

**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 2021**

# 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 Dr N Danhash Dr A O Imafidon MBE H Mountfield G J Nuttall OBE D Barone Soares	(Appointed 14 October 2020)
<b>Secretary</b>	A Thomas	
<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)**

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

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Trustees present their annual report and financial statements for the year ended 31 August 2021.

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)".

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.

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Programme Priorities**

IFOW work across three broad programme areas:

**Changing Work:** We will shape a fairer future through better work by ensuring decision makers understand and value the role of good work to promote wellbeing and prosperity across the country. We will work to ensure that the creation of sustainable, good work is integrated into plans for the post-pandemic rebuild.

**Power:** We will shape a fairer future through better work by ensuring the changes brought by technological transformation reduce rather than exacerbate structural inequalities. We will work to ensure that new technologies are deployed in ways that promote people's equality, dignity and autonomy at work.

**People:** We will shape a fairer future through better work by embedding people's experience into our research and responses to technological disruption to ensure a transition that puts people first. We will promote our partnership approach and work to see it adopted in the design and deployment of new technologies, and to support workers through transition more widely.

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. An update to trustee training on Charity law and guidance was last undertaken by David Goepel of Edwin and Co in June 2021.

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Achievements and performance**

The 2020/2021 Financial Year, running from September 2020 to August 2021, was a pivotal year for IFOW as the organisation continued to respond to the double disruption of technological transition and the Covid-19 pandemic.

IFOW continued to respond to the COVID-19 pandemic, which saw investment, reliance and use of technology and technology platforms accelerate, whilst concurrently, exposing and exacerbating inequalities in access, terms, and quality of work. IFOW developed a rapid response programme which supported new research and policy proposals around work and labour market trends focused on workers most vulnerable to the economic and social effects of the pandemic.

The organisation also secured its first research grant, a £1.3m grant from the Nuffield Foundation Strategic Fund to further explore the impacts of technological disruption on people and communities. The Pissarides Review will pilot a new, cross-disciplinary approach to evaluate and respond to technological disruption across the country. This 3-year collaboration, with partners at Imperial College and Warwick Business School, will model competing futures for work, with a focus on building capabilities, strengthening resilience, and reducing inequalities through better work.

In January 2021, IFOW started the process of developing a new Strategy with Trustees, to respond to and meet the challenges faced in the UK around work which were accelerated by COVID-19. This focused IFOW's three programmes priorities (Changing Work, Power and People) towards building an evidence base through practice-focused research and designing practical solutions to drive action from decision makers at a national and local level. The Strategy, which published on the website, has now been approved for the period until 2025.

In accordance with IFOW's charitable objectives 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 organisation 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:

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

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

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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#### **Changing work**

IFOW has continued work with cross party MPs and other key stakeholders to ensure that work (in particular access to good quality jobs) is a central part of discourse and policy in crisis response, recovery and levelling up.

Our advocacy work this year has included: initiating and briefing MPs on the first future of work debate in parliament since the pandemic; tabling amendments around how Financial Services could advance Good Work; supporting, giving evidence and making recommendations to the DWP Changes into the World of Work inquiry; and running a new all-party parliamentary inquiry into use of artificial intelligence at work.

#### **Good Work Monitor**

In January 2021, IFOW published and launched the Good Work Monitor (GWM), a framework to support access to good work. The monitor is the first holistic measure of the availability of good work in each local authority area of England outside London and found a significant relationship between good work and health outcomes as measured by life expectancy, COVID-19 mortality, and the prevalence of Diseases of Despair. The Monitor also identifies 4 pillars of good work to enable exploration of the relationship between the underlying conditions for good work and access to good work: prosperity, demand, education, and equality. The GWM provides measures to allocate funds and evaluate policy, for use as local, regional, and national economic and public strategies are developed in response to the pandemic and builds the case to prioritise and embed good work standards into recovery support, planning and procurement.

#### **Good Work Charter**

IFOW has continued to apply the Good Work Charter (GWC) as an organising framework and advocacy tool to achieve a principles-driven approach to Good Work. In particular, we have used the GWC to demonstrate the need and opportunity to embed Good Work through business models, as well as across government departments, targeting professional accreditation and membership bodies. In partnership with the Chartered Institute for Personnel and Development (CIPD) and the Carnegie Trust, IFOW created guidance for business leaders on introducing technologies in ways that uphold the Good Work principles. EUnited Robotics, the membership body for the European robotics industry, developed a robotics specific version of the GWC, offering guidance on technology design to advance good work. designed to make work better. With Community, IFOW co-created practical guidance for union representatives and employers on a partnership approach to introducing technology at work.

