

Charity Registration No. 1180718

Company Registration No. 11263261 (England and Wales)

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

# **INSTITUTE FOR THE FUTURE OF WORK (IFOW)**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Trustees</b>	N W Climer CBE FREng (Co- Chair)	
	Sir C A Pissarides (Co- Chair)	
	M T Chowdhury	(Appointed 9 October 2020)
	M E Dalton	(Appointed 16 March 2020)
	Dr N Danhash	
	Dr A O Imafidon MBE	
<b>Secretary</b>	H Mountfield	
	G J Nuttall OBE	
	D Barone Soares	(Appointed 14 October 2020)
<b>Charity number</b>	1180718	
<b>Company number</b>	11263261	
<b>Principal address</b>	Somerset House Strand London London WC2R1LA	
<b>Registered office</b>	Fieldfisher Riverbank House 2 Swan Lane London EC4R 3TT	
<b>Independent examiner</b>	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP	
<b>Bankers</b>	Metro Bank PLC Metro Bank PLC 1 Southampton Row Holborn London WC1B 5HA	

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# **INSTITUTE FOR THE FUTURE OF WORK (IFOW) CONTENTS**

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	<b>Page</b>
Trustees' report	1 - 5
Statement of Trustees' responsibilities	6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 18

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**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's memorandum and articles of association incorporated 19 March 2018 as amended by certificate of incorporation on change of name dated 30 May 2018, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

**Objectives and activities**

The Institute for the Future of Work (IFOW) is an independent charitable trust with a mission to shape a fairer future through better work. We put people first, with a focus on those most vulnerable to the adverse effects of fast-paced change. We seek to advance understanding of the impacts of technology on work and develop practical solutions that will promote the wellbeing and prosperity of people across the country. The charitable objects of the organization as set out in the articles of incorporation are as follows:

- To promote the education of the public into changes to the world of work with particular but not exclusive regard to the impact of technology on work and society.
- To prevent or relieve poverty in the context of the impact of technology on work and society with particular but not exclusive regard to those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.
- To advance any such other charitable purposes as the trustees in their absolute discretion determine by, in particular but not exclusively,

i) Research and policy development

ii) The development and testing of new and improved ways of working and support for work

iii) Recommendation on improving all aspects of work, and

iv) Advocacy

In addition, the Board of Trustees resolved that the activities of the Charity should include:

- work to promote the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity

To deliver our mission, we:

- Build evidence on impacts of technology at work and the wider implications of these changes on society
- Offer insight and analysis for evidenced-based policy and decision-making including direct worker insight whenever we can
- Connect people with different perspectives to enrich understanding and ideas
- Solve problems by designing innovative and actionable solutions tailored to a project
- Drive change by engaging policy and decision-makers to share and scale transformative solutions.

**Programme Priorities**

IFOW work across three broad programme areas: Changing Work, Promoting Equality and Workers in Transition. In response to COVID-19, IFOW developed an additional workstream responding directly to the work and labour market challenges arising from the pandemic.

IFOW activities are regularly reviewed to ensure that they further the aims and objects of the organization. The trustees review IFOW activities on an ongoing basis and have regard to the Charity Commission guidance on public benefit.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

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# **INSTITUTE FOR THE FUTURE OF WORK (IFOW)**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Achievements and performance**

The 2019/2020 Financial Year, running from September 2019 to August 2020 was an important transition year for the Institute for the Future of Work as the organisation established itself and began to move towards a more programmatic funding model, guided by the three programme areas (Changing Work, Promoting Equality, and Workers in Transition) set by the board at a strategy day in October 2019.

In addition to this, as the COVID-19 pandemic took hold, IFOW took the decision to undertake a programme of work, funded by the Open Society Foundation, to respond to emergent work and labour market challenges by undertaking research, supporting policy makers with proposals, briefings and resources, and by hosting and participating in events.

In accordance with the charitable objectives of the organization, all research reports and events (where possible) are made publicly available via the IFOW website. IFOW undertakes policy engagement and advocacy work that further its charitable objects, strictly adherent to relevant regulatory guidance from the Charity Commission on the activities of charitable think tanks, and on campaigning and political activity. IFOW is independent of any political party, and the organization is careful to ensure that engagement with political actors remains balanced across political parties.

