advice to the governments for converting policy into action and effective public service delivery, such as the Policy and Institutions Facility (PIF) aiming to strengthen Nepal's policy and institutional framework for disaster resilience and climate change.
- Support organisational reforms, inform multi-level governance, and build capacity at all levels, such as Building Resilience in Ethiopia (BRE), a major reform programme to strengthen the Ethiopian Government's response to climate and other shocks.
- Conduct impact assessments and programme reviews, and design independent evaluations and internal Monitoring & Evaluation systems, such as the 10-year Africa Risk Capacity Evaluation on shock-responsive financing.
- Establish systems for designing, managing, and delivering large demand-driven programmes in varied political economy contexts, such as the Centre for Disaster Protection and the Green Growth Equity Fund for India.

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

Looking ahead: principal risks and uncertainties facing the business

The Group has identified various categories of risk in its risk register. This helps the Board manage risks through its Audit Risk and Compliance Committee (ARCC). The ARCC meets quarterly and seeks to support management to identify, mitigate and manage the risks the Group faces. The emergence of an array of risks associated with the COVID-19 pandemic, as discussed above, were related to some of those already identified in the Group's risk register.

Aside from the impact of the COVID-19 pandemic, the main factors and trends likely to affect the future development of the business are:

1. The emergence of new public sector spending patterns:

Although the UK Government reiterated its commitment to overseas aid, the cut to UK ODA to the equivalent of 0.5% of UK GNI fell heavily on bilateral aid programmes. While two OPM-run projects were cancelled and a number of project budgets were cut, the scale of the overall cut was anticipated in our budget planning for the financial year 2021/22. The UK government is undertaking both a three-year spending review and the development of a new International Development Strategy, the outcome of which may change UK public spending patterns on aid. OPM thought leadership, as outlined above, offers insights on the impact of the pandemic, and scope for helping shape new ODA spending patterns. At the same time, investment in our capability to win work from other clients will strengthen our resilience.

2. Increased competition from new market entrants:

Whilst global donors remain relatively small in number, suppliers are numerous. This creates a competitive market with further downward pressure on fees. We aim to sustain our competitive strength in the quality of our work, as reflected in our brand, while we also work to improve our operating efficiency through investment in the Clarity Programme. In addition, we seek to make more use of our investments in our international office structure which has been simplified.

3. A shift in aid priorities of key aid agencies to areas away from the Group's core competencies:

The Group is constantly monitoring the aid environment and will continue to offer services in a diversified range of policy areas in keeping with current priorities as well as continuing to contribute to debates on aid effectiveness. For example, the Group has pivoted to meet the new demands arising from the impact of the COVID-19 pandemic. A key part of the reshaping of OPM, on which we moved decisively in the first quarter of the 2021/22 financial year, entailed withdrawal from some technical areas in order to focus on those where we can build on existing strengths. Our analysis of the impact of the pandemic shows that most of OPM's core competencies will be central to support for recovery in low- and middle-income countries – as set out below.

4. Economically uncertain environments:

The Group derives its income from activities in many countries, and hence has to balance the relative profitability of operating in those countries with the uncertainty of the tax policies and other fiscal regulations in some of them. It mitigates its risk through the use of professional advisors and from information derived from its local contacts. The Group's investment in its international offices is a potential mitigation to the lockdown on international travel.

5. Retention and appointment of key staff:

As an organisation based on intellectual capital, under conditions of adversity the Group is at risk of the loss of key staff and may face difficulties in recruiting individuals with the specialist knowledge or relevant experience required by the distinctive mission of the Group. Despite the challenge presented by a redundancy programme in 2018/19, and the business imperative to re-shape and focus the Group at the beginning of 2021/22, the Board and management have placed the strengthening of staff as a top priority. Accordingly, as performance permits, moves to return to a business as usual state of affairs on pay, promotions, and other aspects of reward started in March 2021, and have continued in the second quarter of 2021/22. In addition, a new programme of management and staff training will improve our collective capability, and the renewal of our Consultant

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

Development Programme, which provides a structured approach to the recruitment and general training of new consultants, will also make a significant contribution to organisational resilience and the retention of key staff. The Group maintains HR policies and processes to sustain a corporate culture that make OPM an attractive place to work. For OPM to be a place where staff are proud to work is a strategic priority for the Group.

6. Exchange rate fluctuations:

The Group trades primarily in Sterling, US Dollars and Euros. It seeks to reduce exchange rate risk by matching currency receipts to currency expenses on projects wherever possible. An active programme of mitigating exchange rate risk, including through hedging, is being developed as part of the treasury function.

7. Working capital requirements for larger projects:

Contract arrangements necessarily result in working capital being tied up in amounts recoverable on contracts and debtors. This results in a cash flow risk to the Group. There has been a move towards contracts with quarterly invoicing, rather than monthly. These can result in significant pressure on Group cash flow. The Group reviews the cash flow implications of each project undertaken and takes appropriate action to optimise cash flows as far as possible. Working capital management is a key part of the project management component of the Clarity Programme.

8. Politically challenging environments:

The Group is committed to supporting development efforts among some of the world's poorest and most vulnerable people, many of whom live in countries where political stability is fragile. The Group takes steps to safeguard its employees and contracts.

Future developments and matters of strategic significance

There are a number of major changes in the environment in which OPM works, which will persist for a number of years. First, much of the gains in growth, development and poverty reduction of the last two decades were significantly set back by the COVID-19 pandemic and associated lockdowns.

If a tentative response from the international community to the challenges of global vaccination and strengthened international development finance continues, then the longer-term impact of COVID will be to prolong a weak economic recovery in low- and middle-income countries, contributing to persistent weakness in public finances and in the systems for the delivery of public services. Such a long-term impact would hold-back recovery and progress on growth and development.

At the same time, OPM's technical capability can contribute to meeting the policy challenges in low- and middle-income countries. In particular: (i) there is scope for closer engagement with public policy in the countries where we work, providing the opportunity to bring research and analysis to bear on policy problems; (ii) OPM capabilities in public finance management, public sector governance, and systems for delivering public services – especially in health, education, and social protection – will help address specific challenges in recovering from the impact of the pandemic; (iii) our extensive capability in Monitoring, Evaluation, and Learning are pertinent to the adaption and adjustment of policy to accelerate recovery from the pandemic.

Second, the world faces a global climate crisis: OPM has growing capability in supporting countries to address climate and resilience challenges.

Third, the cuts to UK ODA present a challenge to our pipeline replenishment. Accordingly, we have started to build new capabilities to work for global clients.