IFOW has also developed a first prototype of GWC self-assessment tool for the All Party Parliamentary Group, to be used to filter access to the parliamentary group, on the request of the Chairs. Civil society, including the Better Work Network, and combined authority partners have contributed to the development of the tool.

#### **The Pissarides Review**

In April 2021, IFOW secured funding from the Nuffield Foundation to undertake the first national Disruption Index to map and track technological disruption across the UK; a firm-level survey to explore the motives, barriers, and effects of introducing automation technologies; and deep dives into work and welfare challenges and opportunities into 8 locations in England, Wales and Scotland. IFOW will conduct an institutional analysis and build relationships with key policy actors to bring this research to life through and beyond the project, which will provide IFOW with a substantial evidence base for longer term programmes.

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

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

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **Power**

IFOW has continued to spearhead the debate on Equality and AI at work, showing why and how historic patterns of inequality will be projected into the future without evaluation and appropriate action; and proposing novel mechanisms for accountability and to establish new individual and collective digital rights

#### **Equality Taskforce**

Chaired by Helen Mountfield QC and involving two regulators (Information Commissioner's Office (ICO) and Equality and Human Rights Commission (EHRC)), the IFOW Equality Task Force published their final report *Mind the Gap*, in November 2020.

This report demonstrated gaps in legal protection and accountability and laid the ground for legislators, researchers, campaigners and policy-makers to work towards filling them. A series of practical solutions and pathways were identified in the report, including an Accountability for Algorithms Act to work to improve standards and behaviours, highlighting key human decision-making roles, the need for rigorous evaluation and assessment at the earliest possible opportunity, and likely adverse impacts at work if action is not taken.

The findings and research of the Equality Taskforce, were fed into the Centre for Data Ethics and Innovation (CDEI) Bias Review. IFOW developed a first prototype of an AI Equality Impact Assessment which has been subject to peer and public consultation and shared with both the CDEI and EHRC.

IFOW and partners will continue to advance the Accountability for Algorithms Act and work with the CDEI, Office of AI, EHRC and other key stakeholders as regulation and guidance on AI is developed in 2022.

#### **People**

Policy and technology are often developed and deployed without understanding the views of people on the front line. IFOW's partnership approach seeks to highlight the benefit of involving workers in the introduction of new technologies and models how they can participate in its design.

#### ***Social Policy Innovation Accelerator (SPIA)***

IFOW developed and adjusted their Policy Innovation Accelerator model for remote use, applying it in interviews and workshops where workers are supported to share their experiences, identify key challenges, and collaborate to identify practical action points.

Social distancing restrictions limited the ability to apply SPIA to some challenges, so IFOW incorporated learning from SPIA into our theory of change and a wider range of research methodologies. Through the pandemic, IFOW also refocused on supporting traditional and new forms of partnership working between unions, employers, and government.

#### ***Amazonian Era Report***

In May 2021, IFOW launched the Amazonian Era Report. The findings were based on interviews pre and post pandemic with workers in sectors subject to particularly fast-paced change (retail, logistics, transport, extended to other service work and manufacturing). IFOW identified profound, qualitative shifts in the nature, quality, and value of work as the ethos, practice and tools of the 'gig' economy spread to traditional sectors. Vast and invisible algorithmic systems were found to be increasingly controlling access, terms and quality of work and reshaping workplace relationships and business models by means of the 'human data cycle'.

Key issues highlighted in the report include: worsening employment terms and conditions with workers moved to agency or less secure contracts on poorer terms ('liquidisation'); the incremental erosion of human skills and individual development through the creation of GPS-style instruction manuals set and delivered by algorithmic systems ('fungibility'); the intensification of work as people are set 'superhuman' targets by the system based on the performance of the fastest worker ('intensification'); and new forms of workforce surveillance and control, fed by controlling the increasing and excessive pools of human data ('the human data cycle'). Key findings and analysis from the Amazonian Era have been adopted and published in several independent publications since the report, including the All Party Parliamentary final report on the New Frontier: AI at Work.



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

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

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **Responding to COVID-19**

IFOW continued to respond to the wide reaching impact of the pandemic on work, securing Covid response grants to undertake research on those most exposed and at risk due to the disruption the pandemic caused to the labour force.

#### **Spotlight Reports**

Building on the Spotlight Report on Self-Employed workers released in March 2020, IFOW published a further three spotlight reports highlighting the voices of workers who were made vulnerable or had their working lives disrupted by the pandemic. These reports focused on essential workers, furloughed workers, and remote workers and were circulated directly to our parliamentary and specialist networks.

