

INSTITUTE FOR EMPLOYMENT STUDIES

England & Wales · Charity number 258390

Details

Other names	INSTITUTE OF MANPOWER STUDIES LIMITED, I E S
Status	Registered
Legal form	Charitable company
Company number	00931547
Registered	1969-04-02
Register	View on the Charity Commission register

Contact

Address	City Gate 185 Dyke Road Brighton BN3 1TL
Phone	01273763403
Email	accounts@employment-studies.co.uk
Website	www.employment-studies.co.uk

Activities

Objects: 3.1 THE OBJECTS OF THE CHARITY ARE:3.1.1 TO PROMOTE THE INDUSTRY AND COMMERCE OF THE UNITED KINGDOM AND ELSEWHERE IN PARTICULAR (BUT NOT SO AS TO LIMIT THIS OBJECT) BY UNDERTAKING RESEARCH AND PROVIDING ADVICE AND CONSULTANCY DESIGNED TO CONTRIBUTE TO SUSTAINABLE IMPROVEMENTS IN EMPLOYMENT POLICY AND HUMAN RESOURCE MANAGEMENT AND DISSEMINATING RESEARCH FINDINGS, IN ORDER TO INCREASE THE UNDERSTANDING AND IMPROVE THE PRACTICE OF DECISION MAKERS IN PUBLIC POLICY BODIES AND EMPLOYING ORGANISATIONS;3.1.2 TO DEVELOP AND ADVANCE THE STUDY OF EMPLOYMENT POLICY AND HUMAN RESOURCE MANAGEMENT DRAWING ON A WIDE RANGE OF DISCIPLINES IN THE SOCIAL AND ECONOMIC SCIENCES, AND THROUGH THE USE OF QUALITATIVE AND QUANTITATIVE RESEARCH METHODS; AND3.1.3 (SAVE FOR PURPOSES INCIDENTAL AND ANCILLARY TO THOSE OBJECTS), NO OTHER PURPOSES.

Activities: The Institute's mission is to help bring about sustainable improvements in employment policy and HR management for the benefit of all. The Institute works with government departments, agencies, professional and employee bodies, and employers, and disseminates and shares knowledge widely; its expertise is available to all through research, consultancy, publications and the Internet.

Classification

- **How:** Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training, Disability, Economic/community Development/employment
- **Who:** Children/young People, People With Disabilities, People Of A Particular Ethnic Or Racial Origin, The General Public/mankind

Geography

- **Area of benefit:** UNITED KINGDOM
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,085,959	£4,055,585	£1,579,718	57
2024-03-31	£4,004,762	£3,921,539	£1,549,343	52
2023-03-31	£3,382,268	£3,351,176	£1,466,120	49
2022-03-31	£3,192,873	£3,146,791	£1,435,028	48
2021-03-31	£3,052,286	£3,049,646	£1,388,946	42

Trustees

Name	Role	Appointed
Deborah Frost		2024-06-05
Emma Hughes		2024-06-04
Emma Stewart		2020-03-09
Graham Steel		2023-06-21
Kathleen Poole		2017-11-16
LINDA GREGORY		2023-06-07
Natalie McManus-Barnett		2024-06-05
Nusrat Hathiari		2024-06-05
Professor Dame Carol Black		2018-10-25
Stephen Denis Elliott		2023-06-21

Accounts

REGISTERED COMPANY NUMBER: 00931547 (England and Wales)
REGISTERED CHARITY NUMBER: 258390

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
FOR
INSTITUTE FOR EMPLOYMENT STUDIES
(A COMPANY LIMITED BY GUARANTEE)

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

INSTITUTE FOR EMPLOYMENT STUDIES

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FOR THE YEAR ENDED 31 MARCH 2025

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INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning future activities.

The Institute for Employment Studies (IES), established in 1969, is an independent, apolitical, international centre of research and advice in employment, labour market and human resource issues. The Institute's principal objective is to help bring about sustainable improvement in employment policy and human resource management.

The choice of topics and themes on which the Institute works is directly influenced by current and emerging needs of policy-makers and employing organisations. The Institute aims to disseminate the results of its work widely, in line with its charitable objectives.

The work of the Institute benefits the general public, and the wider economy and society, by helping a) to increase understanding and improve decision-making by public bodies on employment (and unemployment) issues, and b) to improve human resource management in employing organisations. The Institute is committed to ensuring that its work is both useful (and used), and accessible to a wide audience.

The Institute's medium-term strategy is reviewed every three to five years. The last review was completed in early 2020, and the key strategic priorities which influenced business planning during 2024-25 were to:

- Maintain IES's position as a leading provider of UK public policy research and evaluation on areas related to employment, education, skills and HR management and practice.
- Grow our impact in our four priority areas, which are covered in more detail later in this report.
- Continue to advocate for evidence-based policy and practice, particularly through our Trials Unit and by working in partnership with 'what works' centres and other stakeholders.
- Continue to improve how we work as a team, building on the priorities identified in our Investors in People plan.
- Focus on improving and joining up our various Learning and Development opportunities within IES.
- Continue to invest in and improve our use of technology.
- Work with the Involvement and Participation Association (IPA) to build on the increased scope and organisational benefits resulting from the recent merger.
- Continue to be financial sustainable, with operating income higher than expenditure and with a forward order book at a value exceeding six months of operating costs.

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

Achievements and Activities

This has been a year of continued stability and growth for IES and we have continued to grow our impact in our priority areas, increase our income from projects in these areas, and improve how we work internally. We are also pleased to be able to report a small financial surplus for our sixth successive year.

Our work this year was guided by four priority areas as follows:

- **Making work better** - Supporting more inclusive and effective people management practices; working with employers and workforces to improve workforce planning and development, careers, leadership, employee retention, employee voice, participation and industrial relations; and advocating for more effective practices to support health and wellbeing at work
- **Employment opportunity for all** - Working to support higher participation in work and improved retention at work; to address labour market inequalities and disadvantage; and to meet the 'costs of working' challenge for those on low incomes
- **Improving education and life chances** - Our focus has been around four pillars of learning support, pastoral support, careers support and financial support, with our work testing and advocating for new approaches to support early years development, supporting young people at key points of transition (particularly the most disadvantaged) and supporting reforms to our approach to adult and continuing education
- **Preparing for the future** - Helping to meet the opportunities and challenges from population ageing, post-Brexit working, technological change, hybrid work and the transition to net zero; and using data and insight to support public policy and practice and HR management

On **making work better**, the key focus has been to demonstrate through our work how improving workplace practices is good for business as well as the workforce. This has run through our programme of events including our annual conference on creating a sustainable workforce as well as project work with policymakers, employer and representative bodies, and employers (on industrial relations, careers, workforce planning and development, leadership and organisational change, employee engagement and workplace health). The IPA's networks have included the Employee Voice Hub, comprising workforce representatives and HR and ER practitioners from across industry sectors, and the Work Insights Group - a cross-sectoral group of senior HR and ER practitioners, academics and policy makers, to enable us to identify key future trends and continue to develop support and services to influence and address these. In wider work, we are helping shape the debate and practices around flexible working (including through a series of workplace trials of new approaches in partnership with Timewise); our programme on young people's future health for the Health Foundation concluded this year with major studies looking at mental health in work and employer practices; and our PURPOSE programme on obesity and work is continuing to shine a light on the need for improvements in workplace policy and practice..

On **Employment opportunity for all**: we have been a leading voice and centre of expertise around raising participation in work and addressing inequalities. Our work has been influential in government decisions to fund and then expand access to employment support for groups outside the labour force, including investment in specialist support for those with health conditions following the findings from our evaluation of the Health Led Employment Trials in the form of IPSPC, which we are also evaluating. Our work evaluating the Plan for Jobs has informed decisions on the rollout and delivery of support in Jobcentre Plus and through contracted provision. This was further enhanced through the publication of the final report of the Commission on the Future of Employment Support, which is informing strategy for a new jobs and careers service. Collaboration with the Youth Futures Foundation, in particular the Youth Employment Toolkit (first and second edition started this year), is supporting better decision-making on the design and delivery of support for young people. We also led research into what works in systems change interventions to inform place-based initiatives supported by Youth Futures Foundation and with broader relevance to the devolution of employment services. Alongside, our work through the ReAct Partnership has continued to support improvement and collaboration in the delivery of the Restart Scheme for the long-term unemployed.

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

Education and life chances: Our portfolio of work in the education and early years space has continued to go from strength to strength, with a particular focus on early years including through the continuation of our work on Tips by Text to improve parental support for child language learning; and publication of studies including on flexible phonics, a new teaching approach; and the Tales Toolkit. In 16-19 education, we evaluated how additional hours funding was implemented in 16-19 education to support learners following the disruption of the Covid-19 pandemic, examining its use, perceived impact, and lessons for future delivery. We continued work to support policy and delivery around financial support for students through the Student Income and Expenditure Survey for England and Wales; and supported the development of the teacher workforce with our evaluation of the Early Careers Framework, which is having significant impact in developing the careers offer for new teachers, our work looking at the broader professional development of teachers through a cohort study. Our work in the careers space supports the life chances of all individuals through focused projects on key groups such as the evaluation of youth transitions initiatives funded by the Careers and Enterprise Company, particular sectors such as construction where we are exploring outreach activities to diversify the talent pool for the Construction Industries Training Board, and regions through our work with West Yorkshire Combined Authority to help them develop their All-age Careers Blueprint.

Preparing for the future: This area has grown in importance during the year, particularly in our efforts to try to influence thinking around employment, education and skills in the new Parliament. As mentioned, our Commission on the Future of Employment Support has been a key means of doing this, alongside the IPA Work Insights Group and our ongoing engagement with decision-makers and media. Our project work has also been increasingly focused on the future of work with multiple studies for key sectors of the economy on future skills needs, long-term workforce planning, and anticipating and responding to future workforce challenges and opportunities.

STRATEGIC REPORT

Financial position

The year ended 31st March 2025 recorded net income over expenditure of £30,374. Total reserves (comprising unrestricted funds and restricted funds) now stand at £1,579,718 (See reserves policy below). By comparison, the previous period ended 31st March 2024 recorded net income over expenditure of £83,224.

Total income for the year ended 31st March 2025 amounted to £4,085,959 compared to £4,004,762 in the previous period.

Total expenditure for the year ended 31st March 2025 amounted to £4,055,585 compared to £3,921,538 in the previous period.

Investment policy and objectives

The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the Institute's resources.

The objective for investment purposes is to achieve a good return whilst minimising risk. This has been achieved by investing cash in high interest deposit accounts. The average return on investments in the year ended 31 March 2025 was 2.7% (2024: 1.8%)

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRATEGIC REPORT

Financial review

Reserves policy

The Institute maintains reserves, which comprise restricted funds and unrestricted funds. Restricted funds relate to grant-funded projects, unrestricted funds are expendable at the discretion of the Board Members and used in the furtherance of the Institute's objectives.

The Board consider the reserves sufficient to provide for the Institute's future requirements. It is the policy of the Institute to generate sufficient reserves to maintain three to six months' operating costs. The reserves as at the end of the year are £1,579,718, comprising unrestricted funds of £1,714,798 and a deficit of restricted funds of £135,080. The board considers that current reserves are adequate to meet current operating needs.

Future plans

Looking ahead, we enter 2025/26 in good shape financially and with a strong and effective team. However, we are clear that the outlook for the UK economy and public policy remains uncertain. The first change of government in 14 years created uncertainty and disruption in our work in the short term, but our Order Book (of work that we have already secured but not yet delivered) remains relatively healthy. Looking further ahead, the current government should now start to create new opportunities over the coming years, given the likely increased focus both on active supply side policies and on improving workplace practice though we acknowledge funding restrictions in the current economic climate; while in the wider economy we are seeing increased interest and appetite in issues around workforce strategy and planning, health and wellbeing at work, equality, diversity and inclusion, and employee voice and engagement - as a result of changes both in the labour market and in the likely direction of public policy. We remain well placed to respond to these opportunities in the years ahead.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Institute for Employment Studies (IES) is a registered Charity and company limited by guarantee governed by its Articles of Association dated October 2013.

The Articles of Association were amended in October 2013 to provide for a single tier of governance, the Board of Trustees. Members, each of whom agree to contribute £10 in the event of the Charity winding up, are the Trustees of the Institute and shall admit to membership in accordance with the provisions of the Articles.

A Trustee shall hold office for a period of three years but is eligible for re-election provided that no Trustee may serve for more than nine consecutive years of office

Recruitment and appointment of new trustees

As set out in the Articles of Association, the Board of Trustees may from time to time and at any time appoint any person as a Trustee either to fill a casual vacancy or by way of addition to the Board.

On appointment each Trustee is provided with the Memorandum and Articles, and a copy of Charity Commission publication The Essential Trustee. New Trustees meet with the Chair and Director and are invited to the Institute's offices.

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation

The Board of Trustees manages the business of the Institute and may exercise all such powers of the Institute as are not, by the Act or by the Articles, required to be exercised by the members, subject nevertheless to the provisions of the Act or the Articles.

The Board, which can have between six and 15 members, meets four times a year. A Director is appointed by the Trustees to manage the day-to-day operations of the Charity. To facilitate operations the Director has delegated authority for operational matters.

The Board advises the Chief Executive Officer and management team, and approves the annual business plan, budget and key items of strategy. The detailed roles of the Members, Trustees, the Board and the Chief Executive Officer are set out in the Articles of Association. Written records are kept of all decisions made at Board and management meetings.

The Board of Trustees met four times during the year and supported the Institute's management team in developing its annual business plan and strategic priorities, as well as advising on ongoing operational issues.

Board members

The members of the Board are as listed under the Reference and Administrative details. All served on the Board throughout the period, apart from Deborah Frost and Emma Hughes and Natalie McManus-Barnett who joined on 5th June 2024 and Nusrat Hathiari who joined on 5th June 2024 and Randeep Kular who retired on 6th June 2024.

For the purposes of Company Law, all the Members of the Board are deemed to be Directors of the Company.

Key management remuneration

The Board is responsible for setting the pay and remuneration of the Institute's key management personnel, the level of which is reviewed annually. In coming to its decisions, the Board may seek advice from external independent experts and will arrive at its decisions after taking into account the aims and values of the Institute, the strategic plan and the ability to pay, individual competencies and performance, remuneration levels at similar charities, and retention. These factors are not exclusive and any decision will inevitably include an element of discretion by the Board.

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Members of the Board have identified the major risks to which the Institute is exposed and which might impact on the Institute's ability to achieve its objectives. These include:

- Managing the ongoing transition to the new government and continued changes in the economy and labour market
- Attracting and retaining key staff
- The need for effective systems for business continuity planning and data security
- Adapting to and taking full advantage of advances in technology and its impacts on how we work

These risks are monitored on an ongoing basis by the management team and reviewed by the Board at its regular meetings.

The Board has established policies, procedures and systems to mitigate those risks. These internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Institute has established an on-going process for identifying, evaluating and managing the Institute's key risks. In particular there are clear procedures for:

- financial reporting, within a comprehensive financial planning and accounting framework; and
- monitoring of business risks, with key risks identified and reported to the Members of the Board.

Financial risk management

The charitable company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the charitable company's operations. The main risks arising from the charitable company's financial instruments are interest rate risk and liquidity risk. The Trustees review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The charitable company finances its operations through a mixture of retained reserves and retained cash surpluses. The charitable company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The charitable company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. The charitable company's policy throughout the year has been to ensure continuity of funding through retained cash surpluses.

Currency risk

The charitable company is exposed to minimal transaction and translation foreign exchange risk. The charitable company's exposure to these risks is managed through the use of bank accounts in the same currency. Members of the Board monitor on a regular basis the risks and the effectiveness of the system of internal control operated by the Institute.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00931547 (England and Wales)

Registered Charity number

258390

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

Registered office

3rd Floor
City Gate
185 Dyke Road
Brighton
East Sussex
BN3 1TL

Trustees

Ms R K Kular (resigned 6/6/2024)
J R Greatrex (resigned 3/12/2025)
Ms K Poole
Ms S Cook (resigned 5/6/2025)
Dame C Black
Ms E Stewart
Ms L C Gregory
G Steel
S Elliott
Ms D K Frost (appointed 5/6/2024)
N Hathiari (appointed 4/6/2024)
Ms E L Hughes (appointed 4/6/2024)
Ms N Mcmanus-Barnett (appointed 4/6/2024)

Company Secretary

Ms S L Anderson (resigned 27/6/2025)
Mr A F Lloyd (appointed 27/6/2025)

Senior Statutory Auditor

Mark Partridge FCA

Auditors

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Bankers

Barclays Bank PLC
The Old Bank
High Street
Lewes
BN7 2JP

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2025

REFERENCE AND ADMINISTRATIVE DETAILS

Institute director

Anthony Wilson

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute for Employment Studies for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

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

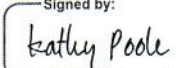
In so far as the trustees are aware:

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

AUDITORS

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on^{11 December 2025} and signed on the board's behalf by:

Signed by:

.....
C3D6037811BF43D
Ms K Poole - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Opinion

We have audited the financial statements of Institute for Employment Studies (the 'charitable company') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and its activities, and through discussion with the trustees and management, we identified the principal risks of material misstatement both at the financial statement level and at the assertion level.

We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR EMPLOYMENT STUDIES**

- We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies and procedures relating to:
 - o Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - o The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that were unusual or those outside the normal course of business.

