

Charity registration number 1180718

Company registration number 11263261 (England and Wales)

INSTITUTE FOR THE FUTURE OF WORK

(IFOW)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

INSTITUTE FOR THE FUTURE OF WORK (IFOW)

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	N W Climer CBE FREng (Co- Chair) Sir C A Pissarides (Co- Chair) M T Chowdhury M E Dalton Dr A O Imafidon MBE G J Nuttall OBE D Barone Soares
Secretary	A Thomas
Charity number	1180718
Company number	11263261
Principal address	Somerset House Strand London WC2R 1LA
Registered office	Fieldfisher Riverbank House 2 Swan Lane London EC4R 3TT
Independent examiner	Rogers Spencer Newstead House Pelham Road Nottingham NG5 1AP
Bankers	Metro Bank PLC 1 Southampton Row Holborn London WC1B 5HA

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INSTITUTE FOR THE FUTURE OF WORK (IFOW) TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their annual report and financial statements for the year ended 31 August 2022.

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

Objectives and activities

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

The charitable objects of the organisation as set out in the articles of incorporation are as follows:

- To promote the education of the public into changes to the world of work with particular but not exclusive regard to the impact of technology on work and society.
- To prevent or relieve poverty in the context of the impact of technology on work and society with particular but not exclusive regard to those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.
- To advance any such other charitable purposes as the trustees in their absolute discretion determine by, in particular but not exclusively: i) Research and policy development ii) the development and testing of new and improved ways of working and support for work iii) recommendations on improving all aspects of work, and iv) advocacy

In addition, the Board of Trustees resolved that the activities of the Charity should include: work to promote the advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity.

To achieve its mission, IFOW works at the intersection of government, industry and academia in the following ways:

We shift narratives (*conceptual impact- changing ways of thinking*)

We are reframing debates on technology and the changing world of work to forefront work in shaping a better, fairer future for everyone.

We create evidence (*conceptual impact- knowledge and understanding*)

We are building and sharing a multi-disciplinary evidence base of the impacts of technology at work, working people, and the wider implications of these changes on society.

We design solutions (*instrumental direct impacts on policy, practice and law*)

We design, iterate and test practical solutions informed by our own and partners' research.

We develop policy (*instrumental - direct impacts on policy, practice, and law*)

We develop new policy and regulatory models and institutions with our partners which we deliver to the front line of politics.

INSTITUTE FOR THE FUTURE OF WORK (IFOW)

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

FOR THE YEAR ENDED 31 AUGUST 2022

We build capacity (*capacity-building - strengthening involvement, uptake and development of solutions, empowering institutions, and intermediaries*)

We are building the capabilities of communities and institutions to shape the futures of our work.

We connect people (*capacity-building - knowledge exchange*)

We are creating and convening networks to enrich knowledge exchange and enable collaboration.

IFOW works across three broad themes, with two programmes within each theme. In the course of the year, IFOW has reviewed and developed its themes and programmes. The scope for each of these is as follows:

Theme: Changing Work

The risks and rewards of the new technological revolution are unequally distributed exacerbating structural inequalities. Our goal is to address this by building the conditions for future good work.

- *Programme 1: Work and wellbeing* - exploring the links between good work and wellbeing and the role that good work can play in boosting wellbeing and resilience through transitions.
- *Programme 2: Shaping just transitions* - exploring the nature and trajectories of labour market transitions in the context of automation.

Theme: Shifting Power

Technology is driving big shifts in power and challenging traditional mechanisms of accountability at work. Our goal is to strengthen good governance accountability by safeguarding and promoting good work to counter this imbalance and fill accountability gaps.

- *Programme 1: New Models of Work* - exploring the full range of technology impacts on the dimensions of good work set out in the IFOW Good Work Charter and developing new safeguards to protect good work in the age of AI.
- *Programme 2: Responsible technology* - forefronting impacts on good work to help build a responsible technology ecosystem, ensure accountability, optimise benefits and minimise risks across the technology life cycle.

Theme: Prioritising People

Human experience, values and ambitions are neglected in shaping futures of work. Our goal is to forefront people's experience, values and agency in shaping transitions to good, fulfilling, work in their local area.