To support the launch of the Spotlight report on Self-Employed Workers, in January 2021 IFOW partnered with Community Union to run a workshop with self-employed workers on how their working hours were structured following the pandemic. The workshop was delivered using the SPIA model to highlight diverse experiences and worker voice in policy development. The session highlighted the particular challenges contract and self-employed workers face, especially relating to a lack of control over the hours and shift patterns they work, and unpaid administrative work..

#### **Grimsby Project**

From October 2020, IFOW spoke to Grimsby residents from a diverse set of roles, all of whom were experiencing transformation directly through the pandemic. In our report 'The Grimsby Project: We need to talk about work' IFOW used research and design-thinking methods centred around the everyday experience of working people to learn about their experiences and stories. The report highlighted that although the residents have aspiration for good, local work, they lack clear support and pathways to achieve these aspirations, as there are currently no real spaces, institutions or methods to enable the people of Grimsby to talk about their future of work, as individuals looking to change their lives, or as communities.

#### **Future of Work APPG Secretariat**

IFOW has continued to act as Secretariat for the APPG for the Future of Work, whose purpose is 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. The group was very active in Parliament, running a new inquiry on surveillance, to examine accountability for new forms of corporate control and hosting an event on Good Work and Levelling Up curated by IFOW to support the launch of the Good Work Monitor.

#### **External profile and Communications**

Strengthening communications was a core focus for the organisation this year. IFOW sought to share more of its work, hosting regular events and growing its specialist network, engaging a wider audience with its research and policy recommendations.

A regular newsletter was launched which is sent to 900 (approx.) mostly specialist subscribers, this is supported by an updated and re-launched the website which better profiles our work, publications and impact.

The website also hosts a dedicated Future of Work Knowledge Hub, a service which collates and shared different types of resource and perspectives (videos, academic articles, policy reports, podcasts) with a view to become the home for disseminating research and ideas relating to the future of work to a policy and non-expert audience.

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

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

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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#### **Financial review**

IFOW has continued working towards developing a diverse and sustainable funding base. This has been significantly boosted by the recently secured £1.3m Nuffield Foundation strategic fund grant, although a broad donor pool remains an imperative to ensure IFOW can fund the whole strategy.

This year, in response to the pandemic the organisation successfully secured COVID-19 Response grants from OSF, London Community Fund and the National Lottery for work and research into the impacts of the pandemic on work. This ensured we could highlight worker voice and perspectives during the fast-paced changes caused by the pandemic.

IFOW secured new grant funding from the Joseph Rowntree Charitable Trust to further work on development of affirmative, corporate duties, and from the ICO to develop a toolkit and guidance for unions and employers on auditing AI systems.

IFOW continues to be grateful for the continued support of its Founders' Circle, our group of private supporters who generously donated £120,000 of core funding this year, as well as attending quarterly development meetings and facilitating the growth of IFOW's network.

All restricted funding is used solely for its intended purpose. IFOW research programmes are independent from all unrestricted funding the organisation 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 2020-21 financial year holding reserves of £139k, of which £82k 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.

#### **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 2020-21 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 2021**

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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

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.

**Key Management Personnel**

The management of IFOW is led by Director Anna Thomas. 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 Programmes, Head of Research, and Head of Finance and Resources.

**Trustee Induction and Training**

As and when new Trustees are recruited, a full induction into the charity is planned. This includes, but is not limited to, providing key policies and procedures and training on these as appropriate.

**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**

16 May 2022

# **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 2021.

## **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**

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of , which is one of the listed bodies.

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: 19 May 2022

**INSTITUTE FOR THE FUTURE OF WORK  
(IFOW)  
STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2021**

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
	Notes						
<b><u>Income and endowments from:</u></b>							
Donations and legacies	3	126,000	220,178	346,178	106,000	122,828	228,828
Other income	4	4,175	-	4,175	-	-	-
<b>Total income</b>		<b>130,175</b>	<b>220,178</b>	<b>350,353</b>	<b>106,000</b>	<b>122,828</b>	<b>228,828</b>
<b><u>Expenditure on:</u></b>							
Raising funds	5	3,575	-	3,575	-	15,101	15,101
Charitable activities	6	157,662	132,800	290,462	131,723	94,002	225,725
<b>Total resources expended</b>		<b>161,237</b>	<b>132,800</b>	<b>294,037</b>	<b>131,723</b>	<b>109,103</b>	<b>240,826</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(31,062)</b>	<b>87,378</b>	<b>56,316</b>	<b>(25,723)</b>	<b>13,725</b>	<b>(11,998)</b>
Gross transfers between funds		32,810	(32,810)	-	2,107	(2,107)	-
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>1,748</b>	<b>54,568</b>	<b>56,316</b>	<b>(23,616)</b>	<b>11,618</b>	<b>(11,998)</b>
Fund balances at 1 September 2020		55,640	27,084	82,724	79,256	15,466	94,722
<b>Fund balances at 31 August 2021</b>		<b>57,388</b>	<b>81,652</b>	<b>139,040</b>	<b>55,640</b>	<b>27,084</b>	<b>82,724</b>