Fourth, at a more operational level, a 'fly-in fly-out' mode of work on consulting projects has been challenged by lockdowns, and all staff have all been impacted by changes in working patterns. This presents an opportunity to make more of the potential of our in-country presence to strengthen engagement and support for public policymakers and

OXFORD POLICY MANAGEMENT LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021**

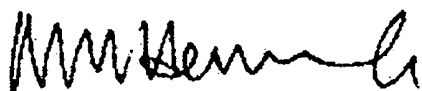
donor partners in-country. In addition, our network of offices is a competitive advantage for OPM as we look to do more work with global clients.

Overall, our meeting the challenges and seizing the opportunities in a changing global environment hinges on our building and sustaining a resilient and agile organisation staffed by excellent people with an approach to working together that delivers consistent performance. The importance of OPM's people was reflected in the priorities set by the Board in October 2020, and by moves made by management since then to return to a business-as-usual approach to staff reward, training and performance.

The Group has made significant progress in delivering strategic priorities in the 2021/22 financial year, including: (i) contributing thought leadership on climate change and resilience in the run-up to the COP26 summit; (ii) strengthening the organisation with a company-wide pay review, promotions, and the process for restoring company pension contributions; and (iii) sustaining strong operating performance, now running ahead of budget targets, which has strengthened the balance sheet and delivered improved financial resilience for the Group.

The Group has now moved away from a period of uncertainty; a robust and resilient foundation for sustained performance and impact is now being built.

This report was approved by the Board and signed on its behalf by



N M Henstridge

Director

Date: 15/12/2021

Appendix 1: Selection of publications October 2019 to March 2021

Peter Harrington (May 2020) 'Podcast - Policy in Pandemics: Examining the COVID-19 response in Albania'

Mark Henstridge (May 2020) 'The Impact of the COVID-19 pandemic on low-and middle-income countries'

Peter Harrington (May 2020) 'Podcast – Policy in Pandemics: Developing a smarter lockdown in Punjab'

Donna Harris (May 2020) 'The impact of COVID-19 and movement restrictions on vulnerable groups in Ethiopia'

Peter Harrington (May 2020) 'Podcast – Policy in Pandemics: COVID-19 in South Africa – “invest in trusting relationships”'

Tim Cammack, Nick Travis, and Manisha Marulasiddappa (June 2020) 'Problem-driven diagnostics: the case for financial bottleneck analysis'

Stevan Lee (June 2020) 'Cost of COVID-19'

Peter Harrington (June 2020) 'Podcast -Policy in Pandemics: Can COVID-19 inspire greater transformation in policy making?'

Peter Harrington (June 2020) 'Podcast – Policy in Pandemics: COVID in Africa: a smoldering crisis'

Nicholas Letchford (July 2020) 'Guide to Epidemiological modelling of COVID-19'

David Jeffery (August 2020) 'Podcast: How has COVID-19 impacted vital low-fee paying schools in South Africa?'

Christopher Adam, Mark Henstridge, Stevan Lee (August 2020), 'After the lockdown: macroeconomic adjustment to the COVID-19 pandemic in sub-Saharan Africa' Oxford Review of Economic Policy, Volume 36, Issue Supplement_1, 2020, Pages S338–S358

Christopher Adam, Mark Henstridge, Stevan Lee (September 2020), 'The impact of global economic disruption is as big a threat to low-income countries as the direct effects of COVID-19'

Rashid Zaman and Lisa White (December 2020) 'COVID-19 decision support tool for low-and middle-income countries'

Christopher Adam, Mark Henstridge, Stevan Lee (February 2021), 'Development finance and the macro economic impact of COVID-19'

Mark Henstridge, Stevan Lee (March 2021), 'Making Special Drawing Rights (SDRs) work better for global development'

David Jeffery and Aman Bashir (March 2021) 'Podcast – How has COVID-19 affected children and teachers in non-state schools in Pakistan?'

OXFORD POLICY MANAGEMENT LIMITED

**GROUP CARBON EMISSIONS DISCLOSURE
FOR THE PERIOD ENDED 31 MARCH 2021**

This is the first period in which OPM is required to report on carbon emissions in line with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Reporting) Regulations 2018 ("the 2018 Regulations").

The countries that OPM works in have some of the lowest historic and current per capita greenhouse emissions of Green House Gasses ("GHG") in the world. Climate change disproportionately impacts many lower-income countries that have high exposure, high-sensitivity, and low-adaptive capacity. OPM works with governments and other actors to research, design, and deliver approaches to reduce the impact of climate change and natural disasters.

We work across thematic areas of adaptation and resilience, low carbon growth, climate finance, disaster risk, and urban resilience, as outlined in the Environmental Matters and Energy Use section of the Strategic Report.

OPM has a complex international global footprint with a high number of external consultants, but the amount of travel undertaken during the reporting period is atypically low due to the impact of COVID-19. OPM procures electricity from a number of providers who generate this through multiple different methods and the calculations provided in the table are based on the best available estimates at the time of this report. OPM is seeking better ways to capture scope 3 requirements and looking to get accurate conversion ratios for the power purchased by the different offices.

Element	Kgs Co2	Kgs Co2
	18 months ended 31 March 2021	12 months estimate
Direct emissions (Scope1) natural gas and diesel consumption	2,850	1,900
Indirect emissions (Scope 2) from purchased electricity	126,809	84,539
Total Kg Co2 Scope 1 and 2	129,659	86,439
Other Indirect emissions (Scope 3) business travel	184,128	109,752
Gross Total Emissions	313,787	196,191

The average energy intensity ratio over the 18 months to 31st March 2021 is 962 Kgs Co2 per employee.

Australia, Germany, Ghana, Kenya are not included in this table. Data was not available or OPM did not occupy any office space and procure energy during this period.

OXFORD POLICY MANAGEMENT LIMITED

GROUP CARBON EMISSIONS DISCLOSURE (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

Mitigation measures

OPM Pakistan has installed solar capacity and the table below shows the performance figures over 12 months to 31st March 2021 with the excess being fed back into the national grid.

Installed Capacity	40 KVA
Generation (estimated)	53,900 kWh/annum
Consumption (estimated)	50,200 kWh/annum
Surplus (estimated)	3,700 kWh/annum
CO2 emissions saved	25,401 Kgs CO2

OPM is working across all its office to look at ways to reduce carbon emissions. In particular when time comes to relocate any office, including our largest office in Oxford, criteria will be set around the building rating and estimated energy use as primary criteria in any office move.

OPM will seek to offset all rail and air travel and reduce the overall numbers of business journeys where there are alternatives.