We also

- discussed and reviewed the charity's business model and forward planning to assess going concern
- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculated items such as depreciation

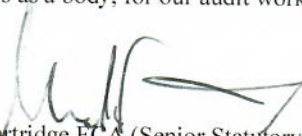
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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


Mark Partridge FCA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Date: 12th December 2025

INSTITUTE FOR EMPLOYMENT STUDIES

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2025

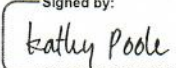
	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Charitable activities	3				
Projects		3,190,994	792,568	3,983,562	3,861,755
Corporate membership		63,824	-	63,824	93,701
Publications		536	-	536	424
Investment income	2	35,572	-	35,572	27,737
Other income		<u>2,465</u>	<u>-</u>	<u>2,465</u>	<u>21,145</u>
Total		<u>3,293,391</u>	<u>792,568</u>	<u>4,085,959</u>	<u>4,004,762</u>
EXPENDITURE ON					
Charitable activities	4				
Projects		2,483,956	863,164	3,347,120	3,219,782
Management & Administration		<u>708,465</u>	<u>-</u>	<u>708,465</u>	<u>701,756</u>
Total		<u>3,192,421</u>	<u>863,166</u>	<u>4,055,585</u>	<u>3,921,538</u>
NET INCOME/(EXPENDITURE)		100,970	(70,596)	30,374	83,224
Transfers between funds	15	<u>(46,480)</u>	<u>46,480</u>	<u>-</u>	<u>-</u>
Net movement in funds		54,490	(24,116)	30,374	83,224
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>1,660,308</u>	<u>(110,964)</u>	<u>1,549,344</u>	<u>1,466,120</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>1,714,798</u></u>	<u><u>(135,080)</u></u>	<u><u>1,579,718</u></u>	<u><u>1,549,344</u></u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)**BALANCE SHEET****31 MARCH 2025**

				2025	2024 As restated
	Notes	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
FIXED ASSETS					
Tangible assets	10	16,993	-	16,993	22,090
CURRENT ASSETS					
Debtors	11	1,246,471	-	1,246,471	1,358,535
Cash at bank and in hand		<u>1,112,680</u>	-	<u>1,112,680</u>	<u>1,512,631</u>
		2,359,151	-	2,359,151	2,871,166
CREDITORS					
Amounts falling due within one year	12	(661,346)	(135,080)	(796,426)	(1,332,300)
NET CURRENT ASSETS/(LIABILITIES)		<u>1,697,805</u>	<u>(135,080)</u>	<u>1,562,725</u>	<u>1,538,866</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,714,798	(135,080)	1,579,718	1,560,956
PROVISIONS FOR LIABILITIES	14	-	-	-	(11,612)
NET ASSETS		<u>1,714,798</u>	<u>(135,080)</u>	<u>1,579,718</u>	<u>1,549,344</u>
FUNDS	15				
Unrestricted funds:					
General fund				1,714,798	1,660,308
Restricted funds				<u>(135,080)</u>	<u>(110,964)</u>
TOTAL FUNDS				<u>1,579,718</u>	<u>1,549,344</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 11 December 2025
and were signed on its behalf by:

Signed by:

C3D6037841BF43D.....
 K Poole - Trustee

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(430,488)</u>	<u>(272,682)</u>
Net cash used in operating activities		<u>(430,488)</u>	<u>(272,682)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,035)	(21,313)
Interest received		<u>35,572</u>	<u>27,737</u>
Net cash provided by investing activities		<u>30,537</u>	<u>6,424</u>
Change in cash and cash equivalents in the reporting period		<u>(399,951)</u>	<u>(266,258)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,512,631</u>	<u>1,778,889</u>
Cash and cash equivalents at the end of the reporting period		<u>1,112,680</u>	<u>1,512,631</u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2025 £	2024 £
Net income for the reporting period (as per the Statement of Financial Activities)	30,374	83,224
Adjustments for:		
Depreciation charges	10,132	10,900
Interest received	(35,572)	(27,737)
Movement in provision for liabilities	(11,612)	1,612
Decrease/(increase) in debtors	112,064	(290,857)
Decrease in creditors	(535,874)	(49,824)
Net cash used in operations	(430,488)	(272,682)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/24 £	Cash flow £	At 31/3/25 £
Net cash			
Cash at bank and in hand	<u>1,512,631</u>	<u>(399,951)</u>	<u>1,112,680</u>
	<u>1,512,631</u>	<u>(399,951)</u>	<u>1,112,680</u>
Total	<u>1,512,631</u>	<u>(399,951)</u>	<u>1,112,680</u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2025**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity meets the definition of a public benefit entity as defined by FRS102

The financial statements are prepared in sterling, which is the functional currency of the entity and are rounded to the nearest pound.

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, and on that basis the charity is considered to be a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Project income, which represents amounts receivable by the company in the ordinary course of operations for services provided, is accounted for in the year to which it relates. Any income that relates to work to be carried out in future periods is therefore deferred. Contract losses are fully recognised in the period in which they are foreseen.

For transactions where the Institute is deemed to act as an agent, both the income and expenditure have been excluded from the Institute's results, other than where they relate to the Institute's role as an agent.

Corporate membership

Contributions are received by the company to be used on a programme of work agreed with participants.

This income is accounted for in the period to which it relates in the same way as other income received in the ordinary course of operations for services provided.

Conferences and events

Surpluses or deficits on conferences and events are accounted for in the year in which they are held.

Expenditure

Expenditure, which is charged on the accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the Charity's objectives including that incurred in providing and maintaining premises and equipment required to carry out the Charity's work;
- expenditure incurred in the management and administration of the Charity; and
- governance costs.

Direct charitable expenditure on research and commissioned studies comprises expenditure attributable directly to those activities.

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

Expenditure

Depreciation and rent payable have been apportioned based on the area of the rooms used for the Institute's activities and staff costs are allocated according to the employees' work. All other costs are apportioned on a consistent basis appropriate to the Institute's circumstances.

Tangible fixed assets

Recognition and measurement

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Assets with a cost in excess of £500 intended to be of ongoing use are capitalised as fixed assets.

Depreciation is calculated to write down the cost of furniture, fittings and equipment by equal annual instalments over their expected useful lives. These are 3 years for computer hardware, software and office equipment; 5 years for office furniture and the telephone system; and 10 years for office fit-out costs, or over the period of the lease where this is shorter.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds are incoming resources received for expenditure on the general objectives of the Charity.

Restricted funds relate to grant-funded projects which may only to be used for the purpose of the grants.

Transfers between restricted funds and unrestricted funds represent the final deficit (or residual surplus) on grant funded agreements completed and closed in the financial year as is permitted in the grant agreement.

Foreign currencies

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

Operating lease payments

Total payments under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Contributions to pension funds

The company participates in two types of pension scheme:

The IES Stakeholder Retirement Benefits Scheme

This is a defined contributions scheme and contributions are charged to the statement of financial activities in the year in which they fall due.

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

1. ACCOUNTING POLICIES - continued

The Universities Superannuation Scheme

This is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The Fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the Trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary based on the latest actuarial valuation of the scheme and are accounted for on the basis of charging the cost of providing pensions over the year during which the company benefits from the employees' services.

The Institute is unable to identify its share of the underlying assets and liabilities of the Universities Superannuation Scheme. Consequently, the disclosures relating to this scheme follow the guidance set out in the transitional provisions allowed under FRS17 Retirement Benefits, for multi-employer schemes. The Institute has accounted for the contributions as if they were defined contribution schemes. Further details are provided in note 17.

2. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
Deposit account interest	<u>35,572</u>	<u>-</u>	<u>35,572</u>	<u>27,737</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025 £	2024 £
Projects	Projects	3,983,562	3,861,755
Corporate membership	Corporate membership	63,824	93,701
Publications	Publications	<u>536</u>	<u>424</u>
		<u>4,047,922</u>	<u>3,955,880</u>

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Projects	3,347,120	-	3,347,120
Management & Administration	-	708,465	708,465
	<u>3,347,120</u>	<u>708,465</u>	<u>4,055,585</u>

5. SUPPORT COSTS

	Management £
Management & Administration	<u>708,465</u>

6. NET INCOME/(EXPENDITURE)

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

	2025 £	2024 £
Depreciation - owned assets	10,132	10,900
Auditors' remuneration - Audit services	7,000	6,500
Auditors' remuneration - non audit services	<u>4,800</u>	<u>5,200</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

During the year one trustee, Emma Stewart, was paid £1,000 for subcontract work for professional services (2024: £3,000).

Trustees' expenses

During the year one trustee was reimbursed £131 for travel expenses (2024: No trustees were reimbursed for expenditure).

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2025

8. STAFF COSTS

	2025	2024
	£	£
Wages and Salaries	2,278,008	2,098,984
Social Security costs	234,951	186,626
Pension costs	<u>457,002</u>	<u>360,714</u>
	<u>2,969,962</u>	<u>2,646,324</u>

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

	2025	2024
Total	<u>57</u>	<u>52</u>

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

	2025	2024
£60,001 - £70,000	-	1
£70,001 - £80,000	1	3
£80,001 - £90,000	2	-
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u>4</u>	<u>5</u>

Pension contributions of £54,821 (2024: £61,636) were made by the company during the year on behalf of higher paid employees.

During the year 4 (2024: 4) higher paid staff were accruing benefits under the defined benefits scheme, and no employees (2024: none) were accruing benefits under the company's defined contribution schemes.

Key Management Personnel, who are considered to be the trustees and the leadership team, received remuneration (including employers national insurance and pension contributions) amounting to £489,277 (2024: £498,164).

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – AS RESTATED

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Projects	2,954,832	906,923	3,861,755
Corporate membership	93,701	-	93,701
Publications	424	-	424
Investment income	27,735	2	27,737
Other income	21,145	-	21,145
Total	3,097,837	906,925	4,004,762
EXPENDITURE ON			
Charitable activities			
Projects	2,204,391	1,015,391	3,219,782
Management & Administration	701,756	-	701,756
Total	2,906,147	1,015,391	3,921,538
NET INCOME/(EXPENDITURE)	191,690	(108,466)	83,224
Transfers between funds	11,544	(11,544)	-
Net movement in funds	203,234	(120,010)	83,224
RECONCILIATION OF FUNDS			
Total funds brought forward	1,457,074	9,046	1,466,120
TOTAL FUNDS CARRIED FORWARD	1,660,308	(110,964)	1,549,344

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2024	176,066
Additions	<u>5,035</u>
At 31 March 2025	<u>181,101</u>
DEPRECIATION	
At 1 April 2024	153,976
Charge for year	<u>10,132</u>
At 31 March 2025	<u>164,108</u>
NET BOOK VALUE	
At 31 March 2025	<u>16,993</u>
At 31 March 2024	<u>22,090</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade debtors	666,125	627,627
Prepayments and accrued income	<u>580,346</u>	<u>730,908</u>
	<u>1,246,471</u>	<u>1,358,535</u>

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	79,585	174,444
VAT	84,084	89,619
Other creditors	6,484	3,979
Payments received in advance	447,256	893,738
Accruals and deferred income	90,703	117,162
Accrued expenses	88,314	53,358
	<u>796,426</u>	<u>1,332,300</u>

13. LEASING AGREEMENTS

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

	2025	2024
	£	£
Within one year	72,717	57,246
Between one and five years	<u>244,009</u>	<u>316,726</u>
	<u>316,726</u>	<u>373,972</u>

14. PROVISIONS FOR LIABILITIES

	2025	2024
	£	£
Provisions	<u>-</u>	<u>11,612</u>

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2025**

15. MOVEMENT IN FUNDS

	At 1/4/24 £	Net movement in funds £	Transfers between funds £	At 31/3/25 £
Unrestricted funds				
General fund	1,660,308	100,970	(46,480)	1,714,798
Restricted funds				
Education Endowment fund	(64,044)	(28,160)	41,606	(50,598)
The Peeples Centre	(4,179)	-	4,179	-
abrdn Financial Fairness Trust	(10,489)	10,490	-	1
Youth Future Foundation Ltd	(17,577)	(34,447)	7,280	(44,744)
Campbell Collaboration	4,419	-	(4,419)	-
The Sutton Trust	658	-	(658)	-
National Institute of Economic & Social Research	(15,952)	(13,498)	(4,082)	(33,532)
Gatsby Foundation	(1,100)	(927)	-	(2,027)
National Institute for Health Research	(2,574)	-	2,574	-
Joseph Rowntree Foundation	-	(3,750)	-	(3,750)
Learning & Work Institute	(126)	(304)	-	(430)
	<u>(110,964)</u>	<u>(70,596)</u>	<u>46,480</u>	<u>(135,080)</u>
TOTAL FUNDS	<u>1,549,344</u>	<u>30,374</u>	<u>-</u>	<u>1,579,718</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,293,391	(3,192,421)	100,970
Restricted funds			
Education Endowment fund	80,922	(109,082)	(28,160)
abrdn Financial Fairness Trust	58,354	(47,864)	10,490
Youth Future Foundation Ltd	334,116	(368,563)	(34,447)
National Institute of Economic & Social Research	80,463	(93,961)	(13,498)
Gatsby Foundation	2,968	(3,895)	(927)
Joseph Rowntree Foundation	51,205	(54,955)	(3,750)
Learning & Work Institute	<u>184,540</u>	<u>(184,844)</u>	<u>(304)</u>
	<u>792,568</u>	<u>(863,162)</u>	<u>(70,596)</u>
TOTAL FUNDS	<u>4,085,959</u>	<u>(4,055,583)</u>	<u>30,374</u>

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds – As Restated

	At 1/4/23 £	Net movement in funds £	Transfers between funds £	At 31/3/24 £
Unrestricted funds				
General fund	1,457,074	191,690	11,544	1,660,308
Restricted funds				
Education Endowment fund	(1,769)	(62,275)	-	(64,044)
Health Foundation	3,426	-	(3,426)	-
Centre for Literacy in Primary Education	666	-	(666)	-
The Peeples Centre	(2,679)	(1,500)	-	(4,179)
abrdn Financial Fairness Trust	635	(11,124)	-	(10,489)
Youth Future Foundation Ltd	2,027	(18,182)	(1,422)	(17,577)
WWCSC	6,028	-	(6,028)	-
Campbell Collaboration	118	4,301	-	4,419
The Sutton Trust	487	173	(2)	658
National Institute of Economic & Social Research	107	(16,059)	-	(15,952)
Gatsby Foundation	-	(1,100)	-	(1,100)
National Institute for Health Research	-	(2,574)	-	(2,574)
Learning & Work Institute	-	(126)	-	(126)
	<u>9,046</u>	<u>(108,466)</u>	<u>(11,544)</u>	<u>(110,964)</u>
TOTAL FUNDS	<u>1,466,120</u>	<u>83,224</u>	<u>-</u>	<u>1,549,344</u>

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2025**

15. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,097,838	(2,906,148)	191,690
Restricted funds			
Education Endowment fund	406,896	(469,171)	(62,275)
The Peeple Centre	34,357	(35,857)	(1,500)
abrdn Financial Fairness Trust	57,652	(68,776)	(11,124)
Youth Future Foundation Ltd	257,834	(276,016)	(18,182)
Campbell Collaboration	74,477	(70,176)	4,301
The Sutton Trust	30,864	(30,691)	173
National Institute of Economic & Social Research	4,763	(20,822)	(16,059)
Gatsby Foundation	21,456	(22,556)	(1,100)
National Institute for Health Research	16,151	(18,725)	(2,574)
Learning & Work Institute	2,474	(2,600)	(126)
	<u>906,924</u>	<u>(1,015,390)</u>	<u>(108,466)</u>
TOTAL FUNDS	<u>4,004,762</u>	<u>(3,921,538)</u>	<u>83,224</u>

Grant Funder Name	Grant Description
Education Endowment Foundation	The 'Tales Toolkit', a package of training and resources supporting early language and social development through child-led oral storytelling activities.
Education Endowment Foundation	The Early Talk Boost efficacy trial
abrdn Financial Fairness Trust	An independent commission on the future of employment support.
Youth Futures Foundation Ltd	Pilot and feasibility study for 'Step Up'.
Youth Futures Foundation Ltd	Synthesis of evaluations of 'systems change' interventions
Youth Futures Foundation Ltd	Pilot study of Cumbria Youth Alliance's 'Forging Futures' programme.
Youth Futures Foundation Ltd	Feasibility study (research and intervention development) for a Randomised Controlled Trial (RCT) of self-employment support for young people.
Youth Futures Foundation Ltd	Evidence syntheses as part of the development of a 'second edition' of the Youth Employment Toolkit.
Youth Futures Foundation Ltd	Map the policy journeys, statutory support contacts and associated administrative data collection points for specific groups of marginalised young people (14-30) as they transition from education and training to (hopefully) good quality jobs.
The National Institute of Economic and Social Research	Effectiveness trial of 'Tips by text', a 9-month program where parents of young children receive three text messages per week with advice and activities to support their child's early development in areas like literacy, language, numeracy, and social-emotional skills.
The Gatsby Foundation	Evaluation of Adult skills bootcamps.
Joseph Rowntree Foundation	Review the effectiveness of 'work first' employment support.
National Learning and Work Institute	Conduct an implementation and process evaluation of the Jobs Plus Pilot programme.
The Peeple Centre	An evaluation of the Making it REAL Lewisham Programme (2021-2024).
What Works for Children's Social Care	Catch Up ® Literacy Evaluation.
The Campbell Collaboration	Conduct systematic reviews of the "summer programmes"
The Sutton Trust	Coaching Early Conversations Interaction and Language (CECIL) process evaluation.
National Institute for Health and Care Research	Qualitative research with young people and employers to develop an intervention pathway for employers to support healthy lifestyles in the workplace.

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2025

16. RELATED PARTY DISCLOSURES

During the year sales invoices of £103,342 (2024: £63,788) were raised to organisations with directors in common with the Charity. Transactions are carried out at arms length and at market rate.

17. LIABILITY OF MEMBERS

During the year 12 members (2024: 9) have each undertaken to contribute an amount not exceeding £10 in the event of the company being wound up.

18. PENSION SCHEMES

The Institute participated in two types of pension schemes during the year.

The first scheme type is a stakeholder defined contribution direct benefit schemes. The total pension cost to the company for this scheme for the year ended 31 March 2025 was £10,805 (2024: £9,333).

The second scheme provides benefits based on a Career Average Salary. The contribution rates from January 2024 are 14.5% of pensionable salaries for the employer and 6.5% for the employee. The total pension cost for the company for this Career Average scheme for the year ended 31 March 2025 was £445,865 (2024 £349,386). The Institute has 57 (2024:47) employees in Universities Superannuation Schemes (USS).

Historically there was also a final pensionable salary scheme but this was closed entirely on 31st March 2016. The members have transferred to the Career Average scheme above.

The Institute participates in the Universities Superannuation Schemes (final salary and career average), both are defined benefit schemes which are contracted out of the State Second Pension (S2P). The assets of the schemes are held in a separate Trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the schemes and hence contributions to the schemes are accounted for as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

The latest triennial valuation took place as at 31 March 2023, calculating that a scheme surplus of £7.4 billion. This represents an improvement of £21.5 billion over the three years since the previous valuation.

The Occupational Pensions Schemes (Employer Debt) Regulations 2005 and the Occupational Pensions Schemes (Employer Debt etc) (Amendment) Regulations 2005 (the "Employer Debt Regs") creates a debt (known as a "Section 75 debt") upon an "employment-cessation event (when an employer ceases to employ at least one person who is an active member of a pension scheme and at least one other employer continues to employ active members). A section 75 debt is based on the cost of securing members' benefits by purchasing an annuity policy from an insurance company and may be significant

Accounts

REGISTERED COMPANY NUMBER: 00931547 (England and Wales)
REGISTERED CHARITY NUMBER: 258390

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
FOR
INSTITUTE FOR EMPLOYMENT STUDIES
(A COMPANY LIMITED BY GUARANTEE)

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

INSTITUTE FOR EMPLOYMENT STUDIES

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FOR THE YEAR ENDED 31 MARCH 2024

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INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning future activities.

