

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS

Annual Report and Financial Accounts

1st October 2016 - 30th September 2017



Charity Registration No: 209706

Company Limited by Guarantee No: 442517

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CHARITY COMMISSION
FIRST CONTACT

18 APR 2018

ACCOUNTS
RECEIVED

CHARITY COMMISSION
FIRST CONTACT

18 APR 2018

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THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
TRUSTEES ANNUAL REPORT
FOR YEAR ENDED 30th SEPTEMBER 2017

The Council of Management

Professor Cliff Oswick PhD MSc BSc (Hons), (*Chair*)

Dr Eliat Aram (*ex officio*)

Robert Branagh

Joel Featherman (*from July 2015*)

Chucks Golding (*from 2016*)

Joanna Hill (*from 2016*)

Alice Long MSc BA (Hons)

Julie Newlan MBE, MBA CIMDipl

Professor Christopher Warhurst (*Chairs the HREMC on behalf of Council of Management from November 2015*)

Bill Cooke (*from 2017*)

CEO

Dr Eliat Aram, PhD MSc Occup Psych MSc G Psych

Company Secretary

Dr Leslie Brissett JP, PhD MSc (Econ) BSc (Hons) FHM-SA

Registered Office

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London EC2A 4UE

Auditor

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London NW6 2EG

Bank

Co-operative Bank plc
St Pauls House, 10 Warwick Lane,
LONDON, EC4M 7BP

Solicitor

Wedlake Bell LLP
71 Queen Victoria St,
London EC4V 4AY

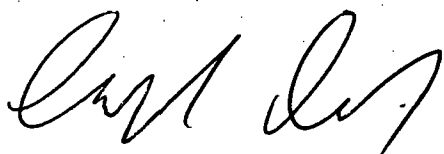
Introduction

Having taken over as Chair of Council during 2016, it is with great pleasure that I provide this introduction to the 2016 – 2017 Annual Report.

It is fair to say that it has been an extremely good year for the Tavistock Institute of Human Relations both in terms of general performance and with regards to awards and achievements. Although in the first year post the Brexit vote and other reasons the Institute was challenged financially, it has nevertheless continued to make its mark. Perhaps, most notably winning the Federation of Small Businesses award for 'UK Employer of the Year 2017' bears to testimony the collegiality, commitment and engagement of staff across the organization. The TIHR was also awarded the title of 'Best Business Change and Development Consultancy 2017' in the Greater London Enterprise Awards. Last, but not least, in 2017 our CEO, Dr Eliat Aram, received the prestigious 'Companionship of the British Academy of Management' award. The award is made in recognition of outstanding leadership and for contributions to the field of management.

Although 2016 – 2017 will be remember as a good year for the Tavistock Institute, it will nevertheless be tinged with sadness following the untimely and sudden death of our Head of Finance, John Mulryan. John was a warm, generous and much loved individual. Not only was John an exceptional Head of Finance, he was also a very important member of the TIHR senior management team. Indeed, his positive contribution within the TIHR community over the years has undoubtedly been of immense benefit and has helped in securing the 2017 achievements outlined above.

It is hoped that we can build on the successes of 2016 - 2017 in 2017 - 2018 and in future years.



Professor Cliff Oswick PhD MSc BSc (Hons)
Chair Board of Trustees

**Tavistock Institute of Human Relations (TIHR) - Annual Review
October 2016 – September 2017**

Structure, Governance and Management

The Tavistock Institute of Human Relations (TIHR) was established as a not for profit organisation with charitable purpose in 1947. The Institute is governed by its Articles of Association dated 20 September 1947 as amended on 25 June 1963, 20 March 1991 and 22 July 2010. Ultimately accountable to the Association members, a Council of Management act as the board of trustees and work with the CEO and Management team to deliver against the mission and objectives.

Objectives and activities

Objects of the institute

The TIHR is dedicated to the study of human relations for the purpose of bettering working life and conditions for all humans within their organisations, communities and broader societies and to the influence of environment in all its aspects on the formation or development of human character or capacity; to conduct research and provide opportunities for learning through experience for this purpose; to publish the results of such study and research; to further the learning of people in their organisations, to offer educational opportunities for individuals in or for any branches of the said study.

Highlights from 2016-17:

Social Seducement: A Serious Online Game

Developing disadvantaged adults' start-up skills and competencies

The Social Seducement project was funded by Erasmus+ (2014-1-UK01-KA200-001830) and ran from 2014-2017. The aim of the project was to develop the key competences and skills of adults with disadvantages, and in particular those being unemployed, to help them start up a collaborative enterprise. We developed a serious online role play game ("SocialPlaNet) with accompanying materials and piloted this in Italy, Spain, UK, Belgium and Sweden. This brochure explains the key results and lessons learnt by the project.