OXFORD POLICY MANAGEMENT LIMITED

SECTION 172 (1) STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2021

Section 172 of The Companies Act 2006 states that a director of a company must act in the way it considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing so a director of a company must have regard (amongst other matters) to the:

- a. likely consequences of any decision in the long term;
- b. interests of the company's employees;
- c. need to foster the company's business relationships with suppliers, customers and others;
- d. impact of the company's operations on the community and the environment;
- e. desirability of the company maintaining a reputation for high standards of business conduct; and
- f. need to act fairly as between members of the company.

As part of the Board's priorities setting exercise a review of the approach to decision making, engagement with stakeholders and the Company's impact on the communities and the environment was undertaken, to ensure the Board fulfils its duties under Section 172.

The Board's regard to the above matters is embedded in their decision-making process and through the business strategy and priorities, culture, governance framework, and stakeholder engagement processes. The Board also identifies principal risks facing the business in its risk register and it manages risks through its ARCC. The ARCC meets quarterly and seeks actively to identify, mitigate and manage the risks that the Group faces.

The Board promotes a culture of upholding the highest standards of business conduct. The Board ensures these core values are communicated to the Group's employees and embedded in the Group's policies and procedures, employee induction and training programmes and its risk control framework.

The Board's plans reflect the need to re-shape the business to respond the challenges of a changing world. The overall objective is to be more efficient, resilient and agile – while retaining our well-founded reputation for technical excellence and quality. Accordingly, the vision for delivering impact and contributing to positive change remains and the strategic priorities for the next three years to help us achieve it are:

- **Remaining a distinctive global organisation** – making the most of our international presence and delivering projects with quality and rigour so they have a truly positive impact
- **Organisational readiness** – building a place where we are proud to work and our values shine through – a place we feel supported, equipped, and inspired to do our best
- **Financial resilience** – strengthening our profitability and balance sheet.

Some of the key activities to achieve these priorities during this financial year include: (i) reshaping the business, which has entailed a limited number of changes to teams and redundancies, completed during the first quarter, and at the same time recruitment to strengthening the capability to win new work with global clients; (ii) continuing to move back to business as usual with the careful restoration of promotions, a Group-wide pay review, and a consultation on increased company pension contributions; (iii) simplifying business processes, strengthening the consistency and quality of project management, and installing MS Dynamics to replace legacy systems – these activities constitute the 'Clarity Programme' which aim to improve operating efficiency and profitability.

OXFORD POLICY MANAGEMENT LIMITED

SECTION 172 (1) STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

The Board recognises the importance of engagement with key stakeholder groups. This engagement is summarised in the table below.

Stakeholder	Engagement
Employees	<p>As OPM is an organisation based on intellectual capital, the Board recognises that its employees are key to success. The Board also recognises the benefits of a diverse workforce and an inclusive culture. The organisation has a staff Diversity and Inclusion committee which focuses on these matters.</p> <p>Despite the business imperative to re-shape and focus the Group at the beginning of 2021/22, the Board and management have placed the strengthening of staff as a top priority. Accordingly, as performance permits, moves to return to business as usual on pay, promotions, and other aspects of reward started in March 2021, and have continued. In addition, a new programme of management and staff training will improve our collective capability, and the renewal of our Consultant Development Programme, which provides a structured approach to the recruitment and general training of new consultants, will also make a significant contribution to organisational resilience and the retention of key staff. The Group seeks to maintain HR policies and processes and to sustain a corporate culture and values that make it an attractive place to work. For OPM to be a place where staff are proud to work is a strategic priority for the Group.</p> <p>The engagement around these core activities is handled through the Staff Consultative Committee ("SCC") which acts an interface between the employees, management and the Board. A representative of the SCC, the Staff Elected Board Representative, is present at all Board meetings. In addition, senior management hold regular meetings with a "Leadership Group" of Senior employees and briefings with all employees. Both of these are run as inclusive meetings allowing all participants to contribute and provide feedback. These meetings cover key information around business strategy, financial performance and forecasting, key decisions, and key factors that impact those decisions. The recent introduction of a monthly written communication to all staff complements these engagements.</p> <p>In addition OPM runs an Employee Benefit Trust which aims to ensure that the staff have a collective stake and influence in the strategic direction of the Group. The beneficiaries of the Trust are all employees of the Group who have passed their probation period (the "Beneficiaries"). The Trust owns 29.4% (2019: 29.4%) of the Company's shares held on trust for the benefit of the Beneficiaries.</p>
Suppliers	<p>As a global business, OPM works with a wide range of suppliers in a variety of sizes in a broad range of geographies. OPM is committed to being fair and transparent in its dealings with all of its suppliers.</p> <p>The Group has policies and procedures requiring due diligence checks of suppliers, to ensure their compliance with for example anti-bribery and corruption, data protection and anti-modern slavery regulations and requirements. The Board annually reviews the actions we have taken to prevent modern slavery and approves a statement on Modern Slavery each year.</p>

OXFORD POLICY MANAGEMENT LIMITED

SECTION 172 (1) STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

	<p>The Group has systems and processes in place to ensure prompt and accurate payment of its suppliers and engages with suppliers where there are any changes or improvements to these processes. The Company adopts the UK Government Prompt Payment Initiative and reports on this to its UK Government clients.</p>
Clients	<p>Clients are at the centre of OPM's business.</p> <p>The Group constantly monitors the aid environment and will continue to offer services in a diversified range of policy areas in keeping with current priorities, as well as continuing to contribute to debates on aid effectiveness. For example, the Group has demonstrated agility in pivoting to meet the new demands arising from the impact of the Covid-19 pandemic. A key part of the reshaping of OPM, on which we moved decisively in the first quarter of the 2021/22 financial year, entailed withdrawal from some technical areas in order to focus on those where we can build on existing strengths. Our analysis of the impact of the pandemic shows that most of OPM's core competencies will be central to support for recovery in low- and middle-income countries</p> <p>Our client teams build lasting relationships with current and potential clients to understand their objectives and requirements. We are in regular contact with existing clients in order to meet their defined reporting requirements. This includes attending monthly and quarterly update calls, and where possible face to face meetings.</p>
Community and Environment	<p>OPM's mission to support low- and middle-income governments to strengthen growth and reduce poverty and disadvantage. The Group does this through using our analytical and practical policy expertise. The pursuit of this mission involves us in substantial direct engagement with local communities, from public officials to disadvantaged people living in remote and deprived conditions, in the countries in which we work.</p> <p>The longer-term impact of COVID-19 will be to prolong a weak economic recovery in low- and middle-income countries, contributing to persistent weakness in public finances and in the systems for the delivery of public services, and thus hold back recovery and progress on international development.</p> <p>The Board considers that OPM's technical capability can contribute to meeting the policy challenges in low- and middle-income countries. In particular: (i) there is scope for closer engagement with public policy in the countries where we work, providing the opportunity to bring research and analysis to bear on policy problems; (ii) Our capabilities in public finances, public sector governance, and in the systems for delivering public services – especially in health, education, and social protection – will help address specific challenges in recovering from the impact of the pandemic; (iii) our extensive capability in Monitoring, Evaluation, and Learning are pertinent to the adaption and adjustment of policy to accelerate recovery from the pandemic.</p> <p>Climate change disproportionately impacts many lower-income countries that have high exposure, high-sensitivity, and low-adaptive capacity. OPM works with governments and other parties to research, design, and deliver approaches to reduce the impact of climate change and natural disasters.</p>