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 2021**

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10		3,485		4,979
<b>Current assets</b>					
Debtors	11	50,571		-	
Cash at bank and in hand		119,818		110,197	
		<u>170,389</u>		<u>110,197</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(34,834)</u>		<u>(32,452)</u>	
Net current assets			135,555		77,745
<b>Total assets less current liabilities</b>			<u>139,040</u>		<u>82,724</u>
<b>Income funds</b>					
Restricted funds	13		81,652		27,084
Unrestricted funds			57,388		55,640
			<u>139,040</u>		<u>82,724</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 16 May 2022

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 2021**

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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. 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 2021**

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**1 Accounting policies**

**(Continued)**

**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 the statement of financial activities.

**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 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.

**1.9 Employee benefits**

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

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



**INSTITUTE FOR THE FUTURE OF WORK  
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**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.

**3 Donations and legacies**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	120,000	-	120,000	96,000	-	96,000
Grants	-	220,178	220,178	10,000	122,828	132,828
Other income	6,000	-	6,000	-	-	-
	<u>126,000</u>	<u>220,178</u>	<u>346,178</u>	<u>106,000</u>	<u>122,828</u>	<u>228,828</u>
<b>Donations and gifts</b>						
Founder's Circle						
Members	30,000	-	30,000	10,000	-	10,000
Esmee Fairbairn foundation	-	-	-	10,000	-	10,000
Goldman Sachs Gives	50,000	-	50,000	-	-	-
Deutsche Post Foundation	40,000	-	40,000	40,000	-	40,000
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>120,000</u>	<u>-</u>	<u>120,000</u>	<u>96,000</u>	<u>-</u>	<u>96,000</u>

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**3 Donations and legacies**

**(Continued)**

**Grants receivable for  
core activities**

The Health Foundation	-	-	-	-	8,818	8,818
Trust for London	-	54,167	54,167	-	50,000	50,000
Open Society Foundation	-	37,764	37,764	-	64,010	64,010
Emerging Futures Fund	-	20,324	20,324	10,000	-	10,000
London Community	-	23,950	23,950	-	-	-
Joseph Rowntree	-	38,544	38,544	-	-	-
Nuffield	-	45,429	45,429	-	-	-
	-	220,178	220,178	10,000	122,828	132,828

**4 Other income**

	<b>Unrestricted funds</b>	Unrestricted funds
	<b>2021</b>	2020
	<b>£</b>	£
Furlough income received	4,175	-

**5 Raising funds**

	<b>Unrestricted funds</b>	Restricted funds
	<b>2021</b>	2020
	<b>£</b>	£
Fundraising and publicity		
Other fundraising costs	3,575	15,101
	3,575	15,101

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**6 Charitable activities**

	<b>Cost of Charitable Activities 2021 £</b>	<b>Cost of Charitable Activities 2020 £</b>
Staff costs	181,498	142,317
Depreciation and impairment	1,494	2,134
Rent	10,952	14,158
Rates	300	502
Meeting room hire	435	1,896
Cleaning	-	562
Telephone & Fax	-	733
Stationery & printing	1,437	423
Travel & Subsistence	511	1,130
Subscriptions	4,231	1,386
Bank charges	201	240
General expenses	647	1,534
Other legal & professional	1,440	125
Consultancy	64,589	50,033
Insurance	525	768
Website development and publication costs	17,301	6,224
Entertainment	147	-
Recruitment	3,194	-
	<u>288,902</u>	<u>224,165</u>
Share of governance costs (see note 7)	1,560	1,560
	<u>290,462</u>	<u>225,725</u>
<b>Analysis by fund</b>		
Unrestricted funds	157,662	131,723
Restricted funds	132,800	94,002
	<u>290,462</u>	<u>225,725</u>

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**7 Governance costs**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Independent Examination Fees	1,560	1,560
	<u>1,560</u>	<u>1,560</u>

Governance costs includes payments to the independent examiners of £810 (2020- £810) for independent examination fees.