The following details the activities of the IFOW over the last financial year, structured against the core IFOW workstreams.

#### **Workers in Transition**

In December 2019, IFOW released the report "Automation, Politics and the Future of Work", which analysed the relationship automation risk and voting behaviour, particularly in relation to the 2016 EU referendum. The report found a clear relationship between areas at high risk of automation, and areas that were more likely to vote "Leave". The report also developed the theory of the labour market 'insider/outsider' spectrum, a conceptual frame for understanding how changes, or the risk of changes, to local economies can shape the attitudes of those living and working in those areas. The findings of the report and recommendations received national and local press coverage. Some recommendations were picked up by Parties including, in particular, Labour's recommendation for review of the Equality Act, equality impact assessments and the introduction of protection against socio-economic disadvantage.

In January 2020, IFOW partnered with global public policy consultancy Whiteshield Partners to develop and release the UK Labour Resilience Index at the World Economic Forum, to an audience of policy and business leaders, building on the Global Labour Resilience Index launched a year prior. The index assesses the resilience of local economies across the UK, and is designed to provide policy makers with a detailed picture of how to target industrial policy for 'levelling up'.

#### **Promoting Equality**

2019/20 has seen IFOW make important strides in developing the Promoting Equality programme area. In September 2019, IFOW established an Equality Task Force to examine the application of equality and data protection law to the use of artificial intelligence (AI) systems in the workplace. The group, chaired by Helen Mountfield QC met five times in total over the course of the 2019/20 year, and published final findings in October 2020, recommending the introduction of an Algorithmic Accountability Act to strengthen regulation around the deployment of AI systems.

To support the legal investigations of the Task Force, IFOW has published a set of three "Machine Learning Case Studies", based on real world applications of AI systems in the workplace. IFOW also reviewed, critiqued and published a report on auditing tools which found that many tools were developed in the United States without particular regard for UK Equality Law. These studies are designed to highlight key legal issues arising from workplace AI and are made publicly available on the IFOW site. IFOW has also prepared briefings on application of a range of key legal principles including 'proportionality', 'accountability' and 'causality' to use of AI at work which informed the final report. IFOW's case studies have been used by the Centre for Data Ethics and Innovation (CDEI), the Trade Union Congress and Equality and Human Rights Commission. IFOW's Director was a member of the CDEI's Steering Group on the Bias Review. Subsequently, IFOW have been awarded two years of funding by the Joseph Rowntree charitable Foundation to build on the work of the Equality Task Force.



**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Changing Work**

Over the year, IFOW worked with parliamentarians to establish a new All Party Parliamentary Group for the Future of Work, led by Co-Chairs David Davis MP (Conservative) and Lord Jim Knight (Lab). Members include the Founders' Circle Chair Lord Hodgson and the Chairs of leading Parliamentary Committees (Stephen Timms MP, DWP and Darren Jones MP, BEIS). Prospect Union has been appointed as the Union chair of the All Party Parliamentary Group, and the Institution of Engineering and Technology is the newly confirmed industry chair to model and promote a partnership approach. The purpose of the All Party Parliamentary Group is aligned with IFOW's mission: to bring together parliamentarians, industry, and civil society to advance understanding of the challenges and opportunities of technology among policy makers and develop practical solutions to future of work challenges.

IFOW co-curated the Future of Work stage at the international CogX festival of AI in June 2020, leading six panel discussions on the Future of Work Commission, resilience in the wake of COVID-19, technology and equality, young people and COVID-19, recent trends in Automation, and work and health inequality, and providing several others with speakers and content which allowed IFOW to promote partner organisations, such as the Employee Ownership Association. Along with providing opportunities for engaging with IFOW key audiences of business and policy leaders, the Festival enabled the organization to significantly grow its online audience and subscriber base, making future dissemination and communications activities more impactful.