OXFORD POLICY MANAGEMENT LIMITED

SECTION 172 (1) STATEMENT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

Shareholders	<p>The Board holds quarterly shareholder update meetings. At these meetings the Board provides shareholders with updates and information about key matters affecting the Group including, but not limited to, information about the Group's financial performance, key risks and steps being taken to address such risks and updates on Group strategy. The meetings include a question and answer session which provide shareholders with an opportunity to ask the Board members present any questions they may have and to raise any specific concerns. All shareholders are invited to join these meetings and briefing papers are produced in advance of the meeting themselves. For shareholders unable to join the meetings a recording of the meeting and copies of the briefing papers are uploaded to a dedicated shareholder portal accessible only by shareholders.</p>

OXFORD POLICY MANAGEMENT LIMITED

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2021

The directors present their report and the financial statements for the 18-month period ended 31 March 2021.

Results and dividends

The profit for the period, after taxation, amounted to £5,958,000 (year to 30 September 2019: £1,215,000).

No dividends were paid or proposed during the period (see note 12).

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

C S Adam	
D A Freeman	
M Ntiru	
T L Songini	
N M Henstridge	(resigned 13 January 2020, re-appointed 28 October 2020)
P A Batchelor	(appointed 27 October 2020)
R F A Cooke	(appointed 27 October 2020)
K J Willis	(resigned 30 June 2020)
S R Franzen	(resigned 25 September 2020)
C Miller	(resigned 27 October 2020)
P A V Naert	(resigned 27 October 2020)
B Sexton	(appointed 13 January 2020, resigned 27 October 2020)
A Da Silva	(resigned 27 October 2020)
S De	(resigned 27 October 2020)

The "OPM Group" as at December 2022 consists of:

- the parent company, Oxford Policy Management Limited (OPML);
- twelve subsidiary companies of OPML, namely:
 - Oxford Policy Management EBT Limited;
 - The Oxford Policy Fellowship;
 - Oxford Policy Management Australia Limited;
 - Oxford Policy Management Europe GmbH;
 - Oxford Policy Management India Private Limited;
 - Oxford Policy Management (East Africa) Limited (OPM Kenya);
 - Oxford Policy Management (Lebanon) SARL;
 - Oxford Policy Management Limited (a company registered in Nigeria);
 - Oxford Policy Management (Tanzania) Limited;
 - Oxford Policy Management Pakistan (Private) Limited;
 - Oxford Policy Management (United States) Ltd; and
 - PT Oxford Policy Management Indonesia,

OXFORD POLICY MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2021

- nine OPML offices (being either branch, external registrations, representative or project offices) based in the following locations:
 - Bangladesh;
 - Myanmar;
 - Nepal;
 - Pakistan;
 - India;
 - Mozambique;
 - South Africa;
 - Indonesia; and
 - Ethiopia,
- one registered branch office of OPM Kenya based in Uganda.

The board of directors of OPML (the “Board”) is comprised of five non-executive and two executive directors. The Board is responsible for the oversight and leadership of the OPM Group and for setting its values and standards. The Board achieves this oversight and leadership via a broad governance structure which includes (but is not limited to):

- Scheduled quarterly Board meetings plus any ad hoc Board meetings required by commercial necessity;
- Three sitting committees: the Audit Risk and Compliance Committee, the Finance Committee and the Organisation and People Committee. The Board delegates specific oversight function to each committee via Terms of Reference tailored to each committee. Committees hold quarterly scheduled meeting and also call ad hoc committee meeting as and when required.
- A non-standing Nomination Committee which is called when required and charged with oversight of Board appointments.
- The day to day commercial operations are delegated to the CEO who convenes a Senior Management Team to fulfil this task.
- Subsidiary companies of the OPM Group each have their own board which meet as required by the local legislation applicable to such entity.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

OXFORD POLICY MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2021

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Qualifying third party indemnity provisions

N M Henstridge, D A Freeman, T L Songini, M Nturu and C S Adam have qualifying third party indemnity provisions in place.

Financial risk management objectives and policies

A more extensive risk management framework has been deployed in the business covering commercial, operational and financial risks from a corporate level through to a project level and a departmental level. This has also been enhanced by focusing on our strategic objectives and the risks in meeting those objectives. This includes:

- a) setting project margin thresholds by client to ensure the risks are adequately assessed against the opportunity;
- b) not extending our operations with bids that require the setting up of a new entity, unless adequate due diligence has been undertaken and the operation fits with the mission of the Group;
- c) risk relating to tax or security are given much greater weight in our planning and in the tendering process; and
- d) focussing on our recruitment process with far better use of contracting facilities and ensuring that the appropriate skill set is employed on the project.

Likely future developments in the business of the Group

The likely future developments in the business of the Group are included in the Group Strategic report.

Going concern

The Group made an operating profit of £7,784k in the 18 months to 31st March 2021 and has net current assets of £9,048k. The directors have reviewed multi-year budgets and forecasts and projected cash flows to the end of March 2023, including modelling impacts and mitigating initiatives of reasonably possible downside scenarios. Furthermore, the Group outperformed budgeted profit and cashflow projections for the 6 months to the end of September 2021.

The directors are confident that the Group has adequate financial resources to continue in operational existence for at least twelve months following the signing of these Financial Statements. Accordingly, the financial statements have been prepared on a going concern basis.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2021

Employee involvement

During the period, the policy of providing employees with information about the financial and economic factors affecting the performance of the Group has been continued. Employees have also been encouraged to present their suggestions and views on the running of the business. Regular meetings are held between management and employees to allow a free flow of information and ideas. The Staff Elected Board Representative, being a member of the Staff Consultative Committee, attends all Board meetings to ensure that staff views, interests and concerns are represented at the level of the Board.

Details regarding engagement with employees can be found within the S172 statement earlier in this report.

Relationships with suppliers and other stakeholders

Details regarding engagement with stakeholders can be found within the S172 statement earlier in this report.

Disabled employees

The Group gives full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it the Groups policy whether practical to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of the information.

