

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		1,466,120	1,435,028
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

	Notes	2024 Unrestricted funds £	2023 Unrestricted funds £
FIXED ASSETS			
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>1,538,865</u>	<u>1,464,443</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		1,560,955	1,476,120
PROVISIONS FOR LIABILITIES	14	(11,612)	(10,000)
		<u>1,549,343</u>	<u>1,466,120</u>
NET ASSETS			
FUNDS	15		
Unrestricted funds:			
General fund		<u>1,549,343</u>	<u>1,466,120</u>
TOTAL FUNDS		<u>1,549,343</u>	<u>1,466,120</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><u>1,778,889</u></u>	<u><u>(266,259)</u></u>	<u><u>1,512,630</u></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

	2024 £	2023 £
Projects	3,861,756	3,292,452
Corporate membership	93,701	68,341
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	<u>17,067</u>
Total	<u>3,382,268</u>
EXPENDITURE ON	
Charitable activities	
Projects	2,704,114
Management & Administration	<u>647,062</u>
Total	<u>3,351,176</u>
NET INCOME	31,092
RECONCILIATION OF FUNDS	
Total funds brought forward	1,435,028
TOTAL FUNDS CARRIED FORWARD	<u><u>1,466,120</u></u>

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
COST	
At 1 April 2023	154,753
Additions	<u>21,313</u>
At 31 March 2024	<u>176,066</u>
DEPRECIATION	
At 1 April 2023	143,076
Charge for year	<u>10,900</u>
At 31 March 2024	<u>153,976</u>
NET BOOK VALUE	
At 31 March 2024	<u><u>22,090</u></u>
At 31 March 2023	<u><u>11,677</u></u>

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
	<u>1,466,120</u>	<u>83,223</u>	<u>1,549,343</u>
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
	<u>4,004,762</u>	<u>(3,921,539)</u>	<u>83,223</u>
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
	<u>1,435,028</u>	<u>31,092</u>	<u>1,466,120</u>
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
	<u>3,382,268</u>	<u>(3,351,176)</u>	<u>31,092</u>
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