- *Programme 1: Our Future Workforce* - broadening strategies for equipping the future workforce by introducing the capabilities approach.
- *Programme 2: Communities in Transition* - working in partnership to empower local institutions, people and communities to shape their own futures of work. We focus on building the capacity and institutions to unlock the potential of local people and places, build strong communities and counter social dislocation through local good work.

All of IFOW's work can be grouped under each of these three themes, and all activities are regularly reviewed to ensure that they further the aims and objectives of the organisation. The IFOW executive team meets regularly to reflect on, refine and reformulate the challenges that we seek to address. The IFOW Board pays due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake, and regularly reviews IFOW's work to ensure it reflects the Charity Commission guidance on public benefit.

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Achievements and performance

Summary

The 2021/2022 Financial Year, running from September 2021 to August 2022, was another significant year for IFOW as the organisation consolidated its work and sought to grow its impact. The disruptions and shocks to the labour market caused by the technological transition overlaid by the Covid-19 pandemic were added to by the cost-of-living crisis. Whilst restrictions associated with the Covid-19 pandemic tapered, the reliance and use of digital technology and technology platforms that was accelerated by this global disruption continued to grow, transforming access and the nature of work, conditions, quality and models for business.

Having secured its first major research grant — a £1.8m grant from the Nuffield Foundation Strategic Fund — IFOW launched The Pissarides Review into the Future of Work and Wellbeing, led by Nobel laureate Professor Sir Christopher Pissarides. The Review pilots a new, cross-disciplinary approach to evaluate and respond to technological disruption across the country, and the launch on 29th March 2022 was attended by senior representatives from industry, civil society, policymakers and members of the House of Lords. Along with a report to introduce the Review, summarising five trends in automation and work, IFOW launched a new website specifically for the Review.

IFOW continued to implement the Strategy agreed with Trustees in January 2021. This focuses IFOW's three programme priorities as set out above (Changing work, Shifting power and Prioritising people) towards building an evidence base through practice-focused research and designing practical solutions to drive action from decision-makers at a national and local level. The Strategy, published on our website, is approved for the period until 2025, subject to an annual review process which takes into account the economic, social and political landscape within which the IFOW operates.

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

INSTITUTE FOR THE FUTURE OF WORK (IFOW)

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

FOR THE YEAR ENDED 31 AUGUST 2022

The following details the activities of the IFOW over the last financial year, within the structure of the three core IFOW themes:

Theme: Changing Work

Connecting and convening

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

Our [All Party Parliamentary Group \(APPG\) on the Future of Work](#) continued to build its reputation as a key parliamentary hub, and attracted more members from both houses, as well as new members from research and corporate organisations. The group had its first in-person event in two years in July 2022, and IFOW continues to organise and manage such events on a quarterly basis.

IFOW has continued to build its profile as a hub and convenor throughout the year by collaboration and attendance at a range of events and conferences led by partners, including FT Live, CogX, London Tech Week and Chatham House.

The Good Work Monitor

In January 2022, IFOW published the first annual update of the [Good Work Monitor \(GWM\)](#), the first holistic measure of the availability of good work in each local authority area of England outside London. The 2022 publication built on prior work to share a [Time Series](#), which analysed changing patterns in access to good work over a decade. The GWM provides measures to allocate funds and evaluate policy, for use as local, regional, and national economic and public strategies are developed in response to the pandemic. It also builds the case to prioritise and embed good work standards into recovery support, planning and procurement.

The Time Series revealed new patterns of inequality in access to good work across time and place. Despite an improvement in total scores over the decade, we can see that the pace of transition is slow and inconsistent. Access to individual domains of good work associated with resilience polarised in the run up to the pandemic. The Time Series showed that the dimensions of good work supported each other, which challenges traditional assumptions about the trade-off between employment and quality work. This also highlights how competition between local areas undergoing different transitions was problematic and likely to exacerbate structural inequalities in practice, inviting a fresh approach to Levelling Up.

The GWM was shared with the Secretary of States for both Government and Opposition via IFOW's parliamentary network to centre and frame good future work within the Levelling Up agenda. Informal monitoring of terminology in Parliament and Government papers suggested that both Government and Opposition began to increase emphasis on the importance of good jobs to reduce regional inequalities and drive shared prosperity. The Time Series was shared with Combined Authorities and deployed by at least three, one of whom has initiated a Future of Work Strategy this year.