Auditor

The auditor, Crowe UK LLP, was appointed during the period ended 31st March 2021 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



N M Henstridge
Director

Date: 15/12/2021

Opinion

We have audited the financial statements of Oxford Policy Management Limited (the 'parent Company') and its subsidiaries (the 'Group') for the eighteen months ended 31 March 2021, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit for the eighteen-month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

OXFORD POLICY MANAGEMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OXFORD POLICY MANAGEMENT LIMITED
(CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Director's report have 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 parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Director's report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

OXFORD POLICY MANAGEMENT LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE OXFORD POLICY MANAGEMENT LIMITED
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

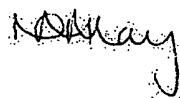
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee 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 Auditor's report.

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.



Nicola May (Senior statutory auditor)

For and on behalf of
Crowe U.K. LLP

Statutory Auditor

London

Date: 16th December 2021

OXFORD POLICY MANAGEMENT LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021**

	Note	18-month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Turnover	4	135,939	87,362
Cost of sales		(108,835)	(71,987)
Gross profit		27,104	15,375
Administrative expenses		(18,616)	(14,566)
Exceptional administrative (expense)/income	13	(704)	663
Operating profit	5	7,784	1,472
Interest receivable and similar income	9	29	1
Interest payable and expenses	10	(9)	(9)
Profit before taxation		7,804	1,464
Tax on profit	11	(1,846)	(249)
Profit for the financial year		5,958	1,215
Currency translation differences		134	(417)
Other comprehensive income for the period		134	(417)
Total comprehensive income for the period		6,092	798
Profit for the period attributable to:			
Owners of the parent Company		5,958	1,215
		5,958	1,215
Total comprehensive income for the year attributable to:			
Owners of the parent Company		6,092	798
		6,092	798

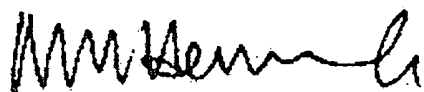
The notes on pages 31 to 53 form part of these financial statements.

OXFORD POLICY MANAGEMENT LIMITED
REGISTERED NUMBER: 03122495

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

			31 March 2021		30 September 2019
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	14		868		196
Tangible assets	15		583		1,185
			<u>1,451</u>		<u>1,381</u>
Current assets					
Debtors: amounts falling due within one year	17	18,916		33,857	
Cash at bank and in hand	18	17,895		4,725	
		<u>36,811</u>		<u>38,582</u>	
Creditors: amounts falling due within one year	19	(27,763)		(35,977)	
Net current assets			<u>9,048</u>		<u>2,605</u>
Total assets less current liabilities			<u>10,499</u>		<u>3,986</u>
Provision for liabilities	22		(1,790)		(1,369)
Net assets			<u>8,709</u>		<u>2,617</u>
Capital and reserves					
Called up share capital	23		448		448
Share premium account	24		14		14
Shares held in treasury	24		(1,547)		(1,547)
Other reserves	24		77		77
Profit and loss account	24		9,717		3,625
Equity attributed to owners of the parent Company			<u>8,709</u>		<u>2,617</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



N M Henstridge
Director

Date: 15/12/2021

The notes on pages 31 to 53 form part of these financial statements.

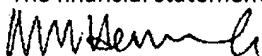
OXFORD POLICY MANAGEMENT LIMITED
REGISTERED NUMBER: 03122495

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

			31 March 2021		30 September 2019
	Note	£'000	£'000	£'000	£'000
Fixed Assets					
Intangible assets	14		866		193
Tangible assets	15		496		1,092
Investments	16		202		63
			<u>1,564</u>		<u>1,348</u>
Current assets					
Debtors: amounts falling due within one year	17	18,845		34,755	
Cash at bank and in hand	18	15,864		2,392	
		<u>34,709</u>		<u>37,147</u>	
Creditors: amounts falling due within one year	19	(26,225)		(35,544)	
Net current assets			<u>8,484</u>		<u>1,603</u>
Total assets less current liabilities			<u>10,048</u>		<u>2,951</u>
Provision for liabilities	22		(1,764)		(1,369)
Net assets			<u>8,284</u>		<u>1,582</u>
Capital and reserves					
Called up share capital	23		448		448
Share premium account	24		14		14
Shares held in treasury	24		(95)		(95)
Other reserves	24		77		77
Profit and loss account	24		7,840		1,138
Equity attributed to owners of the parent Company			<u>8,284</u>		<u>1,582</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit of the company for the year was £6,598k (2019 – loss of £1,362k).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



N M Henstridge
Director

Date: 15/12/2021

The notes on pages 31 to 53 form part of these financial statements.

OXFORD POLICY MANAGEMENT LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021**

	Called up share capital £'000	Share premium account £'000	Shares held in treasury £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
At 1 October 2018	448	14	(1,524)	77	2,827	1,842
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,215	1,215
Currency translation differences	-	-	-	-	(417)	(417)
Total comprehensive income for the year	-	-	-	-	798	798
Shares repurchased in the year	-	-	(23)	-	-	(23)
Total transactions with owners	-	-	(23)	-	-	(23)
At 30 September 2019	448	14	(1,547)	77	3,625	2,617
Comprehensive income for the period						
Profit for the period	-	-	-	-	5,958	5,958
Currency translation differences	-	-	-	-	134	134
Total comprehensive income for the period	-	-	-	-	6,092	6,092
Total transactions with owners	-	-	-	-	-	-
At 31 March 2021	448	14	(1,547)	77	9,717	8,709

The notes on pages 31 to 53 form part of these financial statements.

OXFORD POLICY MANAGEMENT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021

	Called up share capital £'000	Share premium account £'000	Shares held in treasury £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
At 1 October 2018	448	14	(95)	77	2,635	3,079
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,362)	(1,362)
Currency translation differences	-	-	-	-	(135)	(135)
Total comprehensive income for the year	-	-	-	-	(1,497)	(1,497)
Total transactions with owners	-	-	-	-	-	-
At 30 September 2019	448	14	(95)	77	1,138	1,582
Comprehensive income for the period						
Profit for the period	-	-	-	-	6,598	6,598
Currency translation differences	-	-	-	-	104	104
Total comprehensive income for the period	-	-	-	-	6,702	6,702
Total transactions with owners	-	-	-	-	-	-
At 31 March 2021	448	14	(95)	77	7,840	8,284

The notes on pages 31 to 53 form part of these financial statements.