The Institute for Employment Studies, established in 1969, is an independent, apolitical, international centre of research and advice in employment, labour market and human resource issues. The Institute's principal objective is to help bring about sustainable improvement in employment policy and human resource management.

The choice of topics and themes on which the Institute works is directly influenced by current and emerging needs of policy-makers and employing organisations. The Institute aims to disseminate the results of its work widely, in line with its charitable objectives.

The work of the Institute benefits the general public, and the wider economy and society, by helping a) to increase understanding and improve decision-making by public bodies on employment (and unemployment) issues, and b) to improve human resource management in employing organisations. The Institute is committed to ensuring that its work is both useful (and used), and accessible to a wide audience.

The Institute's medium-term strategy is reviewed every three to five years. The last review was completed in early 2020, and the key strategic priorities which influenced business planning during 2023-24 were to:

- Maintain IES's position as a leading provider of UK public policy research and evaluation on areas related to employment, education, skills and HR management and practice.
- Grow our impact in our four priority areas, which are covered in more detail later in this report.
- Continue to advocate for evidence-based policy and practice, particularly through our Trials Unit and by working in partnership with 'what works' centres and other stakeholders.
- Continue to improve how we work as a team, building on the priorities identified in our Investors in People plan.
- Focus on improving and joining up our various Learning and Development opportunities within IES.
- Continue to invest in and improve our use of technology.
- Work with the Involvement and Participation Association (IPA) to build on the increased scope and organisational benefits resulting from the recent merger.
- Continue to be financial sustainable, with operating income higher than expenditure and with a forward order book at a value exceeding six months of operating costs.

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)**REPORT OF THE TRUSTEES**
FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES**Achievements and Activities**

This has been a year of continued stability and growth for IES. In particular this year we have welcomed to the team colleagues from the Involvement and Participation Association (IPA), whilst also continuing to grow our impact in our priority areas, increase our income from projects in these areas, and improve how we work internally. We are also pleased to be able to report a small financial surplus for our fifth successive year.

Our work this year was guided by four priority areas as follows:

- **Making Work Better** - Supporting more inclusive and effective workplace practices; working with employers and workforces to improve workplace voice, participation and industrial relations; and advocating for more effective practices to support health and wellbeing at work
- **Employment opportunity for all** - Working to support higher participation in work and improved retention at work; to address labour market inequalities and disadvantage; and to meet the 'costs of working' challenge for those on low incomes
- **Improving education and life chances** - Our focus has been around four pillars of learning support, pastoral support, careers support and financial support, with our work testing and advocating for new approaches to support early years development, supporting young people at key points of transition (particularly the most disadvantaged) and supporting reforms to our approach to adult and continuing education
- **Preparing for the future** - Helping to meet the opportunities and challenges from population ageing, post-Brexit working, technological change, hybrid work and the transition to net zero; and using data and insight to support public policy and practice and HR management

On **making work better**, the key focus has been to demonstrate through our work how improving workplace practices is good for business as well as the workforce. This has run through our programme of events including our annual conference on creating a sustainable workforce as well as project work with multiple employer and other private sector clients (on industrial relations, employee engagement and workplace health). The IPA's networks have included the Employee Voice Hub, comprising workforce representatives and HR and ER practitioners from across industry sectors, and the Work Insights Group - a cross-sectoral group of senior HR and ER practitioners, academics and policy makers, to enable us to identify key future trends and continue to develop support and services to influence and address these. In wider work, we are helping shape the debate and practices around flexible working (including through a series of workplace trials of new approaches in partnership with Timewise); our programme on young people's future health for the Health Foundation concluded this year with major studies looking at mental health in work and employer practices; and our PURPOSE programme on obesity and work is continuing to shine a light on the need for improvements in workplace policy and practice..

On **Employment opportunity for all**;, we have been a leading voice and centre of expertise around raising participation in work and addressing inequalities. Our work has been influential in government decisions to fund and then expand access to employment support for groups outside the labour force, including investment in specialist support for those with health conditions following the findings from our evaluation of the Health Led Employment Trials. Our work evaluating the Plan for Jobs has informed decisions on the rollout and delivery of support in Jobcentre Plus and through contracted provision. Collaboration with the Youth Futures Foundation, in particular the Youth Employment Toolkit, is supporting better decision-making on the design and delivery of support for young people, while our work through the ReAct Partnership has continued to support improvement and collaboration in the delivery of the Restart Scheme for the long-term unemployed. This year we have also provided research support to Youth Employment UK in the development of their Good Youth Employment Benchmark (launching May 2024). This Benchmark will measure and monitor youth employment practice with a view to achieving good quality work for young people. Meanwhile, our ongoing Commission on the Future of Employment Support has helped shape the debate on reform in the new Parliament and is influencing policy development within the main political parties.

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)**REPORT OF THE TRUSTEES**
FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

Education and life chances: Our portfolio of work in the education and early years space has continued to go from strength to strength, with a particular focus on early years including through the continuation of our work on Tips by Text to improve parental support for child language learning; on flexible phonics, a new teaching approach; the Tales Toolkit, Catch-up literacy, and Closing the vocabulary gap. We have continued work to support policy and delivery around financial support for students through the Student Income and Expenditure Survey for England and Wales; and have supported the development of the teacher workforce with our evaluation of the Early Careers Framework, which is having significant impact in developing the careers offer for new teachers, our work looking at the broader professional development of teachers through a cohort study, and our current evaluation of support for teachers offered by the key charity Education Support. Our work in the careers space supports the life chances of all individuals through focused projects on key groups such as the evaluation of youth transitions initiatives funded by the Careers and Enterprise Company, particular sectors such as construction where we are exploring outreach activities to diversify the talent pool for the Construction Industries Training Board, and regions through our work with West Yorkshire Combined Authority to help them develop their All-age Careers Blueprint.

Preparing for the future: This area has grown in importance during the year, particularly in our efforts to try to influence thinking around employment, education and skills in the new Parliament. As mentioned, our Commission on the Future of Employment Support has been a key means of doing this, alongside the IPA Work Insights Group and our ongoing engagement with decision-makers and media. We are in the process of organising a wider engagement effort with key stakeholders on HR management and practice to try to develop a shared agenda for how we can reform workplace practice in the new Parliament to support better work. Finally, our project work has also been increasingly focused on the future of work as government and employers face up to a changing labour force and economy - this has included important projects supporting the development Local Skills Improvement Plans in England, and working with employers in Defence and local government on future workforce challenges and opportunities

STRATEGIC REPORT**Financial position**

The year ended 31st March 2024 recorded net income over expenditure of £83,223. Total reserves now stand at £1,549,343 (See reserves policy below). By comparison, the previous period ended 31st March 2023 recorded net income over expenditure of £31,092

Total income for the year ended 31st March 2024 amounted to £4,004,762 compared to £3,382,268 in the previous period.

Total expenditure for the year ended 31st March 2024 amounted to £3,921,539 compared to £3,351,176 in the previous period.

Investment policy and objectives

The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the Institute's resources.

The objective for investment purposes is to achieve a good return whilst minimising risk. This has been achieved by investing cash in high interest deposit accounts. The average return on investments in the year ended 31 March 2024 was 1.8% (2023: 0%)

Reserves policy

The Institute maintains reserves, all of which are unrestricted funds (i.e. are expendable at the discretion of the Board Members and used in the furtherance of the Institute's objectives).

The Board consider the reserves sufficient to provide for the Institute's future requirements. It is the policy of the Institute to generate sufficient reserves to maintain six months' operating costs (£1.52m for 23/24). The reserves as at the end of the year have fallen below this six month threshold for budgeted expenditure for the year ended 31 March 2025, but this is a direct result of the significant increase in turnover as a result of IES's growth over the last year (particularly following the merger with the IPA). The board considers that current reserves are adequate to meet current operating needs, particularly given our current Order Book and prospects.

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRATEGIC REPORT

Future plans

Looking ahead, we enter 2024/25 in good shape financially and with a strong and effective team. However, we are clear that the outlook for the UK economy and public policy remains uncertain. The first change of government in 14 years will create uncertainty and disruption in our work in the short term, but our Order Book (of work that we have already secured but not yet delivered) remains very strong and is in effect full for the remainder of the 2024/25 financial year. Looking further ahead, a new government should create new opportunities over the coming years, given the likely increased focus both on active supply side policies and on improving workplace practice; while in the wider economy we are seeing increased interest and appetite in issues around workforce strategy and planning, health and wellbeing at work, equality, diversity and inclusion, and employee voice and engagement - as a result of changes both in the labour market and in the likely direction of public policy. We remain well placed to respond to these opportunities in the years ahead.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Institute for Employment Studies (IES) is a registered Charity and company limited by guarantee governed by its Articles of Association dated October 2013.

The Articles of Association were amended in October 2013 to provide for a single tier of governance, the Board of Trustees. Members, each of whom agree to contribute £10 in the event of the Charity winding up, are the Trustees of the Institute and shall admit to membership in accordance with the provisions of the Articles.

A Trustee shall hold office for a period of three years but is eligible for re-election provided that no Trustee may serve for more than nine consecutive years of office.

Recruitment and appointment of new trustees

As set out in the Articles of Association, the Board of Trustees may from time to time and at any time appoint any person as a Trustee either to fill a casual vacancy or by way of addition to the Board.

On appointment each Trustee is provided with the Memorandum and Articles, and a copy of Charity Commission publication The Essential Trustee. New Trustees meet with the Chair and Director and are invited to the Institute's offices.

Organisation

The Board of Trustees manages the business of the Institute and may exercise all such powers of the Institute as are not, by the Act or by the Articles, required to be exercised by the members, subject nevertheless to the provisions of the Act or the Articles.

The Board, which can have between six and 15 members, meets four times a year. A Director is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate operations the Director has delegated authority for operational matters.

The Board advises the Institute Director and management team, and approves the annual business plan, budget and key items of strategy. The detailed roles of the Members, Trustees, the Board and the Institute Director are set out in the Articles of Association. Written records are kept of all decisions made at Board and management meetings.

The Board of Trustees met four times during the year and supported the Institute's management team in developing its annual business plan and strategic priorities, as well as advising on ongoing operational issues.

Board members

The members of the Board are as listed under the Reference and Administrative details. All served on the Board throughout the period, apart from Ms L C Gregory, G Steel and S Elliott who were not appointed until June 2023 and G. Podger and D Guest who retired in December 2023.

For the purposes of Company Law, all the Members of the Board are deemed to be Directors of the Company.

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The Board is responsible for setting the pay and remuneration of the Institute's key management personnel, the level of which is reviewed annually. In coming to its decisions the Board may seek advice from external independent experts and will arrive at its decisions after taking into account the aims and values of the Institute, the strategic plan and the ability to pay, individual competencies and performance, remuneration levels at similar charities, and retention. These factors are not exclusive and any decision will inevitably include an element of discretion by the Board.

Risk management

The Members of the Board have identified the major risks to which the Institute is exposed and which might impact on the Institute's ability to achieve its objectives. These include:

- Managing the transition to a new government and continued changes in the economy and labour market
- Attracting and retaining key staff
- The need for effective systems for business continuity planning and data security
- Adapting to and taking full advantage of advances in technology and its impacts on how we work

These risks are monitored on an ongoing basis by the management team and reviewed by the Board at its regular meetings.

The Board has established policies, procedures and systems to mitigate those risks. These internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Institute has established an on-going process for identifying, evaluating and managing the Institute's key risks. In particular there are clear procedures for:

- financial reporting, within a comprehensive financial planning and accounting framework; and
- monitoring of business risks, with key risks identified and reported to the Members of the Board.

Financial risk management

The charitable company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the charitable company's operations. The main risks arising from the charitable company's financial instruments are interest rate risk, liquidity risk and currency risk. The Trustees review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The charitable company finances its operations through a mixture of retained reserves and retained cash surpluses. The charitable company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The charitable company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. The charitable company's policy throughout the year has been to ensure continuity of funding through retained cash surpluses.

Currency risk

The charitable company is exposed to transaction and translation foreign exchange risk. The charitable company's exposure to these risks is managed through the use of bank accounts in the same currency. Members of the Board monitor on a regular basis the risks and the effectiveness of the system of internal control operated by the Institute.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00931547 (England and Wales)

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

Registered Charity number
258390

Registered office
3rd Floor
City Gate
185 Dyke Road
Brighton
East Sussex
BN3 1TL

Trustees
D Guest (resigned 31/12/2023)
Ms R K Kular (resigned 6/6/2024)
G J F Podger (resigned 31/12/2023)
J R Greatrex
Ms K Poole
Ms S Cook
Dame C Black
Ms E Stewart
Ms L C Gregory (appointed 7/6/2023)
G Steel (appointed 21/6/2023)
S Elliott (appointed 21/6/2023)
Ms D K Frost (appointed 5/6/2024)
N Hathiari (appointed 4/6/2024)
Ms E L Hughes (appointed 4/6/2024)
Ms N Mcmanus-Barnett (appointed 4/6/2024)

Company Secretary
Ms S L Anderson

Senior Statutory Auditor
Mark Partridge FCA

Auditors
Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Bankers
Barclays Bank PLC
The Old Bank
High Street
Lewes
BN7 2JP

Solicitors
Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Institute director
Anthony Wilson

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute for Employment Studies for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 11/21/2024 and signed on the board's behalf by:

DocuSigned by:

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Ms K Poole - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Opinion

We have audited the financial statements of Institute for Employment Studies (the 'charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR EMPLOYMENT STUDIES**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and its activities, and through discussion with the trustees and management, we identified the principal risks of material misstatement both at the financial statement level and at the assertion level.

We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.

- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale

- We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies and procedures relating to:

- o Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

- o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

- o The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that were unusual or those outside the normal course of business.

We also

- discussed and reviewed the charity's business model and forward planning to assess going concern

- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.

- Carried out substantive testing on income and expenditure

- Re-performed reconciliations of control accounts, and recalculated items such as depreciation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

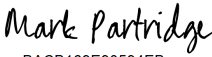
This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR EMPLOYMENT STUDIES**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

DocuSigned by:

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Mark Partridge FCA (Senior Statutory Auditor)
for and on behalf of Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

11/22/2024

Date:

INSTITUTE FOR EMPLOYMENT STUDIES**STATEMENT OF FINANCIAL ACTIVITIES****(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
FOR THE YEAR ENDED 31 MARCH 2024

		2024 Unrestricted funds £	2023 Unrestricted funds £
INCOME AND ENDOWMENTS FROM	Notes		
Charitable activities	3		
Projects		3,861,756	3,292,452
Corporate membership		93,701	68,341
Publications		424	232
Investment income	2	27,736	4,176
Other income		<u>21,145</u>	<u>17,067</u>
Total		<u>4,004,762</u>	<u>3,382,268</u>
 EXPENDITURE ON			
Charitable activities	4		
Projects		3,219,783	2,704,114
Management & Administration		<u>701,756</u>	<u>647,062</u>
Total		<u>3,921,539</u>	<u>3,351,176</u>
 NET INCOME		83,223	31,092
 RECONCILIATION OF FUNDS			
Total funds brought forward		<u>1,466,120</u>	<u>1,435,028</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>1,549,343</u></u>	<u><u>1,466,120</u></u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)**BALANCE SHEET**
31 MARCH 2024

		2024 Unrestricted funds £	2023 Unrestricted funds £
FIXED ASSETS	Notes		
Tangible assets	10	22,090	11,677
CURRENT ASSETS			
Debtors	11	1,358,535	1,067,678
Cash at bank and in hand		<u>1,512,630</u>	<u>1,778,889</u>
		2,871,165	2,846,567
CREDITORS			
Amounts falling due within one year	12	(1,332,300)	(1,382,124)
		<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>1,538,865</u>	<u>1,464,443</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,560,955	1,476,120
PROVISIONS FOR LIABILITIES	14	(11,612)	(10,000)
		<u> </u>	<u> </u>
NET ASSETS		<u><u>1,549,343</u></u>	<u><u>1,466,120</u></u>
FUNDS	15		
Unrestricted funds:			
General fund		<u>1,549,343</u>	<u>1,466,120</u>
TOTAL FUNDS		<u><u>1,549,343</u></u>	<u><u>1,466,120</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 11/21/2024 and were signed on its behalf by:

DocuSigned by:

 21AEC946E83A4C1.....
 K Poole - Trustee

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(272,682)</u>	<u>(175,453)</u>
Net cash used in operating activities		<u>(272,682)</u>	<u>(175,453)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(21,313)	-
Interest received		<u>27,736</u>	<u>4,176</u>
Net cash provided by investing activities		<u>6,423</u>	<u>4,176</u>
Change in cash and cash equivalents in the reporting period		(266,259)	(171,277)
Cash and cash equivalents at the beginning of the reporting period		<u>1,778,889</u>	<u>1,950,166</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,512,630</u></u>	<u><u>1,778,889</u></u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2024**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2024 £	2023 £
Net income for the reporting period (as per the Statement of Financial Activities)	83,223	31,092
Adjustments for:		
Depreciation charges	10,900	23,453
Interest received	(27,736)	(4,176)
Movement in provision for liabilities	1,612	-
(Increase)/decrease in debtors	(290,857)	345,941
Decrease in creditors	<u>(49,824)</u>	<u>(571,763)</u>
Net cash used in operations	<u>(272,682)</u>	<u>(175,453)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/23 £	Cash flow £	At 31/3/24 £
Net cash			
Cash at bank and in hand	<u>1,778,889</u>	<u>(266,259)</u>	<u>1,512,630</u>
	<u>1,778,889</u>	<u>(266,259)</u>	<u>1,512,630</u>
Total	<u>1,778,889</u>	<u>(266,259)</u>	<u>1,512,630</u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 MARCH 2024**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The charity meets the definition of a public benefit entity as defined by FRS102

The financial statements are prepared in sterling, which is the functional currency of the entity and are rounded to the nearest pound.

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, and on that basis the charity is considered to be a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Project income, which represents amounts receivable by the company in the ordinary course of operations for services provided, is accounted for in the year to which it relates. Any income that relates to work to be carried out in future periods is therefore deferred. Contract losses are fully recognised in the period in which they are foreseen.

For transactions where the Institute is deemed to act as an agent, both the income and expenditure have been excluded from the Institute's results, other than where they relate to the Institute's role as an agent.