INSTITUTE FOR THE FUTURE OF WORK (IFOW)

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

FOR THE YEAR ENDED 31 AUGUST 2022

The Good Work Charter

IFOW has continued to apply the [Good Work Charter \(GWC\)](#) as an organising framework and advocacy tool to achieve a principles-driven approach to Good Work. In May 2022 we published '[Understanding the impacts of technology adoption on work](#)' — a report building the evidence base on the business case for taking a responsible approach to the adoption of technology in the workplace, as well as the social case at the level of individuals and society. Importantly, this business case of the GWC accompanied [new guidance from the CIPD](#) in May on responsible and human-centred deployment of technology at work, which was circulated to its circa 50,000 members.

The [APPG toolkit on Good Work](#) based on the GWC has been approved by the MP leadership, published on both the IFOW and APPG websites, and now serves as an access point for corporate members of the Future of Work Group, to encourage and enable proactive steps to improve access, conditions and work quality at a firm level.

At a government level, IFOW/APPG probing amendments across parties made in the course of the Procurement Bill in July 2022 used the GWC as a checklist to consider likely impacts on good local work. In debates in the House of Lords, former AI Committee Chair Lord Clement Jones recognised the GWC as a checklist of AI impacts. Following this debate, the Opposition (Future of Work Secretary of State, Angela Rayner) introduced good work procurement as a commitment and the Government committed to considering amendments to national guidance on procurement, while resisting amendments to the Bill.

The Pissarides Review

Having secured funding from the Nuffield Foundation in April 2021 to conduct this Review, this year has seen the first major work begin on it. The Review was officially launched in the House of Lords on 29th March 2022, at an event attended by senior representatives from industry, civil society, policymakers and members of the House of Lords.

Researchers have begun to create the first national Disruption Index to map and track technological disruption across the UK. This will eventually lead to a web-based dashboard that allows users to understand trends and patterns in disruption across multiple factors. A second workstream has been developing a survey of five hundred UK companies about the introduction of automation, and the motives, barriers and effects of this. A third dimension of the Review is drawing on the work of Amartya Sen to pioneer the use of his 'Capabilities Approach' to understand workplace wellbeing; researchers have been designing a survey of workers to capture their locally-based experiences of digital transition, and how these might be triangulated with the Disruption Index. Finally, the fourth workstream of the Review analyses the impact of institutions such as unions, regulators, quangos and government departments, to understand the potential of developing policy on technical disruption in the workplace.

IFOW continues to build relationships with key policy actors to bring this research to life through and beyond the project, which will provide IFOW with a substantial evidence base for longer-term programmes.

INSTITUTE FOR THE FUTURE OF WORK (IFOW)

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

FOR THE YEAR ENDED 31 AUGUST 2022

Theme: Shifting power

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

In December 2021, having been invited to work as consultants for the Canadian government, we published a policy paper and toolkit proposing [algorithmic impact assessments as a systematic framework of accountability for algorithmic decision-making](#) to support the next phase of the UK's AI Strategy. This work was presented in a workshop convened for the Office for AI and fed into their consultation process ahead of the publication of the UK's AI White Paper. Our work in this space informed an All-Party Parliamentary Group on the Future of Work event on '[International Learnings on Algorithmic Impact Assessments](#)', featuring contributions from the Canadian Government, and written up in [Lexology](#) and on the [Borges Salmon blog](#). The report has been featured in a list of frameworks, guidelines and toolkits on [Alethicists.org](#).

This work also empowered us to respond in an expert capacity to several consultations, including the ICO Employment Practices Code, OAI's Data A New Direction, the Ofcom call for evidence on Online Safety Bill, the DRCF Algorithmic Processing Workstream Consultation, and the AI Regulation Policy Paper. Through this we have seen successful adoption/recognition of key recommendations/asks including: the need for regulators to clarify how third-party audits could support the regulatory process, expanding priorities to include work and include more stakeholders such as the H&S Executive, guidance covering how audits should be conducted across the supply chain, and how regulators should share information with the public.