OXFORD POLICY MANAGEMENT LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2021**

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Cash flows from operating activities		
Profit for the financial period	5,958	1,215
Adjustments for:		
Amortisation of intangible assets	68	48
Depreciation of tangible assets	796	705
Loss/profit on disposal of assets	59	(1)
Interest payable	9	9
Interest receivable	(29)	(1)
Taxation charge	1,846	249
Decrease/(increase) in debtors	14,790	(8,661)
(Decrease)/Increase in creditors	(8,248)	5,196
Increase/(decrease) in provisions	421	(811)
Corporation tax (paid)	(1,661)	(65)
Net cash generated from operating activities	14,009	(2,117)
Cash flow from investing activities		
Purchase of intangible fixed assets	(742)	(133)
Purchase of tangible fixed assets	(290)	(159)
Sale of tangible fixed assets	38	7
Interest received	29	1
Net cash from investing activities	(965)	(284)
Cash flows from financing activities		
Repayment of loans	-	(625)
Interest paid	(9)	(9)
Net cash used in financing activities	(9)	(634)
Net (decrease)/increase in cash and cash equivalents	13,035	(3,035)
Cash and cash equivalents at the beginning of period	4,725	7,877
Foreign exchange gain and losses	135	(117)
Cash and cash equivalents at the end of the period	17,895	4,725
Cash and cash equivalents at end of period comprise:		
Cash at bank and in hand	17,895	4,725
	17,895	4,725

The notes on pages 31 to 53 form part of these financial statements.

OXFORD POLICY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

1 General information

Oxford Policy Management Limited is a private company limited by shares incorporated in England and Wales. Its company registration number is 03122495 and its registered office is located at Level 3, Clarendon House, 52 Cornmarket Street, Oxford, OX1 3HJ. Its principal activity is that of an international development consultancy.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standards applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. It has also taken advantage of the exemption allowed under FRS 102 and not presented its own Statement of Cash Flows.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair value at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Group's business activities and financial position, together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report.

The Group made an operating profit of £7,784k in the period and had net current assets of £9,048k. The directors have reviewed multi-year budgets and forecasts and projected cash flows to the end of March 2023, including modelling impacts and mitigating initiatives of reasonably possible downside scenarios. Furthermore, the Group outperformed both budgeted operating profit and cashflow projections for the 6 months to the end of September 2021.

On the basis of this review, the directors are confident that the Group has adequate financial resources to continue in operational existence for at least twelve months following the signing of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the company will receive the consideration due under the contract;
- The stage of completion of the contract at the end of the reporting period can be measured reliably; and
- The costs incurred and the costs to complete the contract can be measured reliably.

2.5 Long term contracts

Long term contracts are assessed on a contract by contract basis and reflected in the Consolidated Statement of Comprehensive Income by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract and credit taken for the profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as "amounts recoverable on contracts" and included in debtors, to the extent that payments on account exceed relevant turnover, the excess is included as a creditor.

Full provision is made for losses on contracts in the year in which the loss is first foreseen.

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All intangible assets are considered to have a finite useful life of three years.

2.7 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over lease term
Motor vehicles	- 33% straight line
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line
Computer equipment	- 25% straight line

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

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

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

2.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from banks and other third parties.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

Financial assets and liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

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

2.13 Provisions for liabilities

Provisions are made when an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Foreign currency transaction

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historic cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the mount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.17 Operating leases

Rental income from operating leases is credited to the Consolidated statement of Comprehensive Income on a straight-line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term.

2.18 Employee benefits

The group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and a defined contribution pension plan.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further obligation.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of Comprehensive income in the year in which they are incurred.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expenses recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the country where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing difference in respect of interest is subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair value assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date.

2.22 Exceptional items

Exceptional items are those that the Group considers to be non-recurring and significant in size or nature. These include, but are not limited to, costs arising from the lack of compliance with the prevailing tax legislation in certain territories and restructuring costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies.

The key area of judgement and estimation is in relation to revenue and profit recognition on long-term contracts. Determining the amount of any revenue to be recognised, costs to complete and assessment of any other costs arising, the impact of any changes in scope of work, together with the level of recoverable work-in-progress and the receivables requires significant management judgements and estimates. Regular forecasts are compiled on the outcomes of these types of contract, which require assessments and judgements relating to the value of work performed, changes in work scope and contract programmes.

The Group's liabilities in relation to taxation compliance are also subject to estimation uncertainty. Assessments have been made of liabilities payable where the final charge have yet to be agreed with the relevant tax authorities. A number of these liabilities also require judgement in interpreting tax legislation in territories that the Group operates in. It is possible that, on conclusion of the matters open at the date of approval of these financial statements, the actual economic outflows will differ from the amounts provided which are best estimates based on evidence available at the date of approval of these financial statements.

The going concern assumption relies on judgements and estimates made in relation to forecasting. The key assumptions underpinning the going concern assumption are set out in Note 2.3.

4 Turnover

The whole of the turnover is attributable to the Group's principal activity.

Analysis of turnover by regional location of work undertaken:

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Europe	19,203	12,044
Multi-region projects	50,593	23,984
Africa	36,119	27,800
America and Caribbean	577	65
Asia	28,499	22,206
Australia/Pacific	948	1,263
	135,939	87,362

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

5 Operating profit

The operating profit is stated after charging:

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Depreciation of tangible fixed assets	796	705
Amortisation of intangible assets	68	48
Net profit on foreign currency translation	(1,249)	(674)
Operating lease rentals	877	681
Loss/(profit) on disposal of fixed assets	59	(1)

6 Auditor's remuneration

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	97	114

Fees payable to the Group's auditor and its associates in respect of:

Audit of the Company's subsidiaries	12	20
Audit and accounting services for overseas branches	3	-
Audit related assurance services	-	7
Taxation compliance services	6	20
Other services	-	75
	21	122

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

7 Employees

Staff costs, including directors' remuneration, were as follows:

	18 months period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Wages and salaries	24,685	18,326
Social security costs	2,234	1,175
Other pension costs	2,118	2,490
	<u>29,037</u>	<u>21,991</u>

The average monthly number of employees, including the directors, during the period was as follows:

	18 month period ended 31 March 2021 No.	Year ended 30 September 2019 No.
Fee earning staff	275	266
Administration staff	202	194
	<u>477</u>	<u>460</u>

OXFORD POLICY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

8 Directors' remuneration

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Directors' emoluments	787	576
Company contributions to defined contribution pension schemes	81	87
	<u>868</u>	<u>663</u>

During the period retirement benefits were accruing to 5 directors (2019: 5) in respect of defined contributions pension schemes.

The highest paid director received remuneration of £207k (2019: £156k), including company contributions to a defined contribution scheme of £24k (2019: £24k).

In addition, during the period payments for loss of office of £329k were made to 4 directors (2019: £nil).