Corporate membership

Contributions are received by the company to be used on a programme of work agreed with participants.

This income is accounted for in the period to which it relates in the same way as other income received in the ordinary course of operations for services provided.

Conferences and events

Surpluses or deficits on conferences and events are accounted for in the year in which they are held.

Expenditure

Expenditure, which is charged on the accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the Charity's objectives including that incurred in providing and maintaining premises and equipment required to carry out the Charity's work;
- expenditure incurred in the management and administration of the Charity; and
- governance costs.

Direct charitable expenditure on research and commissioned studies comprises expenditure attributable directly to those activities.

Depreciation and rent payable have been apportioned based on the area of the rooms used for the Institute's activities and staff costs are allocated according to the employees' work. All other costs are apportioned on a consistent basis appropriate to the Institute's circumstances.

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2024**1. ACCOUNTING POLICIES - continued****Tangible fixed assets**

Recognition and measurement

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Assets with a cost in excess of £500 intended to be of ongoing use are capitalised as fixed assets.

Depreciation is calculated to write down the cost of furniture, fittings and equipment by equal annual instalments over their expected useful lives. These are 3 years for computer hardware, software and office equipment; 5 years for office furniture and the telephone system; and 10 years for office fit-out costs, or over the period of the lease where this is shorter.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds are incoming resources received for expenditure on the general objectives of the Charity.

Foreign currencies

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

Operating lease payments

Total payments under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Contributions to pension funds

The company participates in two types of pension scheme:

The IES Stakeholder Retirement Benefits Scheme

This is a defined contributions scheme and contributions are charged to the statement of financial activities in the year in which they fall due.

The Universities Superannuation Scheme

This is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The Fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the Trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary based on the latest actuarial valuation of the scheme and are accounted for on the basis of charging the cost of providing pensions over the year during which the company benefits from the employees' services.

The Institute is unable to identify its share of the underlying assets and liabilities of the Universities Superannuation Scheme. Consequently, the disclosures relating to this scheme follow the guidance set out in the transitional provisions allowed under FRS17 Retirement Benefits, for multi-employer schemes. The Institute has accounted for the contributions as if they were defined contribution schemes. Further details are provided in note 17.

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2024**2. INVESTMENT INCOME**

	2024 Unrestricted funds £	2023 Unrestricted funds £
Deposit account interest	<u>27,736</u>	<u>4,176</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2024 £	2023 £
Projects	Projects	3,861,756	3,292,452
Corporate membership	Corporate membership	93,701	68,341
Publications	Publications	<u>424</u>	<u>232</u>
		<u>3,955,881</u>	<u>3,361,025</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Projects	3,207,096	12,687	3,219,783
Management & Administration	<u>-</u>	<u>701,756</u>	<u>701,756</u>
	<u>3,207,096</u>	<u>714,443</u>	<u>3,921,539</u>

5. SUPPORT COSTS

	Management £
Projects	12,687
Management & Administration	<u>701,756</u>
	<u>714,443</u>

6. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Depreciation - owned assets	10,900	23,453
Auditors' remuneration - Audit services	6,500	6,200
Auditors' remuneration - non audit services	<u>5,200</u>	<u>5,057</u>

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2024**7. TRUSTEES' REMUNERATION AND BENEFITS**

During the year one trustee was paid £3,000 for subcontract work (2023: £3,000)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2024 nor for the year ended 31 March 2023.

8. STAFF COSTS

	2024	2023
	£	£
Wages and Salaries	2,098,984	1,810,956
Social Security costs	186,626	173,841
Pension costs	<u>360,714</u>	<u>357,367</u>
	<u>2,646,324</u>	<u>2,342,164</u>

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

	2024	2023
Total	<u>52</u>	<u>49</u>

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

	2024	2023
£60,001 - £70,000	1	-
£70,001 - £80,000	3	1
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u>5</u>	<u>2</u>

Pension contributions of £61,636 (2023: £34,683) were made by the company during the year on behalf of higher paid employees.

During the year 4 (2023: 2) higher paid staff were accruing benefits under the defined benefits scheme, and no employees (2023: none) were accruing benefits under the company's defined contribution schemes.

Key Management Personnel, who are considered to be the trustees and the leadership team, received remuneration (including employers national insurance and pension contributions) amounting to £498,164 (2023: £431,753).

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2024**9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**Unrestricted
funds
£**INCOME AND ENDOWMENTS FROM****Charitable activities**

Projects

3,292,452

Corporate membership

68,341

Publications

232

Investment income

4,176

Other income

17,067

Total

3,382,268

EXPENDITURE ON**Charitable activities**

Projects

2,704,114

Management & Administration

647,062

Total

3,351,176

NET INCOME

31,092

RECONCILIATION OF FUNDS

Total funds brought forward

1,435,028

TOTAL FUNDS CARRIED FORWARD

1,466,120

10. TANGIBLE FIXED ASSETSFixtures
and
fittings
£**COST**

At 1 April 2023

154,753

Additions

21,313

At 31 March 2024

176,066

DEPRECIATION

At 1 April 2023

143,076

Charge for year

10,900

At 31 March 2024

153,976

NET BOOK VALUE

At 31 March 2024

22,090

At 31 March 2023

11,677

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2024**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2024	2023
	£	£
Trade debtors	627,627	635,709
Prepayments and accrued income	<u>730,908</u>	<u>431,969</u>
	<u>1,358,535</u>	<u>1,067,678</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	174,442	67,758
Social security and other taxes	-	39,951
VAT	89,619	169,058
Other creditors	3,979	10,514
Payments received in advance	893,740	935,897
Accruals and deferred income	117,162	107,898
Accrued expenses	<u>53,358</u>	<u>51,048</u>
	<u>1,332,300</u>	<u>1,382,124</u>

13. LEASING AGREEMENTS

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

	2024	2023
	£	£
Within one year	57,246	97,781
Between one and five years	<u>316,726</u>	<u>24,266</u>
	<u>373,972</u>	<u>122,047</u>

14. PROVISIONS FOR LIABILITIES

	2024	2023
	£	£
Provisions	<u>11,612</u>	<u>10,000</u>
Bad debt provision Provision	£	
Balance at 31 March 2024	<u>11,612</u>	

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2024**15. MOVEMENT IN FUNDS**

	At 1/4/23 £	Net movement in funds £	At 31/3/24 £
Unrestricted funds			
General fund	1,466,120	83,223	1,549,343
TOTAL FUNDS	<u>1,466,120</u>	<u>83,223</u>	<u>1,549,343</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	4,004,762	(3,921,539)	83,223
TOTAL FUNDS	<u>4,004,762</u>	<u>(3,921,539)</u>	<u>83,223</u>

Comparatives for movement in funds

	At 1/4/22 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
General fund	1,435,028	31,092	1,466,120
TOTAL FUNDS	<u>1,435,028</u>	<u>31,092</u>	<u>1,466,120</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,382,268	(3,351,176)	31,092
TOTAL FUNDS	<u>3,382,268</u>	<u>(3,351,176)</u>	<u>31,092</u>

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2024**16. RELATED PARTY DISCLOSURES**

During the year sales invoices of £63,788 were raised to organisations with directors in common with the Charity. Transactions are carried out at arms length and at market rate.

17. LIABILITY OF MEMBERS

During the year 9 members (2023:8) have each undertaken to contribute an amount not exceeding £10 in the event of the company being wound up.

18. PENSION SCHEMES

The Institute participated in two types of pension schemes during the year.

The first scheme type is a stakeholder defined contribution direct benefit schemes. The total pension cost to the company for this scheme for the year ended 31 March 2024 was £9,333 (2023: £4,164).

The second scheme provides benefits based on a Career Average Salary. The contribution rates from January 2024 are 14.5% of pensionable salaries for the employer and 6.5% for the employee. The total pension cost for the company for this Career Average scheme for the year ended 31 March 2024 was £349,386 (2023 £353,204). The Institute has 47 (2023:40) employees in Universities Superannuation Schemes (USS).

Historically there was also a final pensionable salary scheme but this was closed entirely on 31st March 2016. The members have transferred to the Career Average scheme above.

The Institute participates in the Universities Superannuation Schemes (final salary and career average), both are defined benefit schemes which are contracted out of the State Second Pension (S2P). The assets of the schemes are held in a separate Trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the schemes and hence contributions to the schemes are accounted for as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

The latest triennial valuation took place as at 31 March 2023, calculating that a scheme surplus of £7.4 billion. This represents an improvement of £21.5 billion over the three years since the previous valuation.

The Occupational Pensions Schemes (Employer Debt) Regulations 2005 and the Occupational Pensions Schemes (Employer Debt etc) (Amendment) Regulations 2005 (the "Employer Debt Regs") creates a debt (known as a "Section 75 debt") upon an "employment-cessation event (when an employer ceases to employ at least one person who is an active member of a pension scheme and at least one other employer continues to employ active members). A section 75 debt is based on the cost of securing members' benefits by purchasing an annuity policy from an insurance company and may be significant

INSTITUTE FOR EMPLOYMENT STUDIES

England & Wales - Charity number 258390

Accounts

REGISTERED COMPANY NUMBER: 00931547 (England and Wales)
REGISTERED CHARITY NUMBER: 258390

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023
FOR
INSTITUTE FOR EMPLOYMENT STUDIES
(A COMPANY LIMITED BY GUARANTEE)

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

INSTITUTE FOR EMPLOYMENT STUDIES

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2023

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INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST MARCH 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning future activities.

The Institute for Employment Studies, established in 1969, is an independent, apolitical, international centre of research and advice in employment, labour market and human resource issues. The Institute's principal objective is to help bring about sustainable improvement in employment policy and human resource management.

The choice of topics and themes on which the Institute works is directly influenced by current and emerging needs of policy-makers and employing organisations. The Institute aims to disseminate the results of its work widely, in line with its charitable objectives.

The work of the Institute benefits the general public, and the wider economy and society, by helping a) to increase understanding and improve decision-making by public bodies on employment (and unemployment) issues, and b) to improve human resource management in employing organisations. The Institute is committed to ensuring that its work is both useful (and used), and accessible to a wide audience.

The Institute's medium-term strategy is reviewed every three to five years. The last review was completed in early 2020, and the key strategic priorities which influenced business planning during 2022-23 were to:

- Maintain IES's position as a leading provider of UK public policy research and evaluation on areas related to employment, education, skills and HR management and practice.
- Grow our impact in our five priority areas, which are covered in more detail later in this report.
- Advocate for evidence-based policy and practice, particularly through our new Trials Unit and by working in partnership with 'what works' centres and other stakeholders.
- Continue to improve how we work as a team, building on the priorities identified in our Investors in People plan.
- Realise the benefits of hybrid working and our ability to work in more flexible ways and across different locations.
- Continue to invest in and improve our use of technology.
- Work with the Involvement and Participation Association (IPA) to explore the scope for merger, subject to Board approvals and due diligence.
- Continue to be financial sustainable, with operating income higher than expenditure and with a forward order book at a value exceeding six months of operating costs.

OBJECTIVES AND ACTIVITIES

Achievements and Activities

The last year has been marked by continuing turbulence and instability in the world around us, with soaring inflation, the war in Ukraine and the ongoing impacts of our exit from the European Union all taking their toll on the economy and on living standards. These and other factors have impacted IES too, which the team have navigated exceptionally well - supporting each other, delivering excellent and impactful work, and continuing to keep the wheels on the road with our finances and future order book. We end the year as a stronger and more impactful organisation than we started, and able to report a financial surplus for our fourth successive year.

Our work this year was again guided by the five priority areas in the strategy that we agreed with the Board in March 2020:

- **Quality of Work** - Making work better by supporting greater job security and opportunity for those in work
- **Inclusive Work** - Promoting employment opportunity for all, and greater equality, diversity and inclusion in work
- **Healthy Work** - Ensuring good work supports good health, and those with health needs can access the right support
- **Education and Life Chances** - From the cradle to the grave, with our work spanning early years, careers support, further and higher education, vocational reform, and workplace and adult learning
- **Organisational Capability** - helping HR professionals, leaders and managers to deliver better people management policies and practices

On **quality of work**, we have taken forward a number of projects focused on influencing both public policy and HR management and practice. A key strategic partner has been the Timewise Foundation, where our collaboration on their #FairFlexFutures programme has helped to make the business case for more flexible and supportive workplace practice and seen us start to work with major employers on how to take this forward. We have also had a particular focus on the role of local partnerships and employers in supporting good work, most notably in collaborating with the Local Government Association (LGA) on developing a 'Good Work' guide and resources for local government.

Inclusive work has continued to be a key focus for us this year. We launched a major new Commission on the Future of Employment Support, in partnership with abrdn Financial Fairness Trust, running a Call for Evidence this year, which received around a hundred responses, and with plans in the coming year for extensive consultation and evidence gathering to then inform proposals for long-term reform. We have also led a range of important projects on raising participation in work and supporting more inclusive practices at work - including for young people through a programme of work funded by the Health Foundation and a number of projects with the Youth Futures Foundation; with DWP through the evaluation of the Plan for Jobs; on pension savings for women in partnership with the Phoenix Group; on the role of local government, working with the LGA on their 'Work Local' campaign; for social housing residents, in partnership with the National Housing Federation, National Association of ALMOS and Communities that Work; and more.

On **healthy work** our activities have again spanned both public policy and HR practice. This has been a particular focus of wider advocacy and influencing work, with colleagues speaking at events, roundtables and to networks throughout the year on how we can make work more supportive of good health, and better support people who have health conditions to stay in work or return to work. This has included at the national Health and Wellbeing at Work Conference, in small roundtables with government ministers and officials, and in events for employer bodies as well as representative groups like Business in the Community and the NHS Confederation. In our project work, our partnership with Novo Nordisk on obesity and employment has continued (with us also scoping new work with a FTSE 100 firm on workplace pilots of obesity support); and we have all-but completed our long-term evaluation of the Health Led Employment Trials, providing key evidence to support the 2023 Budget's focus on improving access to employment support.

OBJECTIVES AND ACTIVITIES

Our work on **education and life chances** has continued to span the entire life course. On early years, a number of projects have come to fruition, including our evaluation of the Coaching Early Conversation Interaction and Language (CECIL) intervention, which continues to expand into new areas; and the Tips By Text project, supporting parents in early learning. . On careers support, we published our first report from the evaluation of the Careers and Enterprise Company's innovation fund pilots and have also worked to influence proposals for future reform particularly through our involvement and support for the National Institute for Career Education and Counselling (NICEC). Our work on further and technical education has included our first project with the Institute for Apprenticeships and Technical Education (IfATE), testing employers' understanding of the skills system. In Higher Education, we have completed the latest survey in the series on student income and expenditure. On adult skills, we have been increasingly prominent in debates about the future of adult learning, contributing to essay collections and influencing through roundtables and engagement with the Department for Education. We have also worked to improve the evidence base that supports skills policy and planning, working in particular to support the development of the London Skills Improvement Plan, using methods that in future may be scalable to support other areas and wider stakeholders.

On **organisational capability**, the work across virtually all of our priority areas has directly supported organisations to be more capable in how they work - whether as policy makers, commissioners, delivery organisations or as employers. However in addition to this, we have had a particular focus on improving capability through two main programmes of work: first by working with NHS employers to support their #LookingAfterYouToo programmes, providing coaching and peer wellbeing support to primary care staff; and secondly through the ReAct Partnership which has been working with providers of the Restart Scheme to support research, action learning and continuous improvement in programme delivery. The ReAct Partnership has flourished this year, reaching hundreds of frontline practitioners in employment services and supporting them on areas as diverse as employer engagement, behavioural insights, flexible job design, support for older workers and referral processes. Finally, our HR Network has continued to deliver a range of well attended events on issues including diversity and inclusion, workforce strategy and planning, and tackling burnout, as well as dedicated resources and support for members on line manager wellbeing, workforce planning and inclusive work

In the last year we have also sought to do more to advocate for the benefits of evidence-based policy and practice. The ReAct Partnership has been a key platform for this with employment services; while alongside this we also successfully launched our new Trials Unit, which brings together our expertise across understanding 'what works', intervention design, applied research, evaluation and impact assessment. We have also continued to invest in developing new skills and expertise across a range of research methods - including for example making greater use of Qualitative Comparative Analysis (QCA) in delivering theory-informed evaluations; developing our skills in meta-analysis and systematic reviews; and consolidating our work with 'big data' to support labour market insight and planning (including through use of machine learning and AI).

More broadly, we have grown our profile and reputation as advocates for evidence-based policy and practice, through regular blogs and articles, our monthly labour market briefings and our work with the 'What Works Centres' network.

STRATEGIC REPORT

Financial position

The year ended 31st March 2023 recorded net income over expenditure of £31,092. Total reserves now stand at £1,466,120 (See reserves policy below). By comparison, the previous period ended 31st March 2022 recorded net expenditure over income of £46,082

Total income for the year ended 31st March 2023 amounted to £3,382,268 compared to £3,192,873 in the previous period.

Total expenditure for the year ended 31st March 2023 amounted to £3,351,176 compared to £3,146,791 in the previous period.

Financial review

Investment policy and objectives

The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the Institute's resources.

The objective for investment purposes is to achieve a good return whilst minimising risk. This has been achieved by investing cash in high interest deposit accounts. The average return on investments in the year ended 31 March 2023 was 0% (2022: 0%)

Reserves policy

The Institute maintains reserves, all of which are unrestricted funds (i.e. are expendable at the discretion of the Board Members and used in the furtherance of the Institute's objectives).

The Board have earmarked certain funds for the specific purpose of funding long term research and development. These are described as the designated element of the fund.

The Board consider the reserves sufficient to provide for the Institute's future requirements. It is the policy of the Institute to generate sufficient reserves to maintain six months' operating costs. The reserves as at the end of the year are considered adequate to meet current operating needs, in line with this policy.

Future plans

Looking ahead, we enter 2023/24 in good shape financially and with a strong and effective team. However, we are clear that the outlook for the UK economy and public policy remains uncertain - with continued risks of an economic downturn (if not a recession) as well as the likely instability that a general election will bring. Both of these could lead to disruption in the markets that fund our work, although they also reiterate the critical importance of the work that we do. Therefore we are vigilant to the potential impact of these risks on our work but committed to continuing to try to make a difference to public policy and HR practice through our work.

Entering the new financial year, our immediate priorities are to continue to grow our impact on public policy and employer practice and to continue to strengthen our financial position. This has also informed discussions with the Involvement and Participation Association (IPA) about the scope for merger. As organisations we are closely aligned in our purpose and objectives, and have complementary areas of expertise and markets. Our merger with the IPA from 1 May 2023 is therefore an important opportunity for us to diversify our income and to broaden our impact.