Over the course of the year, IFOW also partnered with the Chartered Institute for Personnel and Development (CIPD) and the Carnegie Trust to develop a proposal to co-create guidance for business leaders on how to introduce technology in a way that protects and promotes Good Work, structured round the Principles of the Good Work Charter, which got underway in early 2021.

**Responding to COVID-19**

In response to COVID-19, IFOW worked with existing funders to develop a resourced programme of work responding to emergent challenges, and to help policy makers understand the impacts of the pandemic on workers and communities across the UK.

To encourage and model a longer-term response from Government, in May 2020 IFOW reconvened the Future of Work Commission, featuring experts from across policy, industry unions and academia, to report on new trends facing the world of work, in light of the economic disruptions brought about by the pandemic. The Rapid Review report released in June 2020, supported by an accompanying evidence review, highlighted trends that have since become more widely recognised in the future of work landscape: acceleration of automation, exacerbation of inequalities, the value of frontline 'caring' work, the geography of access to work, and the increasing number of workers in transition. The report made a wide number of recommendations and was picked up by the DWP Committee Inquiry into Changes to the World of Work. It included high-level priorities and 'moon-shot' policies, for example the establishing of a Community Health and Work Corps of paid and voluntary positions to build on the social capital generated by community responses. The IFOW Commission report was launched at the CogX festival of AI and circulated to the Cog X audience of 40,000.

In addition to this, IFOW published four spotlight reports highlighting the voice and lived experience of different groups of workers made vulnerable by the Pandemic: the self-employed, key workers in the construction sector, workers on furlough, and those who had been forced to work from home. In each case, IFOW engaged with relevant committees and policy makers to disseminate findings.

# **INSTITUTE FOR THE FUTURE OF WORK (IFOW)**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

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#### **Financial review**

IFOW operates a mixed funding model, seeking support from both grant and institutional funders, along with private individuals. IFOW is very grateful to our institutional supporters, the Open Society Foundation, who have provided IFOW with restricted core funding to establish our key programmes as well additional funding for IFOW response to COVID-19, Trust for London who have provided restricted funding for research into Changing Work, as well as our new funders the National Lottery Emerging Futures Fund, and the Joseph Rowntree Charitable Trust.

All restricted funding is used solely for its intended purpose. IFOW is also enormously grateful for funding from our private supporters, who have enabled the organization to expand its activities and further its charitable objects through unrestricted funding. IFOW research programmes are independent from all unrestricted funding the organization receives, and chosen solely on their relevance to IFOW's mission and charitable objects.

#### **Reserves Policy**

Taking into consideration the guidance issued by the Charity Commission, the policy of the IFOW trustees is to hold sufficient funds in reserve to cover three months of IFOW's forecasted total operating expenditure, or 25% of total annual planned operating expenditure.

This chosen level of reserves will allow IFOW to meet its liabilities in the event of a reduction in income, whilst ensuring that the majority of funds are directed towards advancing the charitable purposes of the organization. This reserves target will remain under review by the trustees throughout the year and will be reviewed annually.

IFOW closed the 2019-20 financial year holding reserves of £81k, of which £27k was held for restricted purposes. The Trustees consider these reserve levels to be adequate to fund the activities of the charity for the foreseeable future

#### **Risk Management**

IFOW maintains a risk register covering all aspects of the organization, detailing the likelihood and severity of various risks to the organization, and mitigation strategies. The register remains under constant review from staff, and is reviewed by trustees on an annual basis. In addition, IFOW's Director provides the Board with quarterly updates on key areas.

IFOW's tenancy at Somerset House includes physical security, health and safety resources and secure use of IT facilities. Additionally, IFOW has appointed an internal First Aider and Fire Marshal. IFOW also has well-developed policies and procedures to mitigate against organisational risks including staffing, finance and confidentiality, with line-management of staff ensuring the implementation of these policies.

#### **Structure, governance and management**

IFOW is a charitable company limited by guarantee, incorporated on 19 March 2018 and registered as a charity on 15 November 2018.

IFOW was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association, IFOW's name changed from The Future of Work on 30 May 2018, when IFOW was granted institute status.

All trustees give their time voluntarily and receive no benefits from the charity.