We believe that people with disadvantages, though sometimes struggling in the mainstream labour market, have much to offer European economies and societies. Collectively run social enterprises are one way in which work integration can happen and the risk of entrepreneurship can be mitigated. Whilst the European policy context is very supportive of building entrepreneurial skills among all population groups, the stakeholder consultation we carried out highlighted a lack of learning programmes and absence of entrepreneurial culture as two key barriers for becoming (social) entrepreneurs. What is needed, in their views and in the views of other training providers we surveyed, are training programmes that involve: skilled facilitation, training that is grounded in reality and that practices soft skills.

The SocialPlaNet serious online role play game, developed as a result of the Social Seducement project, wants to make a contribution to filling this gap. Testing the game with nearly 180 players in Italy, Spain, UK, Belgium and Sweden and assessing their learning gains through a rigorous before and after evaluation showed that:

- Players' awareness of social entrepreneurship increased significantly. The proportion of players who understand what it takes to set up a social enterprise increased by 43 per cent; and the proportion intending to start a social enterprise increased by 16%
- The game produced statistically significant improvements in players' self-efficacy. Improvements were most significant in assertiveness, confidence in dealing with unexpected events and problem solving
- Participation in the game also improved acquisition and application of digital competences

These changes were independent of country of origin, gender, age, educational level, ethnicity or labour market status. Two important factors that have contributed to these positive results were:

- Team formation among players as supported by game features and;
- Responsive facilitation of player groups

The game and all project outputs can be found here: www.socialseducement.net

Emergent: studying the impact of Social Media in emergency situations
Can social media help emergency services be more responsive?

2017 saw the completion of the EmerGent project – funded by EU’s 7th Framework Programme for Research and Technological Development since 2013 and involving 11 staff members from the institute. It explored the use and impact of social media in emergency situations, with a particular focus on how information shared on social media can be used by emergency services to inform their response. The project included a variety of research methods and we engaged both the citizens, i.e. the services potential users via online surveys and emergency service staff across Europe; case studies of the use of social media by fire services, authorities, the police and a terrorism response unit in several European countries including Belgium, Austria, Germany, the Netherlands and the UK; and the quantitative analysis of large social media datasets such as 2,857,593 posts on Twitter collected after the Brussels bomb attack on 22nd March 2016.

The results of the research were presented by Institute staff at five international conferences and four articles have been submitted and/or published in refereed journals, including the Journal of Technological Forecasting and Social Change and the International Journal on Human-Computer Studies. Furthermore, the team developed a short video shared on YouTube to disseminate the results of the project (see: <https://www.youtube.com/watch?v=zFNwOGClxI0>). More information about the project, including all the results and publications, is available on the project website: <http://www.fp7-emergent.eu/>.

European Textile and Clothing Business Lab (TCBL):

How can this sector become more socially sustainable and knowledge driven

TCBL is a pan European project, funded by Horizon 2020 (GA number 646133), which enables the TIHR to apply its complexity and systems thinking perspectives to supporting the transformation of the Textiles sector from one which is wasteful economically, socially and ecologically to one that sustainable and knowledge driven in all those there aspects. The last year focused on researching and writing up a set of case studies, explaining focus and early results of the six business cases developed by the project. These have been published in a handbook which can be accessed here: https://issuu.com/tcbl/docs/business_cases_evaluation_2017

In addition, we have continued to elaborate our social network analysis of the TCBL ecosystem as well as run a workshop in London for partners which aimed to develop a first iteration of the contribution story of the project.

TIHR works with Macmillan Cancer Support:

How to offer better community based support and care to people living with and beyond cancer?

There is a growing trend within the NHS and allied organisations to enable personal and effective community based support for people with long term conditions so that they can navigate their way beyond clinical care towards self-managed activities and resources. We have been working with Macmillan Cancer Support on several projects to extend personalised support and care to people living with, and beyond, cancer, including one project focused on the redesign of cancer pathways within the Imperial Healthcare Trust. Underpinning Macmillan's work is the belief that by offering a holistic needs assessment, people living with cancer will have a better quality of life as many of their concerns may be possible to address outside the clinical setting, for example, 'who's going to walk my dog?'

We have been supporting the development of a monitoring and evaluation framework for the Recovery Package to help understand the difference these innovations make as well as evaluating projects and exploring system change and its effects on, e.g. partnership working. In its early stages, our input has already helped the development and implementation of Theory of Change in multiple locations and early feedback shows that working through co-production leads to shared understanding about the role of evaluation in learning and change. At the core of our work with Macmillan is understanding the role of navigation/signposting/advocacy and on this theme we have also completed two evaluations of locality care navigation projects for people with long term conditions, for the National Association for Primary Care, with a further project directed at supporting service veterans via the Forces in Mind Trust.