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST MARCH 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Institute for Employment Studies (IES) is a registered Charity and company limited by guarantee governed by its Articles of Association dated October 2013.

The Articles of Association were amended in October 2013 to provide for a single tier of governance, the Board of Trustees. Members, each of whom agree to contribute £10 in the event of the Charity winding up, are the Trustees of the Institute and shall admit to membership in accordance with the provisions of the Articles.

A Trustee shall hold office for a period of three years but is eligible for re-election provided that no Trustee may serve for more than nine consecutive years of office.

Recruitment and appointment of new trustees

As set out in the Articles of Association, the Board of Trustees may from time to time and at any time appoint any person as a Trustee either to fill a casual vacancy or by way of addition to the Board.

On appointment each Trustee is provided with the Memorandum and Articles, and a copy of Charity Commission publication The Essential Trustee. New Trustees meet with the Chair and Director and are invited to the Institute's offices.

Organisation

The Board of Trustees manages the business of the Institute and may exercise all such powers of the Institute as are not, by the Act or by the Articles, required to be exercised by the members, subject nevertheless to the provisions of the Act or the Articles.

The Board, which can have between six and 15 members, meets four times a year. A Director is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate operations the Director has delegated authority for operational matters.

The Board advises the Institute Director and management team, and approves the annual business plan, budget and key items of strategy. The detailed roles of the Members, Trustees, the Board and the Institute Director are set out in the Articles of Association. Written records are kept of all decisions made at Board and management meetings.

The Board of Trustees met four times during the year and supported the Institute's management team in developing its annual business plan and strategic priorities, as well as advising on ongoing operational issues.

Board members

The members of the Board are as listed under the Reference and Administrative details. All served on the Board throughout the period. Ms L C Gregory, G Steel and S Elliott were appointed after the year end.

For the purposes of Company Law, all the Members of the Board are deemed to be Directors of the Company.

Key management remuneration

The Board is responsible for setting the pay and remuneration of the Institute's key management personnel, the level of which is reviewed annually. In coming to its decisions the Board may seek advice from external independent experts and will arrive at its decisions after taking into account the aims and values of the Institute, the strategic plan and the ability to pay, individual competencies and performance, remuneration levels at similar charities, and retention. These factors are not exclusive and any decision will inevitably include an element of discretion by the Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

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Risk management

The Members of the Board have identified the major risks to which the Institute is exposed and which might impact on the Institute's ability to achieve its objectives. These include:

- Maintaining a flow of work from private and public sector employers in the face of intense competition at a time of increasing economic turbulence
- Attracting and retaining key staff
- The need for effective systems for business continuity planning and data security
- The need to ensure that the consequences of the Covid 19 pandemic, Brexit and the war in Ukraine are the subject of detailed planning and monitoring
- 2024 General Election
- AI

These risks are monitored on an ongoing basis by the management team and reviewed by the Board at its regular meetings.

The Board has established policies, procedures and systems to mitigate those risks. These internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Institute has established an on-going process for identifying, evaluating and managing the Institute's key risks. In particular there are clear procedures for:

- financial reporting, within a comprehensive financial planning and accounting framework; and
- monitoring of business risks, with key risks identified and reported to the Members of the Board.

Financial risk management

The charitable company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the charitable company's operations. The main risks arising from the charitable company's financial instruments are interest rate risk, liquidity risk and currency risk. The Trustees review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The charitable company finances its operations through a mixture of retained reserves and retained cash surpluses. The charitable company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The charitable company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. The charitable company's policy throughout the year has been to ensure continuity of funding through retained cash surpluses.

Currency risk

The charitable company is exposed to transaction and translation foreign exchange risk. The charitable company's exposure to these risks is managed through the use of bank accounts in the same currency.

Members of the Board monitor on a regular basis the risks and the effectiveness of the system of internal control operated by the Institute.

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00931547 (England and Wales)

Registered Charity number

258390

Registered office

3rd Floor

City Gate

185 Dyke Road

Brighton

East Sussex

BN3 1TL

Trustees

D Guest

Ms R K Kular

G J F Podger

J R Greatrex

Ms K Poole

Ms S Cook

Dame C Black

Ms E Stewart

Ms L C Gregory (appointed 7/6/2023)

G Steel (appointed 21/6/2023)

S Elliott (appointed 21/6/2023)

Company Secretary

Ms S L Anderson

Auditors

Chariot House Limited

Chartered Accountants and Statutory Auditor

44 Grand Parade

Brighton

BN2 9QA

Bankers

Barclays Bank PLC

The Old Bank

High Street

Lewes

BN7 2JP

Solicitors

Stone King

Boundary House

91 Charterhouse Street

London

EC1M 6HR

Institute director

Anthony Wilson

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST MARCH 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute for Employment Studies for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6th September 2023 and signed on the board's behalf by:

Ms K Poole - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Opinion

We have audited the financial statements of Institute for Employment Studies (the 'charitable company') for the year ended 31st March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR EMPLOYMENT STUDIES**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and its activities, and through discussion with the trustees and management, we identified the principal risks of material misstatement both at the financial statement level and at the assertion level.

We considered these risks in the light of various factors including the level of complexity, subjectivity, uncertainty, potential management bias, fraud, materiality and any other relevant factors. We considered the extent to which these would have a material impact on the financial statements and designed our audit work accordingly.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud, and reviewed significant or unusual transactions to identify their underlying supporting rationale
- We inspected the minutes of meetings of those charged with governance, and made direct enquiries of management and the board of trustees concerning the charity's policies and procedures relating to:
 - o Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - o The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates were indicative of a potential bias and tested significant transactions that were unusual or those outside the normal course of business.

We also

- discussed and reviewed the charity's business model and forward planning to assess going concern
- communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- Carried out substantive testing on income and expenditure
- Re-performed reconciliations of control accounts, and recalculated items such as depreciation

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR EMPLOYMENT STUDIES**

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

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

Date: 6th September 2023

INSTITUTE FOR EMPLOYMENT STUDIES**STATEMENT OF FINANCIAL ACTIVITIES****(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
FOR THE YEAR ENDED 31ST MARCH 2023

		2023 Unrestricted funds £	2022 Unrestricted funds £
INCOME AND ENDOWMENTS FROM	Notes		
Charitable activities	3		
Projects		3,292,452	3,100,385
Corporate membership		68,341	91,871
Publications		232	157
Investment income	2	4,176	160
Other income		<u>17,067</u>	<u>300</u>
Total		<u>3,382,268</u>	<u>3,192,873</u>
 EXPENDITURE ON			
Charitable activities	4		
Projects		2,704,114	2,588,656
Management & Administration		<u>647,062</u>	<u>558,135</u>
Total		<u>3,351,176</u>	<u>3,146,791</u>
 NET INCOME		31,092	46,082
 RECONCILIATION OF FUNDS			
Total funds brought forward		<u>1,435,028</u>	<u>1,388,946</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>1,466,120</u></u>	<u><u>1,435,028</u></u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

BALANCE SHEET
31ST MARCH 2023

		2023 Unrestricted funds £	2022 Unrestricted funds £
FIXED ASSETS	Notes		
Tangible assets	10	11,677	35,130
CURRENT ASSETS			
Debtors	11	1,067,678	1,413,619
Cash at bank and in hand		<u>1,778,889</u>	<u>1,950,166</u>
		2,846,567	3,363,785
CREDITORS			
Amounts falling due within one year	12	(1,382,124)	(1,953,887)
NET CURRENT ASSETS		<u>1,464,443</u>	<u>1,409,898</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,476,120	1,445,028
PROVISIONS FOR LIABILITIES	14	(10,000)	(10,000)
NET ASSETS		<u>1,466,120</u>	<u>1,435,028</u>
FUNDS	15		
Unrestricted funds:			
General fund		<u>1,466,120</u>	<u>1,435,028</u>
TOTAL FUNDS		<u>1,466,120</u>	<u>1,435,028</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 6th September 2023 and were signed on its behalf by:

K Poole - Trustee

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31ST MARCH 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(175,453)</u>	<u>252,522</u>
Net cash (used in)/provided by operating activities		<u>(175,453)</u>	<u>252,522</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(14,986)
Interest received		<u>4,176</u>	<u>160</u>
Net cash provided by/(used in) investing activities		<u>4,176</u>	<u>(14,826)</u>
Change in cash and cash equivalents in the reporting period		(171,277)	237,696
Cash and cash equivalents at the beginning of the reporting period		<u>1,950,166</u>	<u>1,712,470</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,778,889</u></u>	<u><u>1,950,166</u></u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31ST MARCH 2023**1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2023	2022
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	31,092	46,082
Adjustments for:		
Depreciation charges	23,453	21,665
Interest received	(4,176)	(160)
Decrease/(increase) in debtors	345,941	(366,530)
(Decrease)/increase in creditors	<u>(571,763)</u>	<u>551,465</u>
Net cash (used in)/provided by operations	<u><u>(175,453)</u></u>	<u><u>252,522</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/22	Cash flow	At 31/3/23
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,950,166</u>	<u>(171,277)</u>	<u>1,778,889</u>
	<u>1,950,166</u>	<u>(171,277)</u>	<u>1,778,889</u>
Total	<u><u>1,950,166</u></u>	<u><u>(171,277)</u></u>	<u><u>1,778,889</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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, and on that basis the charity is considered to be a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Project income, which represents amounts receivable by the company in the ordinary course of operations for services provided, is accounted for in the year to which it relates. Any income that relates to work to be carried out in future periods is therefore deferred. Contract losses are fully recognised in the period in which they are foreseen.

For transactions where the Institute is deemed to act as an agent, both the income and expenditure have been excluded from the Institute's results, other than where they relate to the Institute's role as an agent.

Corporate membership

Contributions are received by the company to be used on a programme of work agreed with participants.

This income is accounted for in the period to which it relates in the same way as other income received in the ordinary course of operations for services provided.

Conferences and events

Surpluses or deficits on conferences and events are accounted for in the year in which they are held.

Expenditure

Expenditure, which is charged on the accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the Charity's objectives including that incurred in providing and maintaining premises and equipment required to carry out the Charity's work;
- expenditure incurred in the management and administration of the Charity; and
- governance costs.

Direct charitable expenditure on research and commissioned studies comprises expenditure attributable directly to those activities.

Depreciation and rent payable have been apportioned based on the area of the rooms used for the Institute's activities and staff costs are allocated according to the employees' work. All other costs are apportioned on a consistent basis appropriate to the Institute's circumstances.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Recognition and measurement

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Assets with a cost in excess of £500 intended to be of ongoing use are capitalised as fixed assets.

Depreciation is calculated to write down the cost of furniture, fittings and equipment by equal annual instalments over their expected useful lives. These are 3 years for computer hardware, software and office equipment; 5 years for office furniture and the telephone system; and 10 years for office fit-out costs, or over the period of the lease where this is shorter.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds are incoming resources received for expenditure on the general objectives of the Charity.

Designated funds are unrestricted funds which have been designated for the specific purpose of funding long term research, programme development and the development of services and dissemination. Expenditure against these funds is agreed and authorised only by the Institute director and costs are recorded to a distinct project code. Plans for such investment are included in the annual business plan which is approved by the Board. In recent years investment plans have been put on hold due to the uncertain economic environment and the fund has not been called upon, but it is considered important to retain this facility for the future.

Foreign currencies

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

Operating lease payments

Total payments under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Contributions to pension funds

The company participates in two types of pension scheme:

The IES Stakeholder Retirement Benefits Scheme

This is a defined contributions scheme and contributions are charged to the statement of financial activities in the year in which they fall due.

1. ACCOUNTING POLICIES - continued**The Universities Superannuation Scheme**

This is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The Fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the Trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary based on the latest actuarial valuation of the scheme and are accounted for on the basis of charging the cost of providing pensions over the year during which the company benefits from the employees' services.

The Institute is unable to identify its share of the underlying assets and liabilities of the Universities Superannuation Scheme. Consequently, the disclosures relating to this scheme follow the guidance set out in the transitional provisions allowed under FRS17 Retirement Benefits, for multi-employer schemes. The Institute has accounted for the contributions as if they were defined contribution schemes. Further details are provided in note 17.

Going Concern

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

2. INVESTMENT INCOME

	2023 Unrestricted funds £	2022 Unrestricted funds £
Deposit account interest	<u>4,176</u>	<u>160</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023 £	2022 £
Projects	Projects	3,292,452	3,100,385
Corporate membership	Corporate membership	68,341	91,871
Publications	Publications	<u>232</u>	<u>157</u>
		<u>3,361,025</u>	<u>3,192,413</u>

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Projects	2,704,114	-	2,704,114
Management & Administration		647,062	647,062
	-		
	<u>2,704,114</u>	<u>647,062</u>	<u>3,351,176</u>

5. SUPPORT COSTS

	£
Management & Administration	<u>647,062</u>

6. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Depreciation - owned assets	23,453	21,665
Auditors' remuneration - Audit services	6,200	5,100
Auditors' remuneration - non audit services	<u>5,057</u>	<u>2,550</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

During the year one trustee was paid £3,000 for subcontract work (2022: £NIL)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st March 2023 nor for the year ended 31st March 2022.

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31ST MARCH 2023**8. STAFF COSTS**

	2023 £	2022 £
Wages and Salaries	1,810,956	1,566,904
Social Security costs	173,841	122,057
Pension costs	<u>357,367</u>	<u>323,371</u>
	<u>2,342,164</u>	<u>2,012,332</u>

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

	2023	2022
Total	<u>49</u>	<u>48</u>

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

	2023	2022
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>2</u>

Pension contributions of £34,683 (2022: £32,652) were made by the company during the year on behalf of higher paid employees.

During the year 2 (2022: 52 higher paid staff were accruing benefits under the defined benefits scheme, and no employees (2022: none) were accruing benefits under the company's defined contribution schemes.

Key Management Personnel remuneration amounted to £431,753 (2022: £310,399).

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £
INCOME AND ENDOWMENTS FROM	
Charitable activities	
Projects	3,100,385
Corporate membership	91,871
Publications	157
Investment income	160
Other income	<u>300</u>
Total	<u>3,192,873</u>

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

Unrestricted
funds
£

EXPENDITURE ON

Charitable activities

Projects

2,588,656

Management & Administration

558,135

Total

3,146,791

NET INCOME

46,082

RECONCILIATION OF FUNDS

Total funds brought forward

1,388,946

TOTAL FUNDS CARRIED FORWARD

1,435,028

10. TANGIBLE FIXED ASSETS

Fixtures
and
fittings
£

COST

At 1st April 2022 and 31st March 2023

154,753

DEPRECIATION

At 1st April 2022

119,623

Charge for year

23,453

At 31st March 2023

143,076

NET BOOK VALUE

At 31st March 2023

11,677

At 31st March 2022

35,130

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31ST MARCH 2023**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023	2022
	£	£
Trade debtors	635,709	1,210,968
Prepayments and accrued income	431,969	202,651
	<u>1,067,678</u>	<u>1,413,619</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	67,758	81,927
Social security and other taxes	39,951	37,540
VAT	169,058	304,586
Other creditors	10,514	47,318
Payments received in advance	935,897	1,343,386
Accruals and deferred income	107,898	103,976
Accrued expenses	51,048	35,154
	<u>1,382,124</u>	<u>1,953,887</u>

13. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	97,781	98,787
Between one and five years	24,266	122,047
	<u>122,047</u>	<u>220,834</u>

14. PROVISIONS FOR LIABILITIES

	2023	2022
	£	£
Provisions	<u>10,000</u>	<u>10,000</u>
Repairs and Restatement Provision	£	
Balance at 1 April 2022 and 31 March 2023	<u>10,000</u>	

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2023****15. MOVEMENT IN FUNDS**

	At 1/4/22 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
General fund	1,435,028	31,092	1,466,120
TOTAL FUNDS	<u>1,435,028</u>	<u>31,092</u>	<u>1,466,120</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,382,268	(3,351,176)	31,092
TOTAL FUNDS	<u>3,382,268</u>	<u>(3,351,176)</u>	<u>31,092</u>

Comparatives for movement in funds

	At 1/4/21 £	Net movement in funds £	At 31/3/22 £
Unrestricted funds			
General fund	1,388,946	46,082	1,435,028
TOTAL FUNDS	<u>1,388,946</u>	<u>46,082</u>	<u>1,435,028</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,192,873	(3,146,791)	46,082
TOTAL FUNDS	<u>3,192,873</u>	<u>(3,146,791)</u>	<u>46,082</u>

16. RELATED PARTY DISCLOSURES

Except for the disclosures in Note 7, there were no related party transactions in the year ended 31 March 2023. In 2022, an organisation with a common director was paid £2,760 for services.

17. LIABILITY OF MEMBERS

During the year 8 members (2022:8) have each undertaken to contribute an amount not exceeding £10 in the event of the company being wound up.

18. PENSION SCHEMES

The Institute participated in two pension schemes during the year.

The first scheme is a stakeholder defined contribution direct benefit schemes. The total pension cost to the company for this scheme for the year ended 31 March 2023 was £4164 (2022: £6,564).

The second scheme provides benefits based on a Career Average Salary. The contribution rates from October 2021 are 21.4% of pensionable salaries for the employer and 9.8% for the employee. The total pension cost for the company for this Career Average scheme for the year ended 31 March 2023 was £353204 (2022 £316,807). The Institute has 40 (2022:49) employees in Universities Superannuation Schemes (USS).

Historically there was also a final pensionable salary scheme but this was closed entirely on 31st March 2016. The members have transferred to the Career Average scheme above.

The Institute participates in the Universities Superannuation Schemes (final salary and career average), both are defined benefit schemes which are contracted out of the State Second Pension (S2P). The assets of the schemes are held in a separate Trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the schemes and hence contributions to the schemes are accounted for as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

The latest triennial valuation took place as at 31 March 2020, calculating that the scheme deficit was now £14.1 billion. This represents an increase of £1.5 billion over the three years since the previous valuation.

The Occupational Pensions Schemes (Employer Debt) Regulations 2005 and the Occupational Pensions Schemes (Employer Debt etc) (Amendment) Regulations 2005 (the "Employer Debt Regs") creates a debt (known as a "Section 75 debt") upon an "employment-cessation event (when an employer ceases to employ at least one person who is an active member of a pension scheme and at least one other employer continues to employ active members). A section 75 debt is based on the cost of securing members' benefits by purchasing an annuity policy from an insurance company and may be significant.