We have continued to highlight the multi-faceted impacts of AI, automation and algorithmic systems on work and people, in particular on 'good work' as defined by our [Good Work Charter](#). This has led to the co-production of guides for both employers (supported by the ICO) and the Trade Union Congress (via their AI Working Group) which adopt the IFOW frameworks to examine adverse impacts. These have been drafted through the summer and autumn of 2022 and are due for publication in the first half of 2023.

Building on work on equality and AI, we have spearheaded centring good work impacts as part of building a responsible AI ecosystem and related capacity building. For example, in May 2022 we hosted a roundtable discussion with the ICO to present our research work considering the effective accountability measures for AI at work; later that year we provided training for the TUC via a workshop on Good Work Algorithmic Impact Assessments.

June 2022 saw IFOW representatives speaking at both the Prospect and GMB conferences and sharing the toolkits that we had developed to help organisations assess the impact of adopting algorithmic systems. We have also established [an AI policy tracker](#) to help ensure that the UK policy debate is kept up to date by remaining on top of global regulatory developments. This tracks and comments on proposals for the regulation of AI at work worldwide with a view to inform and broaden the policy debate in the UK.

Theme: Prioritising people

Policy and technology are often developed and deployed without understanding the views of people on the front line. IFOW's partnership approach seeks to highlight the benefit of involving workers in the introduction of new technologies and models how they can participate in its design. IFOW has led on the development and introduction of participatory methods to involve workers in assessing and responding to technology impacts, which are lacking in the workplace context.

The [UK Government's Levelling Up White Paper](#) was published in February 2022, shortly after the update to our Good Work Time Series, and aligns with it in three key areas. Firstly, human wellbeing and flourishing (wherever your place of birth or demographic) was accepted to be the ultimate goal of 'Levelling Up'. Secondly, better quality jobs (higher pay and appropriately skilled) were accepted as key. And, thirdly, it was recognised that higher levels of both inter-departmental alignment and devolution are required to achieve these goals.

INSTITUTE FOR THE FUTURE OF WORK (IFOW)

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

FOR THE YEAR ENDED 31 AUGUST 2022

IFOW also contributed to the establishment of the UK Government's [Future of Work Review](#), announced in May 2022 as being led by Matt Warman MP. Though the shifting political landscape over the summer of 2022 meant that it was short-lived, the Review was able to highlight the significance of automation and AI, good jobs, regulation and worker rights. Over the summer IFOW worked on a way of delivering this Review through the APPG on the Future of Work, involving Matt Warman in this. This work we hope will bear fruit in the next reporting period.

Bristol Project

From April 2022, IFOW research fellow Dr Harry Pitts led a project to investigate changes in work at an industrial park in Bristol. Working with an RA and a team of student-researchers, he undertook ethnography and interviews to understand changes in experience of work, and perception of work futures. A key issue faced by workers in jobs at risk of automation was the destruction of their workplace, owing to regeneration. Many had not been consulted nor were they offered support to find new employment. This work has highlighted the need for better consultation of workers in planning processes, rather than just residents.

Future of Work APPG Secretariat

IFOW has continued to act as Secretariat for the APPG for the Future of Work. The APPG's purpose is to bring parliamentarians together with representatives from industry and civil society to advance understanding of the challenges and opportunities of technology among policymakers and develop practical solutions to future of work challenges. IFOW convened APPG sessions across this financial year, leading discussions on the topics of flexible working, international approaches to algorithmic impact assessment, and AI and surveillance in the workplace. APPG members heard directly from eminent speakers (including representatives from Prospect, Alan Turing Institute, Data & Society and the Treasury Board of Canada Secretariat, Mercer) and were able to share their thoughts and findings with one another.

External profile and communications

IFOW builds on its strong external profile and shares its work, vision and expertise across a variety of channels. IFOW staff have had productive one-to-one meetings to share our work with many different organisations, spanning government departments, local and combined authorities, the OECD, and membership bodies such as the IET and CIPD. Notably, IFOW stakeholders are expanding to specialist bodies such as the AI Standards Hub, NIST, Data and Society Team from the Cabinet Office, DISCO (the European Dictionary of Skills and Competencies), and the Intrapreneurs Club (to discuss creating pathways for under-represented communities in tech).

