

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.

INSTITUTE FOR EMPLOYMENT STUDIES

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

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	2021
		Unrestricted	Unrestricted
		funds	funds
		£	£
INCOME AND ENDOWMENTS FROM			
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>1,435,028</u>	<u>1,388,946</u>

The notes form part of these financial statements

INSTITUTE FOR EMPLOYMENT STUDIES (REGISTERED NUMBER: 00931547)

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)
		<u> </u>	<u> </u>
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)
		<u> </u>	<u> </u>
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>
		<hr/>	<hr/>
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.

INSTITUTE FOR EMPLOYMENT STUDIES

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

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
	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>3,052,286</u>	<u>(3,049,646)</u>	<u>2,640</u>

INSTITUTE FOR EMPLOYMENT STUDIES

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

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.