Accounts

REGISTERED COMPANY NUMBER: 00931547 (England and Wales)
REGISTERED CHARITY NUMBER: 258390

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022
FOR
INSTITUTE FOR EMPLOYMENT STUDIES
(A COMPANY LIMITED BY GUARANTEE)

Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

INSTITUTE FOR EMPLOYMENT STUDIES

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FOR THE YEAR ENDED 31ST MARCH 2022

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INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST MARCH 2022**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning future activities.

The Institute for Employment Studies, established in 1969, is an independent, apolitical, international centre of research and advice in employment, labour market and human resource issues. The Institute's principal objective is to help bring about sustainable improvement in employment policy and human resource management.

The choice of topics and themes on which the Institute works is directly influenced by current and emerging needs of policy-makers and employing organisations. The Institute aims to disseminate the results of its work widely, in line with its charitable objectives.

The work of the Institute benefits the general public, and the wider economy and society, by helping a) to increase understanding and improve decision-making by public bodies on employment (and unemployment) issues, and b) to improve human resource management in employing organisations. The Institute is committed to ensuring that its work is both useful (and used), and accessible to a wide audience.

The Institute's medium-term strategy is reviewed every five years, and following its latest review, the key strategic priorities which influenced business planning during 2021-22 are:

- To maintain IES's position as a leading provider of UK public policy research and evaluation on employment and labour market policy topics.
- To continue to undertake European/international research and evaluation projects in our specialist public policy areas while UK institutions remain eligible for these, while monitoring the changing landscape in this area and preparing to take steps if appropriate to position the Institute to maintain eligibility in the post-Brexit environment.
- To further build the Institute's stream of work on HR management and related topics for employers and employer bodies, following the successful growth in this area in the recent years, and the building up of staff resources to support this.
- Reinforce the initial steps taken to build up a portfolio of proactive consortium-funded projects on key employment and HR issues of topical interest.
- Improve internal efficiency through improved project management and financial systems, as a response to the increasingly tight funding environment for research, especially publicly commissioned research.
- Explore the scope for strategic investment from the Institute reserves in diversifying into new streams of work.

OBJECTIVES AND ACTIVITIES

Achievements and Activities

This has again been a stretching but rewarding year for IES, as we dealt with the impacts of the Covid-19 pandemic on all of our lives and our work, while also tried to continue to grow our impact on public policy and workplace practice. It has also been a year of continued change, with IES growing from a team of fewer than 40 at the start of the year to now more than 50, around a quarter of the team joining us in the last 12 months, and our reporting a healthy operating surplus for the first time in six years. Through all of the changes though, the constant has been our values-led approach and dedication across the team to making a difference and to supporting each other.

Our work this year was again guided by the five priority areas in our three-year strategy which we agreed before the pandemic, and which are set out below:

- **Quality of Work** - Making work better, progression, security, regulation
- **Inclusive Work** - Employment opportunity for all, diversity and inclusion, inequality
- **Healthy Work** - Ensuring good work supports good health, and those with health needs can access it
- **Education and Life Chances** - Cradle to grave, via early years, careers, HE, technical reform, adult learning
- **Organisational Capability** - leadership, management, change, the HR function

On **quality of work**, we have helped lead the debate on how work has changed through the pandemic, particularly through our Work After Lockdown project. We have also shone a light on how the pandemic has reduced access to quality part-time work, working with Timewise; and on quality of work for young people through work funded by the Health Foundation.

On **inclusive work**, our analysis has helped shift the post-crisis debate from a focus on unemployment and on to one on how we boost participation in the labour market, and in particular by supporting those further from work and outside of mainstream employment services. We have also led impactful projects on reducing inequalities for those in work, with for example important research on diversity in the engineering profession and on recruitment into construction.

On **healthy work**, we have again spanned policy and practice - helping make the case for greater support to manage health conditions in the workplace (for example in work with the Centre for Ageing Better and the PURPOSE project on obesity and work); while also developing practical resources to support returns to work post-Covid, and guidance for supporting healthy work within specific industries (most notably the rail industry).

Our work on **education and life chances** has continued to go from strength to strength: growing our portfolio of work in early years and pre-16 education, while also influencing post-Covid training support through evaluations of the early rollout of skills bootcamps and of Skills Accelerator funding. Student mental health has also been a key focus, with work on health impacts and support in both further and higher education.

On **organisational capability**, we continue to work with and support the NHS on virtual coaching, with the #LookingAfterYouToo programme winning a major industry award and our role as evaluators being extended. We have provided consultancy support to a range of organisations, including Plan International on talent and succession, and the Home Office on their values. And this year we have also published the first outputs from the evaluation of the National Leadership Centre (in partnership with Ipsos Mori) and been successful in tendering to evaluate the government's new Help to Grow initiative.

OBJECTIVES AND ACTIVITIES

A particular focus this year has been on trying to do more to advocate for evidence-based policy and practice, and show the benefits that using applied research and evidence can have on improving outcomes. To this end we have continued to strengthen our links with the 'What Works' network (particularly the Education Endowment Foundation, Youth Futures Foundation, Centre for Ageing Better and What Works Local Growth) and our reach into local and national government and employer bodies; and were excited this year to launch a new Trials Unit, bringing together our expertise across subject areas and methodologies. We have also launched a major, industry-funded centre for research and continuous improvement within the Restart programme, which we believe is a world first and will drive evidence-based practice and continuous improvement in contracted employment services.

Finally, we have also sought to encourage better use of data and insight to inform policy and practice, particularly through our monthly labour market briefings, relationship with the online jobs engine Adzuna, and stand-alone projects for a range of clients including local government, employers and industry bodies.

Looking ahead, we entered 2022 in good shape financially and with a strong and effective team. However we are clear that the UK economy and society is entering a period of high uncertainty and risk, with soaring inflation, rising interest rates, falling consumer confidence and instability in our politics and in financial markets. The outlook for the economy and labour market is deeply uncertain and the prospects of a recession are very real, which could be accompanied by a contraction in public funding for research alongside retrenchment among employers. So we are vigilant to the risks in our markets, but committed to continuing to making a difference through our work.

STRATEGIC REPORT

Financial position

The year ended 31st March 2022 recorded net income over expenditure of. Total reserves now stand at £ (See reserves policy below). By comparison, the previous period ended 31st March 2021 recorded net expenditure over income of

Total income for the year ended 31st March 2022 amounted to compared to in the previous period.

Total expenditure for the year ended 31st March 2022 amounted to compared to in the previous period.

Investment policy and objectives

The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the Institute's resources.

The objective for investment purposes is to achieve a good return whilst minimising risk. This has been achieved by investing cash in high interest deposit accounts. The average return on investments in the year ended 31 March 2022 was 0% (2021: 0%)

Reserves policy

The Institute maintains reserves, all of which are unrestricted funds (i.e. are expendable at the discretion of the Board Members and used in the furtherance of the Institute's objectives).

The Board have earmarked certain funds for the specific purpose of funding long term research and development. These are described as the designated element of the fund.

The Board consider the reserves sufficient to provide for the Institute's future requirements. It is the policy of the Institute to generate sufficient reserves to maintain six months' operating costs. The reserves as at the end of the year are considered adequate to meet current operating needs, in line with this policy.

STRATEGIC REPORT

Future plans

Looking ahead, we entered 2022 in good shape financially and with a strong and effective team. However we are clear that the UK economy and society is entering a period of high uncertainty and risk, with soaring inflation, rising interest rates, falling consumer confidence and instability in our politics and in financial markets. The outlook for the economy and labour market is deeply uncertain and the prospects of a recession are very real, which could be accompanied by a contraction in public funding for research alongside retrenchment among employers. So we are vigilant to the risks in our markets, but committed to continuing to making a difference through our work.

Given the situation in the economy and labour market, there is continued strong demand for IES's support and services but also significant risks that any prolonged downturn could lead to less funding and commissioning of research, analysis and consultancy. Our immediate future is robust, as we have already (autumn 2022) secured sufficient funding to break even for the 2022/23 financial year as well as just over half of the income that we would need to break even for 2023/24. So our immediate priority is to continue to grow our impact on public policy and employer practice, and to continue to strengthen our financial position. At the same time, we also intend to take concrete steps during 2023 to diversify our impact and income, in particular in our work directly with employers and in supporting organisations through our Trials Unit. Alongside this, we want to continue to make IES a fulfilling and rewarding place to work and to support our staff through this period of high inflation and rising living costs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Institute for Employment Studies (IES) is a registered Charity and company limited by guarantee governed by its Articles of Association dated October 2013.

The Articles of Association were amended in October 2013 to provide for a single tier of governance, the Board of Trustees. Members, each of whom agree to contribute £10 in the event of the Charity winding up, are the Trustees of the Institute and shall admit to membership in accordance with the provisions of the Articles.

A Trustee shall hold office for a period of three years but is eligible for re-election provided that no Trustee may serve for more than nine consecutive years of office.

Recruitment and appointment of new trustees

As set out in the Articles of Association, the Board of Trustees may from time to time and at any time appoint any person as a Trustee either to fill a casual vacancy or by way of addition to the Board.

On appointment each Trustee is provided with the Memorandum and Articles, and a copy of Charity Commission publication The Essential Trustee. New Trustees meet with the Chair and Director and are invited to the Institute's offices.

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST MARCH 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation

The Board of Trustees manages the business of the Institute and may exercise all such powers of the Institute as are not, by the Act or by the Articles, required to be exercised by the members, subject nevertheless to the provisions of the Act or the Articles.

The Board, which can have between 6 and 15 members, meets 4 times a year. A Director is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate operations the Director has delegated authority for operational matters.

The Board advises the Institute Director and management team, and approves the annual business plan, budget and key items of strategy. The detailed roles of the Members, Trustees, the Board and the Institute Director are set out in the Articles of Association. Written records are kept of all decisions made at Board and management meetings.

The Board of Trustees met 3 times during the year and supported the Institute's management team in developing its annual business plan and strategic priorities, as well as advising on ongoing operational issues.

Board members

The members of the Board are as listed under the Reference and Administrative details. All served on the Board throughout the period

For the purposes of Company Law, all the Members of the Board are deemed to be directors of the Company.

Key management remuneration

The Board is responsible for setting the pay and remuneration of the Institute's key management personnel, the level of which is reviewed annually. In coming to its decisions the Board may seek advice from external independent experts and will arrive at its decisions after taking into account the purpose aims and values of the Institute, the strategic plan and the ability to pay, individual competencies and performance, remuneration levels at similar charities, and retention. These factors are not exclusive and any decision will inevitably include an element of discretion by the Board.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Members of the Board have identified the major risks to which the Institute is exposed and which might impact on the Institute's ability to achieve its objectives. As in recent years, these include:

- Political uncertainties associated with Brexit
- Maintaining a flow of work from private and public sector employers in the face of intense competition at a time of increasing economic turbulence
- Retaining and attracting key staff
- The need for effective systems for business continuity planning and data security
- The need to ensure that the consequences of the Covid 19 pandemic are the subject of detailed planning and monitoring

These risks are monitored on an ongoing basis by the management team and reviewed by the Board at its regular meetings.

The Board has established policies, procedures and systems to mitigate those risks. These internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Institute has established an on-going process for identifying, evaluating and managing the Institute's key risks. In particular there are clear procedures for:

- financial reporting, within a comprehensive financial planning and accounting framework; and
- monitoring of business risks, with key risks identified and reported to the Members of the Board.

Financial risk management

The charitable company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the charitable company's operations. The main risks arising from the charitable company's financial instruments are interest rate risk, liquidity risk and currency risk. The Trustees review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The charitable company finances its operations through a mixture of retained reserves and retained cash surpluses. The charitable company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The charitable company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. The charitable company's policy throughout the year has been to ensure continuity of funding through retained cash surpluses.

Currency risk

The charitable company is exposed to transaction and translation foreign exchange risk. The charitable company's exposure to these risks is managed through the use of bank accounts in the same currency.

Members of the Board monitor on a regular basis the risks and the effectiveness of the system of internal control operated by the Institute.

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00931547 (England and Wales)

Registered Charity number

258390

Registered office

3rd Floor
City Gate
185 Dyke Road
Brighton
East Sussex
BN3 1TL

Trustees

D Guest
Ms R K Kular
G J F Podger
J R Greatrex
Ms K Poole
Ms S Cook
Dame C Black
Ms E Stewart

Company Secretaries

Ms J Smith
Ms S L Anderson

Auditors

John Thacker FCA DChA
Chariot House Limited
Chartered Accountants and Statutory Auditor
44 Grand Parade
Brighton
BN2 9QA

Bankers

Barclays Bank PLC
The Old Bank
High Street
Lewes
BN7 2JP

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Institute director

Anthony Wilson

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST MARCH 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute for Employment Studies for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 14th December 2022 and signed on the board's behalf by:

Ms K Poole - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Opinion

We have audited the financial statements of Institute for Employment Studies (the 'charitable company') for the year ended 31st March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR EMPLOYMENT STUDIES**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We identified that the following laws and regulations are central to the charitable company:

- Companies Act 2006
- Charities Act 2011
- Charities SORP 2019
- Health & safety regulations

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:

- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR EMPLOYMENT STUDIES**

Use of our report

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

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

Date: 19th December 2022

INSTITUTE FOR EMPLOYMENT STUDIES**STATEMENT OF FINANCIAL ACTIVITIES****(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**
FOR THE YEAR ENDED 31ST MARCH 2022

		2022 Unrestricted funds £	2021 Unrestricted funds £
INCOME AND ENDOWMENTS FROM	Notes		
Charitable activities			
Projects		3,100,385	2,852,942
Corporate membership		91,871	103,870
Publications		157	258
Investment income	2	160	34
Other income		<u>300</u>	<u>95,182</u>
Total		<u>3,192,873</u>	<u>3,052,286</u>
 EXPENDITURE ON			
Charitable activities	4		
Projects		2,588,656	2,457,850
Management & Administration		<u>558,135</u>	<u>591,796</u>
Total		<u>3,146,791</u>	<u>3,049,646</u>
 NET INCOME		46,082	2,640
 RECONCILIATION OF FUNDS			
Total funds brought forward		<u>1,388,946</u>	<u>1,386,306</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>1,435,028</u></u>	<u><u>1,388,946</u></u>

The notes form part of these financial statements

BALANCE SHEET
31ST MARCH 2022

		2022 Unrestricted funds £	2021 Unrestricted funds £
FIXED ASSETS	Notes		
Tangible assets	9	35,130	41,809
CURRENT ASSETS			
Debtors	10	1,413,619	1,047,089
Cash at bank and in hand		<u>1,950,166</u>	<u>1,712,470</u>
		3,363,785	2,759,559
CREDITORS			
Amounts falling due within one year	11	(1,953,887)	(1,402,422)
NET CURRENT ASSETS		<u>1,409,898</u>	<u>1,357,137</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,445,028	1,398,946
PROVISIONS FOR LIABILITIES	13	(10,000)	(10,000)
NET ASSETS		<u>1,435,028</u>	<u>1,388,946</u>
FUNDS	14		
Unrestricted funds:			
General fund		<u>1,435,028</u>	<u>1,388,946</u>
TOTAL FUNDS		<u>1,435,028</u>	<u>1,388,946</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 14th December 2022 and were signed on its behalf by:

K Poole - Trustee

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31ST MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>252,522</u>	<u>778,836</u>
Net cash provided by operating activities		<u>252,522</u>	<u>778,836</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(14,986)	(51,123)
Sale of tangible fixed assets		-	1,049
Interest received		<u>160</u>	<u>34</u>
Net cash used in investing activities		<u>(14,826)</u>	<u>(50,040)</u>
Change in cash and cash equivalents in the reporting period		237,696	728,796
Cash and cash equivalents at the beginning of the reporting period		<u>1,712,470</u>	<u>983,674</u>
 Cash and cash equivalents at the end of the reporting period		<u><u>1,950,166</u></u>	<u><u>1,712,470</u></u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2022

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022	2021
	£	£
Net income for the reporting period (as per the Statement of Financial Activities)	46,082	2,640
Adjustments for:		
Depreciation charges	21,665	18,821
Interest received	(160)	(34)
(Increase)/decrease in debtors	(366,530)	433,259
Increase in creditors	<u>551,465</u>	<u>324,150</u>
Net cash provided by operations	<u><u>252,522</u></u>	<u><u>778,836</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/21	Cash flow	At 31/3/22
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,712,470</u>	<u>237,696</u>	<u>1,950,166</u>
	<u>1,712,470</u>	<u>237,696</u>	<u>1,950,166</u>
Total	<u><u>1,712,470</u></u>	<u><u>237,696</u></u>	<u><u>1,950,166</u></u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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, which includes taking into account any potential impact of the COVID-19 pandemic, and on that basis the charity is considered to be a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Project income, which represents amounts receivable by the company in the ordinary course of operations for services provided, is accounted for in the year to which it relates. Any income that relates to work to be carried out in future periods is therefore deferred. Contract losses are fully recognised in the period in which they are foreseen.

For transactions where the Institute is deemed to act as an agent, both the income and expenditure have been excluded from the Institute's results, other than where they relate to the Institute's role as an agent.

Corporate membership

Contributions are received by the company to be used on a programme of work agreed with participants.

This income is accounted for in the period to which it relates in the same way as other income received in the ordinary course of operations for services provided.

Conferences and events

Surpluses or deficits on conferences and events are accounted for in the year in which they are held.

Expenditure

Expenditure, which is charged on the accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the Charity's objectives including that incurred in providing and maintaining premises and equipment required to carry out the Charity's work;
- expenditure incurred in the management and administration of the Charity; and
- governance costs.

Direct charitable expenditure on research and commissioned studies comprises expenditure attributable directly to those activities.

Depreciation and rent payable have been apportioned based on the area of the rooms used for the Institute's activities and staff costs are allocated according to the employees' work. All other costs are apportioned on a consistent basis appropriate to the Institute's circumstances.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Recognition and measurement

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Assets with a cost in excess of £500 intended to be of ongoing use are capitalised as fixed assets.

Depreciation is calculated to write down the cost of furniture, fittings and equipment by equal annual instalments over their expected useful lives. These are 3 years for computer hardware, software and office equipment; 5 years for office furniture and the telephone system; and 10 years for office fit-out costs, or over the period of the lease where this is shorter.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds are incoming resources received for expenditure on the general objectives of the Charity.