Strengthening communications was a core focus for the organisation this year. IFOW sought to share more of its work, hosting regular events and growing its specialist network, engaging a wider audience with its research and policy recommendations. Our social media presence grew considerably over this period, with larger impacts and interactions measurable on both Twitter and LinkedIn, where we seek to be the go-to hub on the future of work.

Subscriptions to our monthly newsletter have continued to grow, with more than a thousand recipients added this year. Helping to build our hub status, it offers an introductory piece on an area of our work, a 'deep dive' into a key issue, plus recommended reads, listens and events. We have also continued to expand our website, hosting blog articles, research publications, toolkits, case studies in each of our core workstreams and a 'Knowledge Hub' that collates different resources (for example, academic articles, videos and policy reports) to help disseminate research to both policy-focused and non-expert audiences.

INSTITUTE FOR THE FUTURE OF WORK (IFOW)

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

FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

IFOW has continued working towards developing a diverse and sustainable funding base. This has been significantly boosted by the £1.8m Nuffield Foundation strategic fund grant, although a broad donor pool remains an imperative to ensure IFOW can fund the whole strategy.

The organisation is also grateful for the support of grant funding from Trust for London, Open Society Foundation, Joseph Rowntree Charitable Trust and ICO. Further detail on the purpose of these restricted funds can be found in note 13 to the accounts.

IFOW continues to be grateful for the support of its Patrons' Circle, our group of private supporters who generously donated £115,000 of core funding this year, as well as attending quarterly development meetings and facilitating the growth of IFOW's network.

All restricted funding is used solely for its intended purpose. IFOW research programmes are independent from all unrestricted funding the organisation receives, and chosen solely on their relevance to IFOW's mission and charitable objects.

Reserves Policy

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

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

IFOW closed the 2021-22 financial year holding reserves of £300k, of which £64k was held for restricted purposes. The Trustees consider these reserve levels to be adequate to fund the activities of the charity for the foreseeable future.

Structure, governance and management

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

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

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

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

N W Climer CBE FREng (Co- Chair)

Sir C A Pissarides (Co- Chair)

M T Chowdhury

M E Dalton

Dr N Danhash

(Resigned 2 November 2022)

Dr A O Imafidon MBE

H Mountfield

(Resigned 2 November 2022)

G J Nuttall OBE

D Barone Soares

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Appointment, Removal and Meeting of Trustees

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

IFOW's affairs are normally conducted under the supervision and leadership of the Director, Anna Thomas. Trustee meetings are held quarterly, and staff members are in frequent communication with the trustees throughout the year and maintain a close working relationship together.

Key Management Personnel

The management of IFOW is led by Director Anna Thomas. The Director acts in a full-time capacity within IFOW, who is responsible for day-to-day management. Responsibilities are delegated by the Director to the Head of Programmes, Head of Research, and Head of Finance.

Trustee Induction and Training

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

Funds held as custodian trustee

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

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

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N W Climer CBE FREng (Co- Chair)
Trustee

Date:

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

I report to the Trustees on my examination of the financial statements of Institute for the future of work (the charity) for the year ended 31 August 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

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

Dated:

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	3	147,698	665,384	813,082	126,000	220,178	346,178
Other income	4	7,500	-	7,500	4,175	-	4,175
Total income		<u>155,198</u>	<u>665,384</u>	<u>820,582</u>	<u>130,175</u>	<u>220,178</u>	<u>350,353</u>
<u>Expenditure on:</u>							
Raising funds	5	1,950	-	1,950	3,575	-	3,575
Charitable activities	6	39,728	618,023	657,751	157,662	132,800	290,462
Total expenditure		<u>41,678</u>	<u>618,023</u>	<u>659,701</u>	<u>161,237</u>	<u>132,800</u>	<u>294,037</u>
Net incoming resources before transfers		113,520	47,361	160,881	(31,062)	87,378	56,316
Gross transfers between funds		64,803	(64,803)	-	32,810	(32,810)	-
Net income/(expenditure) for the year/ Net movement in funds		178,323	(17,442)	160,881	1,748	54,568	56,316
Fund balances at 1 September 2021		57,389	81,651	139,040	55,640	27,084	82,724
Fund balances at 31 August 2022		<u>235,712</u>	<u>64,209</u>	<u>299,921</u>	<u>57,388</u>	<u>81,652</u>	<u>139,040</u>

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

All income and expenditure derive from continuing activities.