IFOW has continued to strengthen its infrastructure during 2019-20 by developing policies, procedures and ways of working which will ensure the organisation is capable of delivering on larger programmes of work with maximum efficiency and impact.



**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

N W Climer CBE FREng (Co- Chair)

Sir C A Pissarides (Co- Chair)

M T Chowdhury

(Appointed 9 October 2020)

M E Dalton

(Appointed 16 March 2020)

Dr N Danhash

Dr A O Imafidon MBE

H Mountfield

G J Nuttall OBE

D Barone Soares

(Appointed 14 October 2020)

**Appointment, Removal and Meeting of Trustees**

Candidates for trustee positions are assessed by incumbent trustees and meet informally with senior management. Recommended candidates are considered by all incumbent trustees and are appointed by unanimous approval of all trustees, with no maximum limit on the number of trustees that can be appointed. Correspondingly, a trustee can be removed by a resolution passed unanimously by the other trustees. All trustees are members and Directors of the charity for Companies House purposes.

IFOW's affairs are normally conducted under the supervision and leadership of the Director, Anna Thomas. Trustee meetings are held quarterly, and staff members are in frequent communication with the trustees throughout the year and maintain a close working relationship together. During the time period of 1st September 2019 to 31 August 2020, the board of trustees met three times, with an additional session held with Trustee leaders and staff on 25th March in response to COVID-19.

**Key Management and Other Human Resources**

The management of IFOW is led by Director Anna Thomas.

In the 2019/20 Financial Year, other key members of staff included Sam Atwell (Head of Operations), Paula Hagan (Office Manager), Abigail Gilbert (Principal Researcher).

The Director acts in a full-time capacity within IFOW, who is responsible for day-to-day management. Responsibilities are delegated by the Director to the Head of Operations (full-time), Principal Researcher (full-time) and an Office Manager (part-time).

**Trustee Induction and Training**

IFOW organised a training session for trustees on charity law and governance best practice, held on 7 July 2019, and led by a representative from charity law firm Edwin Coe. New Trustees receive an induction pack with relevant financial and organizational information.

The next session of charity governance training for Trustees is scheduled for 2021.

**Funds held as custodian trustee**

Neither IFOW nor any of its trustees are acting as custodian trustees.

The Trustees' report was approved by the Board of Trustees.



**N W Climer CBE FREng (Co- Chair)**

Trustee

Dated: 27<sup>th</sup> May 2021

# **INSTITUTE FOR THE FUTURE OF WORK (IFOW) STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2020***

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The Trustees, who are also the directors of Institute for the future of work for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

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

In so far as the trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 August 2020 was 7 (2019:6). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.



**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
INDEPENDENT EXAMINER'S REPORT**

**TO THE TRUSTEES OF INSTITUTE FOR THE FUTURE OF WORK**

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I report to the Trustees on my examination of the financial statements of Institute for the future of work (the charity) for the year ended 31 August 2020.

**Responsibilities and basis of report**

As the Trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

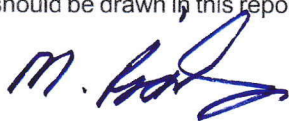
Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Melvin Bailey FCCA DChA  
for and on behalf of  
Rogers Spencer  
Chartered Accountants  
Newstead House  
Pelham Road  
Nottingham  
NG5 1AP

Dated: 28/5/21

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 2020**

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<b>Income from:</b>							
Donations and legacies	3	106,000	122,828	228,828	162,500	147,675	310,175
<b>Expenditure on:</b>							
Raising funds	4	-	15,101	15,101	-	44,081	44,081
Charitable activities	5	131,723	94,002	225,725	75,556	95,816	171,372
<b>Total resources expended</b>		131,723	109,103	240,826	75,556	139,897	215,453
<b>Net (outgoing)/incoming resources before</b>		(25,723)	13,725	(11,998)	86,944	7,778	94,722
Gross transfers between funds		2,107	(2,107)	-	(7,688)	7,688	-
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		(23,616)	11,618	(11,998)	79,256	15,466	94,722
Fund balances at 1 September 2019		79,256	15,466	94,722	-	-	-
<b>Fund balances at 31 August 2020</b>		55,640	27,084	82,724	79,256	15,466	94,722