Designated funds are unrestricted funds which have been designated for the specific purpose of funding long term research, programme development and the development of services and dissemination. Expenditure against these funds is agreed and authorised only by the Institute director and costs are recorded to a distinct project code. Plans for such investment are included in the annual business plan which is approved by the Board. In recent years investment plans have been put on hold due to the uncertain economic environment and the fund has not been called upon, but it is considered important to retain this facility for the future.

Foreign currencies

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

Operating lease payments

Total payments under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Contributions to pension funds

The company participates in two types of pension scheme:

The IES Stakeholder Retirement Benefits Scheme

This is a defined contributions scheme and contributions are charged to the statement of financial activities in the year in which they fall due.

1. ACCOUNTING POLICIES - continued

The Universities Superannuation Scheme

This is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The Fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the Trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary based on the latest actuarial valuation of the scheme and are accounted for on the basis of charging the cost of providing pensions over the year during which the company benefits from the employees' services.

The Institute is unable to identify its share of the underlying assets and liabilities of the Universities Superannuation Scheme. Consequently, the disclosures relating to this scheme follow the guidance set out in the transitional provisions allowed under FRS17 Retirement Benefits, for multi-employer schemes. The Institute has accounted for the contributions as if they were defined contribution schemes. Further details are provided in note 17.

Going Concern

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

2. INVESTMENT INCOME

	2022 Unrestricted funds £	2021 Unrestricted funds £
Deposit account interest	<u>160</u>	<u>34</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Projects	Projects	3,100,385	2,852,942
Corporate membership	Corporate membership	91,871	103,870
Publications	Publications	<u>157</u>	<u>258</u>
		<u>3,192,413</u>	<u>2,957,070</u>

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31ST MARCH 2022**4. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 5) £	Totals £
Projects	2,588,656	-	2,588,656
Management & Administration			
	<u>(11,827)</u>	<u>569,962</u>	<u>558,135</u>
	<u>2,576,829</u>	<u>569,962</u>	<u>3,146,791</u>

5. SUPPORT COSTS

	Management £
Management & Administration	<u>569,962</u>

6. NET INCOME/(EXPENDITURE)

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

	2022 £	2021 £
Depreciation - owned assets	21,665	18,821
Auditors' remuneration - Audit services	5,100	4,600
Auditors' remuneration - non audit services	<u>2,550</u>	<u>2,250</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

No Trustee received any remuneration during the year to 31 March 2022 nor 31 March 2021. Except for reimbursement of expenses shown below, there were no other related party transactions with Trustees.

Trustees' expenses

There were no reimbursements to trustees (2021: £nil) for expenses during the year.

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

8. STAFF COSTS

	2022	2021
	£	£
Wages and Salaries	1,566,904	1,392,010
Social Security costs	122,057	127,245
Pension costs	<u>323,371</u>	<u>273,758</u>
	<u>2,012,332</u>	<u>1,793,013</u>

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

	2022	2021
Total	<u>48</u>	<u>42</u>

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

	2022	2021
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u>2</u>	<u>1</u>

Pension contributions of £32,652 (2021: £25,669) were made by the company during the year on behalf of higher paid employees.

During the year 5 (2021:4) higher paid staff were accruing benefits under the defined benefits scheme, and no employees (2021: none) were accruing benefits under the company's defined contribution schemes.

Key Management Personnel remuneration amounted to £337,621 (2021: £352,888).

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1st April 2021	139,767
Additions	<u>14,986</u>
At 31st March 2022	<u>154,753</u>
DEPRECIATION	
At 1st April 2021	97,958
Charge for year	<u>21,665</u>
At 31st March 2022	<u>119,623</u>
NET BOOK VALUE	
At 31st March 2022	<u>35,130</u>
At 31st March 2021	<u>41,809</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	1,210,968	754,451
Prepayments and accrued income	<u>202,651</u>	<u>292,638</u>
	<u>1,413,619</u>	<u>1,047,089</u>

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31ST MARCH 2022**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade creditors	81,927	239,480
Social security and other taxes	37,540	22,203
VAT	304,586	328,625
Other creditors	47,318	-
Payments received in advance	1,343,386	692,632
Accruals and deferred income	103,976	30,338
Accrued expenses	35,154	89,144
	<u>1,953,887</u>	<u>1,402,422</u>

12. LEASING AGREEMENTS

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

	2022	2021
	£	£
Within one year	98,787	98,787
Between one and five years	<u>122,047</u>	<u>220,834</u>
	<u>220,834</u>	<u>319,621</u>

13. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Provisions	<u>10,000</u>	<u>10,000</u>
Repairs and Restatement Provision	£	
Balance at 1 April 2021 and 31 March 2022	<u>10,000</u>	

14. MOVEMENT IN FUNDS

	At 1/4/21	Net movement in funds	At 31/3/22
	£	£	£
Unrestricted funds			
General fund	1,388,946	46,082	1,435,028
	<u>1,388,946</u>	<u>46,082</u>	<u>1,435,028</u>
TOTAL FUNDS	<u>1,388,946</u>	<u>46,082</u>	<u>1,435,028</u>

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31ST MARCH 2022**14. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,192,873	(3,146,791)	46,082
TOTAL FUNDS	<u>3,192,873</u>	<u>(3,146,791)</u>	<u>46,082</u>

Comparatives for movement in funds

	At 1/4/20 £	Net movement in funds £	At 31/3/21 £
Unrestricted funds			
General fund	1,386,306	2,640	1,388,946
TOTAL FUNDS	<u>1,386,306</u>	<u>2,640</u>	<u>1,388,946</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,052,286	(3,049,646)	2,640
TOTAL FUNDS	<u>3,052,286</u>	<u>(3,049,646)</u>	<u>2,640</u>

15. RELATED PARTY DISCLOSURES

Except for the disclosures in Note 7, there were no related party transactions.

16. LIABILITY OF MEMBERS

During the year 8 members (2021:8) have each undertaken to contribute an amount not exceeding £10 in the event of the company being wound up.

17. PENSION SCHEMES

The Institute participated in two pension schemes during the year.

The first scheme is a stakeholder defined contribution direct benefit schemes. The total pension cost to the company for this scheme for the year ended 31 March 2022 was £6,564 (2021: £10,484).

The second scheme provides benefits based on a Career Average Salary. The contribution rates from October 2021 are 21.4% of pensionable salaries for the employer and 9.8% for the employee. The total pension cost for the company for this Career Average scheme for the year ended 31 March 2022 was £316,807 (2021 £265,373). The Institute has 49 (2021:36) employees in Universities Superannuation Schemes (USS).

Historically there was also a final pensionable salary scheme but this was closed entirely on 31st March 2016. The members have transferred to the Career Average scheme above.

The Institute participates in the Universities Superannuation Schemes (final salary and career average), both are defined benefit schemes which are contracted out of the State Second Pension (S2P). The assets of the schemes are held in a separate Trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the schemes and hence contributions to the schemes are accounted for as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

The latest triennial valuation took place as at 31 March 2020, calculating that the scheme deficit was now £14.1 billion. This represents an increase of £1.5 billion over the three years since the previous valuation.

The Occupational Pensions Schemes (Employer Debt) Regulations 2005 and the Occupational Pensions Schemes (Employer Debt etc) (Amendment) Regulations 2005 (the "Employer Debt Regs") creates a debt (known as a "Section 75 debt") upon an "employment-cessation event (when an employer ceases to employ at least one person who is an active member of a pension scheme and at least one other employer continues to employ active members). A section 75 debt is based on the cost of securing members' benefits by purchasing an annuity policy from an insurance company and may be significant.

Accounts

REGISTERED COMPANY NUMBER: 00931547 (England and Wales)
REGISTERED CHARITY NUMBER: 258390

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
FOR
INSTITUTE FOR EMPLOYMENT STUDIES
(A COMPANY LIMITED BY GUARANTEE)

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

INSTITUTE FOR EMPLOYMENT STUDIES

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FOR THE YEAR ENDED 31 MARCH 2021

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INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The trustees confirm that they have had due regard to the Charity Commission's general guidance on public benefit when reviewing the Institute's aims and objectives and in planning future activities.

The Institute for Employment Studies, established in 1969, is an independent, apolitical, international centre of research and advice in employment, labour market and human resource issues. The Institute's principal objective is to help bring about sustainable improvement in employment policy and human resource management.

The choice of topics and themes on which the Institute works is directly influenced by current and emerging needs of policy-makers and employing organisations. The Institute aims to disseminate the results of its work widely, in line with its charitable objectives.

The work of the Institute benefits the general public, and the wider economy and society, by helping a) to increase understanding and improve decision-making by public bodies on employment (and unemployment) issues, and b) to improve human resource management in employing organisations. The Institute is committed to ensuring that its work is both useful (and used), and accessible to a wide audience.

The Institute's medium-term strategy is reviewed every five years, and following its latest review, the key strategic priorities which influenced business planning during 2019-20 are:

- To maintain IES's position as a leading provider of UK public policy research and evaluation on employment and labour market policy topics.
- To continue to undertake European/international research and evaluation projects in our specialist public policy areas while UK institutions remain eligible for these, while monitoring the changing landscape in this area and preparing to take steps if appropriate to position the Institute to maintain eligibility in the post-Brexit environment.
- To further build the Institute's stream of work on HR management and related topics for employers and employer bodies, following the successful growth in this area in the recent years, and the building up of staff resources to support this.
- Reinforce the initial steps taken to build up a portfolio of proactive consortium-funded projects on key employment and HR issues of topical interest.
- Improve internal efficiency through improved project management and financial systems, as a response to the increasingly tight funding environment for research, especially publicly commissioned research.
- Explore the scope for strategic investment from the Institute reserves in diversifying into new streams of work.

A detailed business plan for the year ahead (2021/22) was prepared, building on these broad strategic objectives, and taking account of recent developments. The business plan was approved by the Board of trustees on the approach taken last year, and also reflect our new Three-Year Strategy.

OBJECTIVES AND ACTIVITIES

Achievements and Activities

This has been a year like no other in IES' 50-year history. We began the year amid a novel coronavirus outbreak and national lockdown, and we ended it a year later still working from home (and locked down) but with the hope that we are on the path to recovery. We undoubtedly end the year in a stronger position than we started, and are well positioned to grow our impact, influence, and income in the years ahead.

Over the last year we have grown our impact across public policy and HR practice. Our research and analysis on the impacts of the pandemic on the labour market, and our recommendations for measures to address these, have had a significant impact on government policy - particularly in the summer 'Plan for Jobs' announcements. Our work on education and skills has grown in importance, particularly with the needs to reskill in response to changing labour demand. Meanwhile our research and consulting on HR and workplace practice has had a clear influence on how employers have responded - notably in our work on the impacts of homeworking, our support to the NHS on virtual coaching, and our work with HR Network members throughout the year.

We were guided this year by the five priority areas in our three-year strategy before the pandemic, and which are set out below.

- Quality of work: Making work better; progression; security; regulation
- Inclusive work: Employment opportunity for all; diversity and inclusion; inequality
- Healthy work: Ensuring good work supports good health; and those with health needs can access it
- Education and life chances: Cradle to grave, via early years, careers, HE technical reform, adult learning
- Organisational capability: Leadership, management, change, the HR function

The priority areas were adapted as the impacts of the pandemic became clear, with in particular our work on 'Quality of work' having less prominence than we had anticipated a year ago, and inevitably more focus on labour market inclusion and the links between health and work. With hopefully more stability in the year ahead, we will look to revisit and build on many of the specific priority actions that we identified a year ago, alongside new ones that have emerged with the pandemic.

In the last year we have forged stronger links with a range of organisations in the 'What Works' network, and in particular the Education Endowment Foundation, What Growth, the Centre for Ageing Better, the Youth Endowment Foundation and the Youth Futures Foundation. Our impact on practice has also grown - across local government employment and skills programmes, central government programme evaluations, work with industry bodies, and with employers like the NHS and our HR Network.

Our public policy research and analysis has inevitably been dominated by the pandemic and its impacts. This has included a series of reports and analyses early on in the crisis of 'real-time' vacancy data provided by Adzuna and funded by the Joseph Rowntree Foundation; a number of research papers published under our own auspices including on the emerging labour market impacts of the crisis, on forecasting future redundancies, and on what works in public policy during recessions; collaborative work with other research and policy organisations, in particular as founder members of the Youth Employment Group; and a range of funded projects looking at specific aspects of labour market participation and inclusion.

This funded work has included projects for the International Labour Organisation on the early impacts of the crisis on wages across the developed world; work on the crisis for low paid workers funded by the Standard Life Foundation; research on the impacts on young people, in partnership with the Institute for Public Policy Research and funded by the Blagrave Trust and Youth Futures Foundation; and a number of major reports on supporting older workers (on workforce management for the OECD and on recruitment practices for the Centre for Ageing Better). We have also been coinvestigators on a multi-year, ESRC-funded project looking at the impacts of home and hybrid working on public administration and professional services.

Beyond the pandemic, in November we published the first output from a major new research programme on obesity and employment called PURPOSE (Promoting Understanding and Research into Productivity, Obesity Stigma and Employment), funded by Novo Nordisk. This first report focused on reviewing the evidence around obesity stigma at work, and quantifying the wage penalty for men and women. And in August, we published important research exploring the links between labour market migration, disadvantage and social mobility, for the Social Mobility Commission - which showed that while internal migration appears to improve labour market outcomes for those from more disadvantaged backgrounds, other factors like housing, social connections and the quality of public services could often have a more significant bearing on people's qualities of life.

T Levels

OBJECTIVES AND ACTIVITIES

Ovo; Toolbox

On education and skills, the last year has seen us continue to grow our work on early years education and learning, particularly with evaluation work for the Education Endowment Foundation and the Ovo Foundation. We have also led and published large-scale research for the Department for Education on industry placements for the new T-Level programme, and are continuing to work with them on a number of further research projects linked to the pandemic response and vocational reform.

Finally, in our employer-facing work, we have been proud to have been able to work with the NHS over the last year to support on the research and evaluation of the #LookingAfterYouToo coaching service for front line primary care staff, to provide support on the design and implementation of a team coaching intervention to build the capability of primary care teams to deliver the Covid-19 vaccine programme, and to have supported on training and development around managing change within NHS Trusts. This work has been delivered alongside our wider research and consulting work on HR and workforce practice, which this year has included a major programme of work for the Defence Science and Technology Laboratory on understanding the future world of work (in partnership with BAe Systems); research support for the Cabinet Office on the National Leadership Centre (working with Ipsos Mori) and a wide range of events, projects and support for our HR Network members - inevitably focused on managing through the pandemic.

Looking ahead, the next year will be dominated by the ongoing impacts of the pandemic and our recovery from it - on the economy and labour market, employment participation, workforces, education and on how and where we work.

All these things mean that IES and the work conducted by the Institute will be more important in the year ahead than it has been at any point in at least a decade. Our expertise in 'what works' in active labour market and skills policy; in issues related to health and work; in labour market regulation, job quality and security; in evaluating interventions in education; and in applied HR research in health and wellbeing, workforce planning, change management, pay, and diversity and inclusion will all be in high demand.

However, the pandemic will not be the only issue that we grapple with in the year ahead. The impacts of Brexit, the transition to Net Zero, the need to address racial inequalities, and the impacts of technology on how we work, are all areas where we can and must play a role.

STRATEGIC REPORT

Achievement and performance

Plans for future periods

The overall business strategy underlying the next year's business plan, and that of the medium-term, remains in place, having been set by the Board's recent strategic review. Within that strategy, the business plan itself is a relatively focused one, with the emphasis on continued measures to respond to the challenges in the external business environment.

Specific priorities include:

- Re-establishing a position of sustainable financial surplus, through a focus on internal improvements to project management, line management and systems;
- Further growth of existing successful work programmes (including, in particular, those focusing on HR work for employers) and the maintenance of others (especially public policy work for UK public agencies, in IES's traditional areas of strength), and the development of new work programmes (in areas identified in the strategic review, including education and health at work), with a view to offsetting the inevitable decline in the Institute's European work programmes in the run-up to and following Brexit.
- Diversification of funding sources, with a particular emphasis on identifying and securing new sources of research funding (including from charitable trusts and foundations, corporate sources with a public/social focus, and consortia of organisations with common interests), and developing pro-active bids for funding from such sources.
- Refreshing the Institute's communications and dissemination activities, with a particular emphasis on securing greater and more cost-effective impact of the Institute's research through new media and channels of communications.
- Minimising the impact of the Covid19 pandemic. The pandemic has not impacted on the financial year 2019/20, however it will have an impact on 20/21 as both staff and clients have been affected by some work stalling and the need to furlough some staff to enable them to shield, homeschool, and deal with client delays to our work.

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRATEGIC REPORT

Financial review

Financial position

The year ended 31st March 2021 recorded net income over expenditure of £2,640. Total reserves now stand at £1,388,946 (See reserves policy below).

Total income for the year ended 31st March 2021 amounted to £3,052,287 compared to £3,825,198 in the previous period.

Total expenditure for the year ended 31st March 2021 amounted to £3,049,647 compared to £3,822,406 in the previous period.

Investment policy and objectives

The overriding principle guiding the investment of surplus cash balances is the preservation of the capital value of the Institute's resources.

The objective for investment purposes is to achieve a good return whilst minimising risk. This has been achieved by investing cash in high interest deposit accounts. The average return on investments in the year ended 31 March 2021 was 0% (2020, 0.89%)

Reserves policy

The Institute maintains reserves, all of which are unrestricted funds (i.e. are expendable at the discretion of the Board Members and used in the furtherance of the Institute's objectives).

The Board have earmarked certain funds for the specific purpose of funding long term research and development. These are described as the designated element of the fund.

The Board consider the reserves sufficient to provide for the Institute's future requirements. It is the policy of the Institute to generate sufficient reserves to maintain six months' operating costs. The reserves as at the end of the year are considered adequate to meet current operating needs, in line with this policy.

Future plans

Looking ahead, the next year will be dominated by the ongoing impacts of the pandemic and our recovery from it - on the economy and labour market, employment participation, workforces, education and on how and where we work.

All these things mean that IES and the work conducted by the Institute will be more important in the year ahead than it has been at any point in at least a decade. Our expertise in 'what works' in active labour market and skills policy; in issues related to health and work; in labour market regulation, job quality and security; in evaluating interventions in education; and in applied HR research in health and wellbeing, workforce planning, change management, pay, and diversity and inclusion will all be in high demand.

However, the pandemic will not be the only issue that we grapple with in the year ahead. The impacts of Brexit, the transition to Net Zero, the need to address racial inequalities, and the impacts of technology on how we work, are all areas where we can and must play a role.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Institute for Employment Studies (IES) is a registered Charity and company limited by guarantee governed by its Articles of Association dated October 2013.