**8 Trustees**

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

C Pissarides, one of the Trustees, was appointed as a consultant for the charity and received £5,200 in expenses for consultancy services on the Nuffield Project.

**9 Employees**

The average monthly number of employees during the year was:

	<b>2021</b> <b>Number</b>	<b>2020</b> <b>Number</b>
	4	4
	<u>4</u>	<u>4</u>

**Employment costs**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Wages and salaries	164,444	128,792
Social security costs	13,162	10,583
Other pension costs	3,892	2,942
	<u>181,498</u>	<u>142,317</u>

**Remuneration and key management personnel**

The remuneration of key management personnel is as follows:

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

**INSTITUTE FOR THE FUTURE OF WORK  
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**10 Tangible fixed assets**

	Fixtures and fittings	Computers	Total
	£	£	£
<b>Cost</b>			
At 1 September 2020	1,524	6,904	8,428
At 31 August 2021	1,524	6,904	8,428
<b>Depreciation and impairment</b>			
At 1 September 2020	937	4,006	4,943
At 31 August 2021	937	4,006	4,943
<b>Carrying amount</b>			
At 31 August 2021	587	2,898	3,485
At 31 August 2020	838	4,141	4,979

**11 Debtors**

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	3,000	-
Prepayments and accrued income	47,571	-
	50,571	-

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

	2021	2020
	£	£
Other taxation and social security	4,658	21,025
Trade creditors	1,772	-
Other creditors	811	6,867
Accruals and deferred income	27,593	4,560
	34,834	32,452

**INSTITUTE FOR THE FUTURE OF WORK  
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**13 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 1 September 2019	Incoming resources	Resources expended	Transfers	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Balance at 31 August 2021
	£	£	£	£	£	£	£	£	£
Trust for London	15,466	50,000	(24,385)	-	41,081	54,167	(30,444)	-	64,804
Open Society Foundation	-	64,010	(78,007)	-	(13,997)	37,764	(44,852)	21,085	-
The Health Foundation	-	8,818	(6,711)	(2,107)	-	-	-	-	-
Emerging Futures Fund	-	-	-	-	-	20,324	(12,607)	(7,717)	-
London Community Response	-	-	-	-	-	23,950	(8,087)	(15,863)	-
Joseph Rowntree Charitable Trust	-	-	-	-	-	38,544	(15,564)	(6,132)	16,848
Nuffield	-	-	-	-	-	45,429	(21,245)	(24,184)	-
	<u>15,466</u>	<u>122,828</u>	<u>(109,103)</u>	<u>(2,107)</u>	<u>27,084</u>	<u>220,178</u>	<u>(132,799)</u>	<u>(32,811)</u>	<u>81,652</u>

**INSTITUTE FOR THE FUTURE OF WORK  
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**13 Restricted funds**

**(Continued)**

**The Health Foundation**

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

**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.

**Emerging Futures Fund**

This grant is to help IFOW support low income workers and those on insecure contracts that are least optimistic about the future of work post COVID. As they are the least likely to be able to influence and shape it, this project seeks to amplify the voices of workers in Grimsby, at the sharp end of this disruption, to influence, shape national debates on 'levelling up' and 'building back better'.

**London Community Response**

This grant will help IFOW undertake research on the relationships between accelerated adoption of workplace technology under COVID, and its hidden impacts on the dignity of work. It will draw on the lived experience of key workers and will focus on work-related tech rights, suitable for legal remedy. This is in response to the COVID19 emergency.

**Joseph Rowntree Charitable Trusts**

IFOW are seeking funding to develop new, affirmative, legal, corporate duties to ensure the use of Artificial Intelligence, Machine Learning and algorithmic systems used in workplaces help the workers instead of undermining their importance in the future.

**Nuffield**

This grant is to help IFOW with automation technologies and the effect it has on work and welfare through COVID-19.

**INSTITUTE FOR THE FUTURE OF WORK  
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**14 Analysis of net assets between funds**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fund balances at 31 August 2021 are represented by:						
Tangible assets	3,485	-	3,485	4,979	-	4,979
Current assets/ (liabilities)	53,903	81,652	135,555	50,661	27,084	77,745
	<u>57,388</u>	<u>81,652</u>	<u>139,040</u>	<u>55,640</u>	<u>27,084</u>	<u>82,724</u>

**15 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 current year. During the year, £5,200 (2020: £0) was accrued for consultancy services on the Nuffield project.