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
BALANCE SHEET**

**AS AT 31 AUGUST 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	9		4,979		4,855
<b>Current assets</b>					
Cash at bank and in hand		110,197		103,882	
<b>Creditors: amounts falling due within one year</b>	10	(32,452)		(14,015)	
Net current assets			77,745		89,867
<b>Total assets less current liabilities</b>			82,724		94,722
<b>Income funds</b>					
Restricted funds	11		27,084		15,466
Unrestricted funds			55,640		79,256
			82,724		94,722

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2020.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 27<sup>th</sup> May 2021



N W Climer CBE FREng (Co- Chair)  
Trustee

**Company Registration No. 11263261**



# **INSTITUTE FOR THE FUTURE OF WORK (IFOW)**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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### **1 Accounting policies**

#### **Charity information**

Institute for the future of work is a private company limited by guarantee incorporated in England and Wales. The registered office is Fieldfisher, Riverbank House, 2 Swan Lane, London, EC4R 3TT.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Income**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1 Accounting policies**

**1.5 Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on a cash basis and has been classified under headings that aggregate all the costs related to the category.

Cost of raising funds relate to those specific costs incurred in organising and staging fundraising events and seeking voluntary contributions together with attributable support costs.

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

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs comprise those costs associated with meeting the constitutional and strategic requirements of the charity and the audit fees and costs linked to strategic management of the charity.

**1.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	30 % Reducing Balance
Computers	30 % Reducing Balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

**1.7 Impairment of fixed assets**

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

**1.8 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.



**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1 Accounting policies**

***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**1.9 Taxation**

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applied to charitable purpose only.

**1.10 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**2 Critical accounting estimates and judgements**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**3 Donations and legacies**

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Donations and gifts	96,000	-	96,000	162,500	-	162,500
Grants	10,000	122,828	132,828	-	147,675	147,675
	<u>106,000</u>	<u>122,828</u>	<u>228,828</u>	<u>162,500</u>	<u>147,675</u>	<u>310,175</u>
<b>Donations and gifts</b>						
Founder's Circle						
Members	10,000	-	10,000	20,000	-	20,000
Esmee Fairbairn						
foundation	10,000	-	10,000	15,000	-	15,000
Goldman Sachs Gives	-	-	-	75,000	-	75,000
Deutsche Post						
Foundation	40,000	-	40,000	50,000	-	50,000
HMRC gift aid payment	-	-	-	2,500	-	2,500
The Quilter Foundation						
Secure Futures Fund	1,000	-	1,000	-	-	-
Johnson Brothers & Co						
(Lord Hodgson)	10,000	-	10,000	-	-	-
Jonathan Hall	25,000	-	25,000	-	-	-
	<u>96,000</u>	<u>-</u>	<u>96,000</u>	<u>162,500</u>	<u>-</u>	<u>162,500</u>
<b>Grants receivable for core activities</b>						
The Health Foundation	-	8,818	8,818	-	25,000	25,000
Trust for London	-	50,000	50,000	-	102,740	102,740
Open Society Foundation	-	64,010	64,010	-	19,935	19,935
	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>10,000</u>	<u>122,828</u>	<u>132,828</u>	<u>-</u>	<u>147,675</u>	<u>147,675</u>

**4 Raising funds**

	Restricted funds 2020 £	Restricted funds 2019 £
<u>Fundraising and publicity</u>		
Other fundraising costs	15,101	44,081
	<u>15,101</u>	<u>44,081</u>

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**5 Charitable activities**

	<b>Cost of Charitable Activities 2020 £</b>	<b>Cost of Charitable Activities 2019 £</b>
Staff costs	142,317	93,207
Depreciation and impairment	2,134	1,316
Rent	14,158	26,534
Rates	502	1,301
Meeting room hire	1,896	600
Cleaning	562	672
Telephone & Fax	733	800
Stationery & printing	423	889
Travel & Subsistence	1,130	1,188
Subscriptions	1,386	534
Bank charges	240	191
Other Interest	-	3
General expenses	1,534	2,515
Repairs & maintenance	-	105
Other legal & professional	125	128
Consulting	50,033	25,832
Insurance	768	518
Other charitable expenditure	6,224	12,039
	<u>224,165</u>	<u>168,372</u>
Share of governance costs (see note 6)	1,560	3,000
	<u>225,725</u>	<u>171,372</u>
<b>Analysis by fund</b>		
Unrestricted funds	131,723	75,556
Restricted funds	94,002	95,816
	<u>225,725</u>	<u>171,372</u>