9 Interest receivable

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Other interest receivable	<u>29</u>	<u>1</u>

10 Interest payable and similar expenses

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Bank interest and charges payable	<u>9</u>	<u>9</u>

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

11 Taxation

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Corporation tax		
Current tax on profits for the year	1,522	315
Adjustments in respect of previous periods	12	-
Double taxation relief	(314)	(10)
	<u>1,220</u>	<u>305</u>
Foreign tax		
Foreign tax on profits for the year	722	100
Adjustments in respect of previous periods	(47)	(30)
	<u>675</u>	<u>70</u>
Total current tax	<u>1,895</u>	<u>375</u>
Deferred tax		
Origination and reversal of timing differences	(18)	121
Adjustments in respect of previous periods	(31)	(247)
Total deferred tax	<u>(49)</u>	<u>(126)</u>
Taxation on profit on ordinary activities	<u>1,846</u>	<u>249</u>

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

Factors affecting tax charges for the period

The tax assessed for the period is higher than (2019 – higher than) the standard rate of corporation tax. For the UK this rate was 19% (2019 – 19%). The differences are explained below:

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Profit on ordinary activities before tax	<u>7,804</u>	<u>1,464</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<u>1,483</u>	<u>278</u>
Effects of:		
Fixed asset differences	75	37
Expenses not deductible for tax purposes	92	1,032
Income not taxable for tax purposes	(18)	(280)
Adjust closing deferred tax to average rate	-	31
Adjust opening deferred tax to average rate	(31)	(45)
Prior year adjustment - corporation tax	11	-
Prior year adjustment - foreign tax	(47)	(30)
Prior year adjustment - deferred tax	-	(247)
Impact of overseas tax rates	60	(440)
Other tax adjustments, reliefs and transfers	126	(77)
Foreign tax credits	95	(10)
Total tax charge for the period/year	<u>1,846</u>	<u>249</u>

Factors that may affect future tax charges

The UK Budget on 3 March 2021 announced a UK corporation tax rate increase from 19% to 25%, effective from 1 April 2023. As this rate change was not substantially enacted at 31 March 2021, deferred tax assets and liabilities in these financial statements continue to be measured at 19%, the enacted rate at which they are expected to reverse.

OXFORD POLICY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

12 Dividends

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Dividends	-	-

13 Exceptional administrative (income)/expenses

	18 month period ended 31 March 2021 £'000	Year ended 30 September 2019 £'000
Provision for taxation liabilities	(167)	(693)
Restructuring costs	871	30
	<u>704</u>	<u>(663)</u>

The directors have reviewed the legal and accounting structures of the Group's offices in all the territories where it has a presence. This had highlighted a lack of compliance with the prevailing tax legislation in certain territories. The directors had taken a view on the probability of liabilities arising and their quantum and made provisions accordingly, which during 2021, had resulted in a release of provisions.

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

14 Intangible assets

Group	Asset under construction £'000	Software £'000	Total intangibles £'000
Cost			
At 1 October 2019	130	186	316
Additions	723	19	742
Disposals	-	(142)	(142)
At 31 March 2021	<u>853</u>	<u>63</u>	<u>916</u>
Amortisation			
At 1 October 2019	-	120	120
Charge for the period	-	68	68
Disposals	-	(140)	(140)
At 31 March 2021	<u>-</u>	<u>48</u>	<u>48</u>
Net book value			
At 31 March 2021	<u>853</u>	<u>15</u>	<u>868</u>
At 30 September 2019	<u>130</u>	<u>66</u>	<u>196</u>

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

14 Intangible assets (continued...)

Company	Asset under construction £'000	Software £'000	Total intangibles £'000
Cost			
At 1 October 2019	130	186	316
Additions	723	15	738
Disposals	-	(142)	(142)
At 31 March 2021	853	59	912
Amortisation			
At 1 October 2019	-	123	123
Charge for the period	-	65	65
Disposals	-	(142)	(142)
At 31 March 2021	-	46	46
Net book value			
At 31 March 2021	853	13	866
At 30 September 2019	130	63	193

OXFORD POLICY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

15 Tangible fixed assets

Group

	Long-term leasehold property £'000	Motor vehicles £'000	Fixtures and fittings £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost						
At 1 October 2019	1,195	131	674	97	1,618	3,715
Additions		40	16	34	200	290
Disposals		(16)	(156)	(45)	(763)	(980)
Foreign exchange translation adjustment		(17)	(4)	(2)	(17)	(40)
At 31 March 2021	1,195	138	530	84	1,038	2,985
Depreciation						
At 1 October 2019	584	127	555	67	1,197	2,530
Charge for the period on owned assets	396	9	80	18	293	796
Disposals		(19)	(125)	(42)	(699)	(885)
Foreign exchange translation adjustment		(12)	(6)	1	(22)	(39)
At 31 March 2021	980	105	504	44	769	2,402
Net book value						
At 31 March 2021	215	33	26	40	269	583
At 30 September 2019	611	4	119	30	421	1,185

OXFORD POLICY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

15 Tangible fixed assets (continued...)

Company

	Long-term leasehold property £'000	Motor vehicles £'000	Fixtures and fittings £'000	Office equipment £'000	Computer equipment £'000	Total £'000
Cost						
At 1 October 2019	1,195	92	580	70	1,489	3,426
Additions		41	8	6	169	224
Disposals		(3)	(113)	(59)	(766)	(941)
Foreign exchange translation adjustments		(13)	5	1		(7)
At 31 March 2021	1,195	117	480	18	892	2,702
Depreciation						
At 1 October 2019	584	90	488	57	1,115	2,334
Charge for the period on owned assets	396	9	62	9	268	744
Disposals		(3)	(96)	(52)	(702)	(853)
Foreign exchange translation adjustment		(12)	1	3	(11)	(19)
At 31 March 2021	980	84	455	17	670	2,206
Net book value						
At 31 March 2021	215	33	25	1	222	496
At 30 September 2019	611	2	92	13	374	1,092

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

16 Fixed asset investments

Company	Investments in subsidiary companies £'000
Cost or valuation	
At 1 October 2019	63
Additions	139
At 31 March 2021	<u>202</u>
Net book value	
At 31 March 2021	<u>202</u>
At 30 September 2019	<u>63</u>

In July 2020 the company purchased share capital in a newly incorporated subsidiary, being PT Oxford Policy Management Indonesia, with an investment of £139k.