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

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)
BALANCE SHEET
AS AT 31 AUGUST 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		5,260		3,485
Current assets					
Debtors	11	65,022		50,571	
Cash at bank and in hand		303,525		119,818	
		<u>368,547</u>		<u>170,389</u>	
Creditors: amounts falling due within one year	12	<u>(73,886)</u>		<u>(34,834)</u>	
Net current assets			294,661		135,555
Total assets less current liabilities			<u>299,921</u>		<u>139,040</u>
Income funds					
Restricted funds	13	64,209		81,652	
Unrestricted funds		235,712		57,388	
		<u>299,921</u>		<u>139,040</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022.

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

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

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

The financial statements were approved by the Trustees on

.....
N W Climer CBE FREng (Co- Chair)
Trustee

Company registration number 11263261

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)**
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	16		187,058		9,621
Investing activities					
Purchase of tangible fixed assets		(3,351)		-	
Net cash used in investing activities			(3,351)		-
Net increase in cash and cash equivalents			183,707		9,621
Cash and cash equivalents at beginning of year			119,818		110,197
Cash and cash equivalents at end of year			303,525		119,818

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

1.4 Income

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

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

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

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

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

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

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

1.6 Tangible fixed assets

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

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

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

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

1.8 Taxation

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

1.9 Employee benefits

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

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

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

2 Critical accounting estimates and judgements

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

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

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Donations and gifts	142,698	-	142,698	120,000	-	120,000
Grants	5,000	665,384	670,384	-	220,178	220,178
Other income	-	-	-	6,000	-	6,000
	<u>147,698</u>	<u>665,384</u>	<u>813,082</u>	<u>126,000</u>	<u>220,178</u>	<u>346,178</u>
Donations and gifts						
Patrons' Circle Members	115,000	-	115,000	120,000	-	120,000
Gift aid	27,698	-	27,698	-	-	-
	<u>142,698</u>	<u>-</u>	<u>142,698</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Grants receivable for core activities						
Trust for London	-	54,167	54,167	-	54,167	54,167
Open Society Foundation	-	27,551	27,551	-	37,764	37,764
Emerging Futures Fund	-	-	-	-	20,324	20,324
London Community	-	-	-	-	23,950	23,950
Joseph Rowntree	-	57,816	57,816	-	38,544	38,544
Nuffield	-	443,086	443,086	-	45,429	45,429
ICO	-	79,702	79,702	-	-	-
Community trade union	5,000	-	5,000	-	-	-
Other	-	3,062	3,062	-	-	-
	<u>5,000</u>	<u>665,384</u>	<u>670,384</u>	<u>-</u>	<u>220,178</u>	<u>220,178</u>

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

4 Other income

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Furlough income received	-	4,175
APPG Income	7,500	-
	<u>7,500</u>	<u>4,175</u>
	<u>7,500</u>	<u>4,175</u>

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
<u>Fundraising and publicity</u>		
Fundraising consultancy	1,950	3,575
	<u>1,950</u>	<u>3,575</u>
	<u>1,950</u>	<u>3,575</u>

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

6 Charitable activities

	2022	2021
	£	£
Staff costs	365,499	181,498
Depreciation and impairment	1,576	1,494
Rent	12,877	10,952
Rates	1,417	300
Meeting room hire	3,102	435
Stationery & printing	2,573	1,437
Travel & Subsistence	1,141	511
Subscriptions	7,355	4,231
Bank charges	162	201
General expenses	2,770	647
Other legal & professional	2,097	1,440
Consultancy	108,731	64,589
Insurance	890	525
Conference and events production	2,264	75
Content production	139,106	16,072
Advertising	1,242	1,154
Entertainment	-	147
Recruitment	2,909	3,194
	<u>655,711</u>	<u>288,902</u>
Share of governance costs (see note 7)	2,040	1,560
	<u>657,751</u>	<u>290,462</u>
Analysis by fund		
Unrestricted funds	39,728	157,662
Restricted funds	618,023	132,800
	<u>657,751</u>	<u>290,462</u>

7 Governance costs

	2022	2021
	£	£
Independent Examination Fees	2,040	1,560
	<u>2,040</u>	<u>1,560</u>

Governance costs includes payments to the independent examiners of £1,050 (2021- £810) for independent examination fees.