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**6 Support costs**

	<b>Support costs</b>	<b>Governance costs</b>	<b>2020</b>	<b>Support costs</b>	<b>Governance costs</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Independent Examination Fees	-	1,560	1,560	-	3,000	3,000
	-	1,560	1,560	-	3,000	3,000
Analysed between Charitable activities	-	1,560	1,560	-	3,000	3,000

Governance costs includes payments to the independent examiners of £1,560 (2019- £3,000) for independent examination fees.

**7 Trustees**

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

**8 Employees**

The average monthly number of employees during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
	4	4
<b>Employment costs</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	128,792	87,840
Social security costs	10,583	3,465
Other pension costs	2,942	1,507
	142,317	93,207

**Remuneration and key management personnel**

The remuneration of key management personnel is as follows:

Aggregate compensation	41,501	44,000
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There were no employees whose annual remuneration was £60,000 or more.



**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**9 Tangible fixed assets**

	Fixtures and fittings	Computers	Total
	£	£	£
<b>Cost</b>			
At 1 September 2019	1,444	4,728	6,172
Additions	80	2,177	2,257
	<u>1,524</u>	<u>6,905</u>	<u>8,429</u>
<b>Depreciation and impairment</b>			
At 1 September 2019	327	990	1,317
Depreciation charged in the year	359	1,774	2,133
	<u>686</u>	<u>2,764</u>	<u>3,450</u>
<b>Carrying amount</b>			
At 31 August 2020	838	4,141	4,979
	<u>1,117</u>	<u>3,738</u>	<u>4,855</u>
At 31 August 2019	<u>1,117</u>	<u>3,738</u>	<u>4,855</u>

**10 Creditors: amounts falling due within one year**

	2020	2019
	£	£
Other taxation and social security	21,025	4,028
Other creditors	6,867	6,987
Accruals and deferred income	4,560	3,000
	<u>32,452</u>	<u>14,015</u>



**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

**11 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			Balance at 31 August 2020
	Incoming resources	Resources expended	Transfers	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£	£	£
Trust for London	25,000	(9,533)	-	50,000	(24,385)	-	41,081
Open Society Foundation	102,740	(109,906)	(7,166)	64,010	(78,007)	-	(13,997)
The Health Foundation	19,935	(20,457)	(522)	8,818	(6,711)	(2,107)	-
	147,675	(139,896)	(7,688)	122,828	(109,103)	(2,107)	27,084

Trust for London

This fund is for the further development and application of IFOW's social policy innovation model, the delivery of policy projects and pilots, and the dissemination of resulting solutions and learnings to make work better and fairer in the retail and transport sectors in London.

Open Society Foundation

The purpose of the grant is to support the Institute for the Future of Work (IFOW) to develop four thematic areas of work in its response to future of work challenges.

At 31 August 2020 this fund was showing a negative balance of £13,997. this has arisen due to a timing issue as the next tranche of the grant was received September 2020.

The Health Foundation

The purpose of the grant for the undertaking of a project called "A Charter for Good Work."

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**12 Analysis of net assets between funds**

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:						
Tangible assets	4,979	-	4,979	4,855	-	4,855
Current assets/ (liabilities)	50,661	27,084	77,745	74,401	15,466	89,867
	<u>55,640</u>	<u>27,084</u>	<u>82,724</u>	<u>79,256</u>	<u>15,466</u>	<u>94,722</u>

**13 Related party transactions**

C Pissarides one of the Trustees, was appointed as a consultant for the charity as the Lead Investigator on a new project to be commenced during the following year. No amount was paid by the charity during the year ended 31 August 2020.