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

16 Fixed asset investments (continued...)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Principal activity	Class of shares	Holding
Oxford Policy Management Limited (Nigeria)	Nigeria	International development consultancy	Ordinary	99.9%
Oxford Policy Management (Tanzania) Limited	Tanzania	International development consultancy	Ordinary	99.9%
Oxford Policy Management Limited (Australia)	Australia	International development consultancy	Ordinary	100%
Oxford Policy Management Limited (Belgium)	Belgium	International development consultancy	Ordinary	100%
Oxford Policy Management India Private Limited	India	International development consultancy	Ordinary	99.9%
Oxford Policy Management (East Africa) Limited	Kenya	International development consultancy	Ordinary	100%
Oxford Policy Management (United States) Limited	USA	International development consultancy	Ordinary	100%
The Oxford Policy Fellowship	United Kingdom	International development consultancy	Company limited by guarantee	N/A
Oxford Policy Management EBT Limited	United Kingdom	Employee benefit trust	Ordinary	100%
Oxford Policy Management (Lebanon) SARL	Lebanon	International development consultancy	Ordinary	99.9%
Oxford Policy Management Europe GmbH	Germany	International development consultancy	Ordinary	100%
Oxford Policy management Pakistan (Pvt) Limited	Pakistan	International development consultancy	Ordinary	99.9%
PT Oxford Policy Management Indonesia	Indonesia	International development consultancy	Ordinary	99%

Oxford Policy Management Limited (Belgium) was closed during the year.

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

17 Debtors

	Group 2021 £'000	Group 2019 £'000	Company 2021 £'000	Company 2019 £'000
Trade debtors	7,358	8,477	6,684	7,936
Amounts owed by group undertakings	-	-	2,136	2,621
Other debtors	557	1,108	394	872
Prepayments and accrued income	939	2,877	848	2,812
Deferred tax (see note 21)	110	261	110	261
Amount recoverable on contracts	9,952	21,134	8,673	20,253
	18,916	33,857	18,845	34,755

Amounts owed by group undertakings are unsecured, do not attract interest and are repayable on demand.

Group:

Trade debtors are stated after provision for impairment of £242k (2019: £441k).

Company:

Trade debtors are stated after provisions for impairment of £242k (2019: £441k).

18 Cash and cash equivalents

	Group 2021 £'000	Group 2019 £'000	Company 2021 £'000	Company 2019 £'000
Cash at bank and in hand	17,895	4,725	15,864	2,392

Cash at bank and in hand include amounts received in advance from certain donors and is stated after advances sent to certain suppliers.

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

19 Creditors: Amounts falling due within one year

	Group 2021 £'000	Group 2019 £'000	Company 2021 £'000	Company 2019 £'000
Trade creditors	1,697	2,175	1,693	2,152
Amounts owed to group undertakings	-	-	1,041	1
Corporation tax	458	424	364	329
Other taxation and social security	703	1,964	558	1,885
Other creditors	863	1,868	670	1,139
Accruals and deferred income	24,042	29,546	21,899	30,038
	<u>27,763</u>	<u>35,977</u>	<u>26,225</u>	<u>35,544</u>

Amounts owed to group undertakings are unsecured, do not attract interest and are repayable on demand.

20 Financial instruments

	Group 2021 £'000	Group 2019 £'000	Company 2021 £'000	Company 2019 £'000
Financial assets				
Cash	17,895	4,725	15,864	2,392
Financial assets measured at amortised cost	17,867	30,719	17,887	31,682
	<u>35,762</u>	<u>35,444</u>	<u>33,751</u>	<u>34,074</u>
Financial liabilities				
Financial liabilities measured at amortised cost	26,602	33,589	25,303	33,330

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and amounts recoverable on contracts.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals and deferred income.

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

21 Deferred tax

Group

	2021	2019
	£'000	£'000
At beginning of period	261	135
Credited to profit or loss	(151)	126
At end of period	110	261

Company

	2021	2019
	£'000	£'000
At beginning of year	261	135
Credited to profit or loss	(151)	126
At end of period	110	261

Deferred tax is made up as follows:

	Group	Group	Company	Company
	2021	2019	2021	2019
	£'000	£'000	£'000	£'000
Accelerated capital allowances	(69)	60	(69)	60
Short term timing differences	179	201	179	201
	110	261	110	261

OXFORD POLICY MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

22 Provisions

Group	Provisions for restructuring £'000	Provision for dilapidations £'000	Provisions for taxation liabilities £'000	Total £'000
At 1 October 2019	-	347	1,022	1,369
New provisions	505	83	155	743
Unused amounts reversed to the profit and loss account	-	-	(322)	(322)
	<u>505</u>	<u>430</u>	<u>855</u>	<u>1,790</u>

The carried forward provision arises from the exceptional costs originally booked during the year ended 30th September 2018 (see note 13) and is expected to be fully utilised within the next year.

Company	Provisions for restructuring £'000	Provision for dilapidations £'000	Provisions for taxation liabilities £'000	Total £'000
At 1 October 2019	-	347	1,022	1,369
New provisions	505	83	129	717
Unused amounts reversed to the profit and loss account	-	-	(322)	(322)
	<u>505</u>	<u>430</u>	<u>829</u>	<u>1,764</u>

The carried forward provision arises from the exceptional costs originally booked during the year ended 30th September 2018 (see note 13) and is expected to be fully utilised within the next year.

23 Share capital

	2021 £'000	2019 £'000
Allocated, called up and fully paid		
448,279 (2019: 448,279) Ordinary shares of £1 each	<u>448</u>	<u>448</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

OXFORD POLICY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

24 Reserves

Share Premium account

Includes all premiums received on issue of share capital.

Treasury shares

A reserve for shares held within the Group by Oxford Police Management Limited and Oxford Policy Management EBT Limited.

Other reserves

A capital redemption reserve.

Profit and loss account

Includes all current and prior period retained profits and losses.

25 Commitments under operating leases

At 31 March 2021 the Group and the Company had future minimum payments under non-cancellable operating leases as follows:

	Group 2021 £'000	Group 2019 £'000	Company 2021 £'000	Company 2019 £'000
Not later than 1 year	643	722	425	564
Later than 1 year and not later than 5 years	348	745	28	692
	991	1,467	453	1,256

26 Related party transactions

The Group and Company have taken advantage of the exemption available in FRS 102 whereby they have not disclosed transactions with wholly owned subsidiary undertakings.

Consultancy fees and expenses of £24k (2019: £12k) were paid to MDCS BVBA, a company in which P A V Naert is an independent director, in the period.

During the period the Company paid personal expenses on behalf of D A Freeman of £1k. This amount was owed to the Company at 31st March 2021, but has subsequently been fully repaid.

During the period the Company paid consultancy fees of £8,800 (2019 £nil) to C S Adams, a director. No amounts were outstanding as at 31st March 2021.

The directors are the only key management personnel of the Group.

27 Controlling party

The directors are of the opinion there is no one ultimate controlling party.