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

8 Trustees

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

C Pissarides, one of the Trustees, was appointed as a consultant for the charity and received £26,000 (2021: £5,200) in expenses for consultancy services on the Nuffield Project.

9 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	8	4
	<u>8</u>	<u>4</u>

Employment costs

	2022 £	2021 £
Wages and salaries	325,947	164,444
Social security costs	31,746	13,162
Other pension costs	8,677	3,892
	<u>365,499</u>	<u>181,498</u>

Remuneration and key management personnel

The remuneration of key management personnel is as follows:

Aggregate compensation	<u>62,758</u>	<u>66,024</u>
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There were no employees whose annual remuneration was £60,000 or more.

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

10 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 September 2021	1,524	6,904	8,428
Additions	-	3,351	3,351
	<hr/>	<hr/>	<hr/>
At 31 August 2022	1,524	10,255	11,779
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 September 2021	937	4,006	4,943
Depreciation charged in the year	176	1,400	1,576
	<hr/>	<hr/>	<hr/>
At 31 August 2022	1,113	5,406	6,519
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 August 2022	411	4,849	5,260
	<hr/>	<hr/>	<hr/>
At 31 August 2021	587	2,898	3,485
	<hr/>	<hr/>	<hr/>

11 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	-	3,000
Prepayments and accrued income	65,022	47,571
	<hr/>	<hr/>
	65,022	50,571
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	11,687	4,658
Trade creditors	30,933	1,772
Other creditors	1,984	811
Accruals and deferred income	29,282	27,593
	<hr/>	<hr/>
	73,886	34,834
	<hr/>	<hr/>

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

13 Restricted funds

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

	Movement in funds					Movement in funds				
	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers	Balance at 31 August 2022	
	£	£	£	£	£	£	£	£	£	
Trust for London	41,081	54,167	(30,444)	-	64,803	54,167	(54,167)	(64,803)	-	
Open Society Foundation	(13,997)	37,764	(44,852)	21,085	-	30,613	(30,613)	-	-	
Emerging Futures Fund	-	20,324	(12,607)	(7,717)	-	-	-	-	-	
London Community Response	-	23,950	(8,087)	(15,863)	-	-	-	-	-	
Joseph Rowntree Charitable Trust	-	38,544	(15,564)	(6,132)	16,848	57,816	(52,141)	-	22,523	
Nuffield	-	45,429	(21,245)	(24,184)	-	443,086	(443,086)	-	-	
ICO	-	-	-	-	-	79,702	(38,016)	-	41,686	
	<u>27,084</u>	<u>220,178</u>	<u>(132,799)</u>	<u>(32,811)</u>	<u>81,651</u>	<u>665,384</u>	<u>(618,023)</u>	<u>(64,803)</u>	<u>64,209</u>	

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

13 Restricted funds

(Continued)

Trust for London

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

Open Society Foundation

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

Emerging Futures Fund

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

London Community Response

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

Joseph Rowntree Charitable Trusts

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

Nuffield

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

ICO

This grant will fund development of a toolkit and guidance for unions and employers on auditing AI systems.

**INSTITUTE FOR THE FUTURE OF WORK
(IFOW)**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

14 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 August 2022 are represented by:						
Tangible assets	5,260	-	5,260	3,485	-	3,485
Current assets/(liabilities)	230,453	64,208	294,661	53,903	81,652	135,555
	<u>235,713</u>	<u>64,208</u>	<u>299,921</u>	<u>57,388</u>	<u>81,652</u>	<u>139,040</u>

15 Related party transactions

C Pissarides one of the Trustees, was appointed as a consultant for the charity as the Lead Investigator on the Nuffield project that commenced during the previous financial year (2021). During the year, £26,000 (2021: £5,200) was spent for his consultancy services on the Nuffield project.

16 Cash generated from operations

	2022 £	2021 £
Surplus for the year	160,881	56,316
Adjustments for:		
Depreciation and impairment of tangible fixed assets	1,576	1,494
Movements in working capital:		
(Increase) in debtors	(14,451)	(50,571)
Increase in creditors	39,052	2,382
Cash generated from operations	<u>187,058</u>	<u>9,621</u>