The Articles of Association were amended in October 2013 to provide for a single tier of governance, the Board of Trustees. Members, each of whom agree to contribute £10 in the event of the Charity winding up, are the Trustees of the Institute and shall admit to membership in accordance with the provisions of the Articles.

A Trustee shall hold office for a period of three years but is eligible for re-election provided that no Trustee may serve for more than nine consecutive years of office.

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

As set out in the Articles of Association, the Board of Trustees may from time to time and at any time appoint any person as a Trustee either to fill a casual vacancy or by way of addition to the Board.

On appointment each Trustee is provided with the Memorandum and Articles, and a copy of Charity Commission publication The Essential Trustee. New Trustees meet with the Chair and Director and are invited to the Institute's offices.

Organisation

The Board of Trustees manages the business of the Institute and may exercise all such powers of the Institute as are not, by the Act or by the Articles, required to be exercised by the members, subject nevertheless to the provisions of the Act or the Articles.

The Board, which can have between 6 and 15 members, meets 3 times a year. A Director is appointed by the Trustees to manage the day to day operations of the Charity. To facilitate operations the Director has delegated authority for operational matters.

The Board advises the Institute Director and management team, and approves the annual business plan, budget and key items of strategy. The detailed roles of the Members, Trustees, the Board and the Institute Director are set out in the Articles of Association. Written records are kept of all decisions made at Board and management meetings.

The Board of Trustees met 3 times during the year and supported the Institute's management team in developing its annual business plan and strategic priorities, as well as advising on ongoing operational issues.

Board members

The members of the Board are as listed under the Reference and Administrative details on page 8.

For the purposes of Company Law, all the Members of the Board are deemed to be directors of the Company.

Key management remuneration

The Board is responsible for setting the pay and remuneration of the Institute's key management personnel, the level of which is reviewed annually. In coming to its decisions the Board may seek advice from external independent experts and will arrive at its decisions after taking into account the purpose aims and values of the Institute, the strategic plan and the ability to pay, individual competencies and performance, remuneration levels at similar charities, and retention. These factors are not exclusive and any decision will inevitably include an element of discretion by the Board.

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Members of the Board have identified the major risks to which the Institute is exposed and which might impact on the Institute's ability to achieve its objectives. As in recent years, these include:

- Political uncertainties associated with Brexit
- Maintaining a flow of work from private and public sector employers in the face of intense competition at a time of increasing economic turbulence
- Retaining and attracting key staff
- The need for effective systems for business continuity planning and data security
- The need to ensure that the consequences of the Covid 19 pandemic are the subject of detailed planning and monitoring

These risks are monitored on an ongoing basis by the management team and reviewed by the Board at its regular meetings.

The Board has established policies, procedures and systems to mitigate those risks. These internal controls are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Institute has established an on-going process for identifying, evaluating and managing the Institute's key risks. In particular there are clear procedures for:

- financial reporting, within a comprehensive financial planning and accounting framework; and
- monitoring of business risks, with key risks identified and reported to the Members of the Board.

Financial risk management

The charitable company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the charitable company's operations. The main risks arising from the charitable company's financial instruments are interest rate risk, liquidity risk and currency risk. The Trustees review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The charitable company finances its operations through a mixture of retained reserves and retained cash surpluses. The charitable company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The charitable company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. The charitable company's policy throughout the year has been to ensure continuity of funding through retained cash surpluses.

Currency risk

The charitable company is exposed to transaction and translation foreign exchange risk. The charitable company's exposure to these risks is managed through the use of bank accounts in the same currency.

Members of the Board monitor on a regular basis the risks and the effectiveness of the system of internal control operated by the Institute.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00931547 (England and Wales)

Registered Charity number

258390

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

Registered office

3rd Floor
City Gate
185 Dyke Road
Brighton
East Sussex
BN3 1TL

Trustees

D Guest
Ms R K Kular
G J F Podger
J R Greatrex
Ms K Poole
Ms S Cook
Dame C Black
Ms E Stewart

Company Secretaries

Ms J Smith
Ms S L Anderson

Auditors

John Thacker DChA
Institute of Chartered Accountants in England and Wales
Chariot House Limited
Chartered Accountants
44 Grand Parade
Brighton
East Sussex
BN2 9QA

Bankers

Barclays Bank PLC
The Old Bank
High Street
Lewes
BN7 2JP

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London
EC1M 6HR

Institute director

Anthony Wilson

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Institute for Employment Studies for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

INSTITUTE FOR EMPLOYMENT STUDIES

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31 MARCH 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and 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; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 27 September 2021 and signed on the board's behalf by:

Ms K Poole - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Opinion

We have audited the financial statements of Institute for Employment Studies (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR EMPLOYMENT STUDIES**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INSTITUTE FOR EMPLOYMENT STUDIES

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charitable company and the industry in which it operates, and considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud. We identified that the following laws and regulations are central to the charitable company:

- Companies Act 2006
- Charities Act 2011
- Charities SORP 2019
- Health & safety regulations

We did not find any instances of non-compliance or breaches of the legislation framework applicable to the charitable company.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the following areas were of high risk:

- Completeness of income. We performed various audit tests to ensure that income was not materially understated in the financial statements.
- Management override of controls. We performed various audit tests to ensure there was no material management override of controls

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Charities Act 2011 and Charities SORP 2019. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel when considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of management bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE FOR EMPLOYMENT STUDIES**

Use of our report

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

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

Date: 30 September 2021

INSTITUTE FOR EMPLOYMENT STUDIES

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

		2021 Unrestricted funds £	2020 Unrestricted funds £
INCOME AND ENDOWMENTS FROM	Notes		
Charitable activities	3		
Projects		2,852,942	3,716,490
Corporate membership		103,870	103,570
Publications		258	881
Investment income	2	34	4,257
Other income		<u>95,182</u>	<u>-</u>
Total		3,052,286	3,825,198
 EXPENDITURE ON			
Charitable activities	4		
Projects		2,457,850	3,275,782
Management & Administration		591,796	546,624
		<u> </u>	<u> </u>
Total		3,049,646	3,822,406
		<u> </u>	<u> </u>
NET INCOME		2,640	2,792
 RECONCILIATION OF FUNDS			
Total funds brought forward		1,386,306	1,383,514
		<u> </u>	<u> </u>
TOTAL FUNDS CARRIED FORWARD		<u>1,388,946</u>	<u>1,386,306</u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2021

		2021 Unrestricted funds £	2020 Unrestricted funds £
FIXED ASSETS	Notes		
Tangible assets	9	41,809	10,556
CURRENT ASSETS			
Debtors	10	1,047,089	1,480,348
Cash at bank and in hand		<u>1,712,470</u>	<u>983,674</u>
		2,759,559	2,464,022
CREDITORS			
Amounts falling due within one year	11	(1,402,422)	(1,078,272)
		<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>1,357,137</u>	<u>1,385,750</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,398,946	1,396,306
PROVISIONS FOR LIABILITIES	13	(10,000)	(10,000)
		<u> </u>	<u> </u>
NET ASSETS/(LIABILITIES)		<u><u>1,388,946</u></u>	<u><u>1,386,306</u></u>
FUNDS	14		
Unrestricted funds:			
General fund		<u>1,388,946</u>	<u>1,386,306</u>
TOTAL FUNDS		<u><u>1,388,946</u></u>	<u><u>1,386,306</u></u>

The financial statements were approved by the Board of Trustees and authorised for issue on 27 September 2021 and were signed on its behalf by:

K Poole - Trustee

INSTITUTE FOR EMPLOYMENT STUDIES**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>778,836</u>	<u>65,189</u>
Net cash provided by operating activities		<u>778,836</u>	<u>65,189</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(51,123)	(4,813)
Sale of tangible fixed assets		1,049	-
Interest received		<u>34</u>	<u>4,257</u>
Net cash used in investing activities		<u>(50,040)</u>	<u>(556)</u>
 Change in cash and cash equivalents in the reporting period		 728,796	 64,633
Cash and cash equivalents at the beginning of the reporting period		<u>983,674</u>	<u>919,041</u>
 Cash and cash equivalents at the end of the reporting period		 <u><u>1,712,470</u></u>	 <u><u>983,674</u></u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	2,640	2,792
Adjustments for:		
Depreciation charges	18,821	7,914
Interest received	(34)	(4,257)
Decrease in debtors	433,259	339,881
Increase/(decrease) in creditors	<u>324,150</u>	<u>(281,141)</u>
Net cash provided by operations	<u><u>778,836</u></u>	<u><u>65,189</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/20 £	Cash flow £	At 31/3/21 £
Net cash			
Cash at bank and in hand	<u>983,674</u>	<u>728,796</u>	<u>1,712,470</u>
	<u>983,674</u>	<u>728,796</u>	<u>1,712,470</u>
Total	<u><u>983,674</u></u>	<u><u>728,796</u></u>	<u><u>1,712,470</u></u>

The notes form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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, which includes taking into account any potential impact of the COVID-19 pandemic, and on that basis the charity is considered to be a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Project income, which represents amounts receivable by the company in the ordinary course of operations for services provided, is accounted for in the year to which it relates. Any income that relates to work to be carried out in future periods is therefore deferred. Contract losses are fully recognised in the period in which they are foreseen.

For transactions where the Institute is deemed to act as an agent, both the income and expenditure have been excluded from the Institute's results, other than where they relate to the Institute's role as an agent.

Corporate membership

Contributions are received by the company to be used on a programme of work agreed with participants.

This income is accounted for in the period to which it relates in the same way as other income received in the ordinary course of operations for services provided.

Conferences and events

Surpluses or deficits on conferences and events are accounted for in the year in which they are held.

Expenditure

Expenditure, which is charged on the accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the Charity's objectives including that incurred in providing and maintaining premises and equipment required to carry out the Charity's work;
- expenditure incurred in the management and administration of the Charity; and
- governance costs.

Direct charitable expenditure on research and commissioned studies comprises expenditure attributable directly to those activities.

Depreciation and rent payable have been apportioned based on the area of the rooms used for the Institute's activities and staff costs are allocated according to the employees' work. All other costs are apportioned on a consistent basis appropriate to the Institute's circumstances.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Recognition and measurement

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Assets with a cost in excess of £500 intended to be of ongoing use are capitalised as fixed assets.

Depreciation is calculated to write down the cost of furniture, fittings and equipment by equal annual instalments over their expected useful lives. These are 3 years for computer hardware, software and office equipment; 5 years for office furniture and the telephone system; and 10 years for office fit-out costs, or over the period of the lease where this is shorter.

Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK Corporation Tax purposes. Accordingly the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

Unrestricted funds are incoming resources received for expenditure on the general objectives of the Charity.

Designated funds are unrestricted funds which have been designated for the specific purpose of funding long term research, programme development and the development of services and dissemination. Expenditure against these funds is agreed and authorised only by the Institute director and costs are recorded to a distinct project code. Plans for such investment are included in the annual business plan which is approved by the Board. In recent years investment plans have been put on hold due to the uncertain economic environment and the fund has not been called upon, but it is considered important to retain this facility for the future.

Foreign currencies

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

Operating lease payments

Total payments under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Contributions to pension funds

The company participates in two types of pension scheme:

The IES Stakeholder Retirement Benefits Scheme

This is a defined contributions scheme and contributions are charged to the statement of financial activities in the year in which they fall due.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

The Universities Superannuation Scheme

This is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The Fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the Trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary based on the latest actuarial valuation of the scheme and are accounted for on the basis of charging the cost of providing pensions over the year during which the company benefits from the employees' services.

The Institute is unable to identify its share of the underlying assets and liabilities of the Universities Superannuation Scheme. Consequently, the disclosures relating to this scheme follow the guidance set out in the transitional provisions allowed under FRS17 Retirement Benefits, for multi-employer schemes. The Institute has accounted for the contributions as if they were defined contribution schemes. Further details are provided in note 17.

Going Concern

The directors consider that there are no material uncertainties about the company's ability to continue as a going concern. The directors have taken advantage of the various sources of Government support during the COVID-19 pandemic. The directors consider that COVID-19 will not have a significant impact on the company's ability to continue trading. Income from trading activities is expected to reduce due to the lockdown conditions and steps are being taken to make cost savings. The directors regard any impact to be short term rather than affecting the company's ability to continue as a going concern. There are no material uncertainties affecting the current year's accounts.

2. INVESTMENT INCOME

	2021 Unrestricted funds £	2020 Total funds £
Deposit account interest	<u>34</u>	<u>4,257</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2021 £	2020 £
Projects	Projects	2,852,942	3,716,490
Corporate membership	Corporate membership	103,870	103,570
Publications	Publications	<u>258</u>	<u>881</u>
		<u>2,957,070</u>	<u>3,820,941</u>

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2021**

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Projects	2,457,850	-	2,457,850
Management & Administration	-	591,796	591,796
	<u>2,457,850</u>	<u>591,796</u>	<u>3,049,646</u>

5. SUPPORT COSTS

	Management £
Management & Administration	<u>591,796</u>

6. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Depreciation - owned assets	18,821	7,914
Auditors' remuneration - Audit services	4,600	4,600
Auditors' remuneration - non audit services	<u>2,250</u>	<u>2,250</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

No Trustee received any remuneration during the year to 31 March 2021 nor 31 March 2020. Except for reimbursement of expenses shown below, there were no other related party transactions with Trustees.

Trustees' expenses

There were no reimbursements to trustees (2020: 3 trustees amounting to £552) for travel expenses during the year.

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2021**

8. STAFF COSTS

	2021	2020
	£	£
Wages and Salaries	1,392,010	1,510,935
Social Security costs	127,245	125,518
Pension costs	<u>273,758</u>	<u>279,990</u>
	<u>1,793,013</u>	<u>1,916,443</u>

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

	2021	2020
Total	<u>42</u>	<u>42</u>

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

	2021	2020
£60,001 - £70,000	-	2
£70,001 - £80,000	1	2
£80,001 - £90,000	<u>-</u>	<u>1</u>
	<u>1</u>	<u>5</u>

Pension contributions of £25,669 (2020: £77,008) were made by the company during the year on behalf of higher paid employees.

During the year 4 (2020:4) higher paid staff were accruing benefits under the defined benefits scheme, and no employees (2020: none) were accruing benefits under the company's defined contribution schemes.

Key Management Personnel remuneration amounted to £421,566 (2020: £352,888).

INSTITUTE FOR EMPLOYMENT STUDIES**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 MARCH 2021**9. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
COST	
At 1 April 2020	242,319
Additions	51,123
Disposals	<u>(153,675)</u>
At 31 March 2021	<u>139,767</u>
DEPRECIATION	
At 1 April 2020	231,763
Charge for year	18,821
Eliminated on disposal	<u>(152,626)</u>
At 31 March 2021	<u>97,958</u>
NET BOOK VALUE	
At 31 March 2021	<u>41,809</u>
At 31 March 2020	<u>10,556</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	754,451	1,242,584
Other debtors	-	43,824
Prepayments and accrued income	<u>292,638</u>	<u>193,940</u>
	<u>1,047,089</u>	<u>1,480,348</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	239,480	249,228
Social security and other taxes	350,828	295,394
Payments received in advance	692,632	394,208
Pension contributions	-	33,716
Accruals and deferred income	30,338	36,208
Accrued expenses	<u>89,144</u>	<u>69,518</u>
	<u>1,402,422</u>	<u>1,078,272</u>

INSTITUTE FOR EMPLOYMENT STUDIES

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31 MARCH 2021**

12. LEASING AGREEMENTS

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

	2021 £	2020 £
Within one year	98,787	98,717
Between one and five years	<u>220,834</u>	<u>319,620</u>
	<u>319,621</u>	<u>418,337</u>

13. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Provisions	<u>10,000</u>	<u>10,000</u>
Repairs and Restatement Provision	£	
Balance at 1 April 2020 and 31 March 2021	<u>10,000</u>	

14. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	At 31/3/21 £
Unrestricted funds			
General fund	1,386,306	2,640	1,388,946
TOTAL FUNDS	<u>1,386,306</u>	<u>2,640</u>	<u>1,388,946</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,052,286	(3,049,646)	2,640
TOTAL FUNDS	<u>3,052,286</u>	<u>(3,049,646)</u>	<u>2,640</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021**14. MOVEMENT IN FUNDS - continued****Comparatives for movement in funds**

	At 1/4/19 £	Net movement in funds £	At 31/3/20 £
Unrestricted funds			
General fund	1,383,514	2,792	1,386,306
TOTAL FUNDS	<u>1,383,514</u>	<u>2,792</u>	<u>1,386,306</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,825,198	(3,822,406)	2,792
TOTAL FUNDS	<u>3,825,198</u>	<u>(3,822,406)</u>	<u>2,792</u>

15. RELATED PARTY DISCLOSURES

Except for the disclosures in Note 7, there were no related party transactions.

16. LIABILITY OF MEMBERS

During the year 8 members (2020:8) have each undertaken to contribute an amount not exceeding £10 in the event of the company being wound up.

17. PENSION SCHEMES

The Institute participated in two pension schemes during the year.

The first scheme is a stakeholder defined contribution direct benefit schemes. The total pension cost to the company for this scheme for the year ended 31 March 2021 was £10,484 (2020: £10,484).

The second scheme provides benefits based on a Career Average Salary. The contribution rates from April 2018 are 18% of pensionable salaries for the employer and 8% for the employee. The total pension cost for the company for this Career Average scheme for the year ended 31 March 2021 was £265,373 (2020 £269,506). The Institute has 36 (2020:33) employees in Universities Superannuation Schemes (USS).

Historically there was also a final pensionable salary scheme but this was closed entirely on 31st March 2016. The members have transferred to the Career Average scheme above.

17. PENSION SCHEMES - continued

The Institute participates in the Universities Superannuation Schemes (final salary and career average), both are defined benefit schemes which are contracted out of the State Second Pension (S2P). The assets of the schemes are held in a separate Trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the schemes and hence contributions to the schemes are accounted for as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

The latest triennial valuation took place as at 31 March 2017, calculating that the scheme deficit was now £12.6 billion. This represents a deficit increase of £0.9 billion over the three years since the previous valuation.

The Occupational Pensions Schemes (Employer Debt) Regulations 2005 and the Occupational Pensions Schemes (Employer Debt etc) (Amendment) Regulations 2005 (the "Employer Debt Regs") creates a debt (known as a "Section 75 debt") upon an "employment-cessation event (when an employer ceases to employ at least one person who is an active member of a pension scheme and at least one other employer continues to employ active members). A section 75 debt is based on the cost of securing members' benefits by purchasing an annuity policy from an insurance company and may be significant.