The Past in the Present:

70 years of Becoming More Humane: TIHR Archives, Arts and the 70th Anniversary Festival Preparations

This second year of archiving the TIHR work has seen an acceleration in the process as well as sharing the behind the scene workings of the cataloguing. Regular articles were published to a growing audience via the blog, which included, beyond the usual staff members and associate authors, reflections and conversations with artists and poets including Rita Keegan from the Woman Artists' Slide Library colleagues from the European Cultural Foundation and Human Relations 2016 article of the year authors, Stephen Cummings and Todd Bridgeman. By September 2017 the blog had reached nearly 20,000 visitors. Engagement activities also continued with a second series of six Social Dreaming Matrices held at Wellcome Collection and four workshop events recreating the War Officer Selection Boards (WOSB) using reproductions of material held in the archive. The WOSB papers were among the first TIHR significant project documents to be released. Visitors numbered 30 to 40 people per event and attracted interest from the archive community as innovative practice. In February 2017 we were invited to share this work at a meeting of the Health Archives Record Group held at the Museum of the Mind.

In October 2016 Juliet Scott showed emerging work from her artist-in-residency of the archive at the exhibition 'Object Relations' held at Helmsley Art Centre. The exhibition evolved from her artistic

research/studio practice with the archive in particular the projective test cards used in clinical and TIHR project assessments, like WOSBs. 'Object Relations' was a play upon her usual practice of assembling and arranging objects in different compositions and relations in still life and the psychoanalytical theory of object relations as it relates to organisational theory.

In January of 2017 the archive project team and leadership began to shift focus to the creative direction and organisation of the 70th anniversary events that became known as 'Reimagining Human Relations in our Time'. Over the year this meant defining the curatorial framework for the festival; securing suitable venues; engaging the TIHR community in the festival activities through opening a call for contributions; developing relationships with artists and arts organisations; design of the festival website and event booking systems. This work continued via the three way partnership of TIHR, Canterbury Christ Church University Business School and Wellcome Library.

Lunchtime Talks 2016 - 17

Between October 2016 and September 2017, the Tavistock Institute held fourteen Lunchtime Talks, with eighteen different hosts, including ten external associates and eight Tavistock Institute members of staff. Ten LTTs have been uploaded to Sound Cloud for our online audience to listen to, receiving a total of 981 plays. This year accounted for 20% of our total plays on Sound Cloud (4,948), thanks to our growing and engaged audience.

We have people listening to our talks all over the world, with most listeners coming from the United Kingdom, United States, India, Australia, and Canada.

Here is a small selection from LTTs this year, a number of which picked up on the archive work and 70th anniversary celebrations making links between TIHR work and identity, past and present:

- David Armstrong's Psychoanalytic Study and the Ethical Imagination: the making, finding and losing of a tradition. Available at:
- Dr Elizabeth Cory-Pearce, Dr Sadie King and Dr Mannie Sher - The 'Anthropological Thread' in the TIHR Archive. Available at: <http://www.tavinstitute.org/projects/the-anthropological-thread-in-tihr-archive/>.
- Professor Cliff Oswick – Dialogic Organisation Development and Beyond: Towards New Forms of Organisation Change. Available at: <http://www.tavinstitute.org/projects/dialogic-od-beyond-towards-new-forms-organisational-change/>.
- Joe Cullen and Kerstin Junge – Evaluating Complex Business Ecosystems: The case of the European clothing and textile industry. Available at: <http://www.tavinstitute.org/news/evaluating-complex-business-ecosystems-case-european-clothing-textile-industry/>.
- Susan Long – The associative unconscious, abductive logic and social dreaming. Available at: <http://www.tavinstitute.org/projects/associative-unconscious-abductive-logic-social-dreaming/>.

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Providing opportunities and spaces for learning and thinking:

The Institute's Professional Development Portfolio continues to be in high demand. This year our four established certificated programmes recruited full or expanding cohorts of senior leaders, a total of 41 people. As ever the programmes attracted an international membership of those working across all sectors of organisational life; corporate, public and not for profit.

The **Coaching for Leadership and Professional Development** is now in its 11th year and continues to have a unique reputation in the coaching industry. The course develops coaches who can go beyond the 'solution-orientation' of so many current coaching philosophies.... which is not to say that TIHR coaching clients don't resolve issues!

The **Supervision for Coaching and Consultancy** was created in response to a prevailing demand for a qualification and grew in size with its 3rd cohort in 2017. Supervisors developing this particular kind of expertise are vital when not knowing what is "real" and how far we can approach it threatens us with stagnation in a post-truth era. Acknowledging the unconscious sheds light and can lead to a way forward.

The **Practitioner Certificate in Consulting and Change**, popularly known as P3C, is designed to be a space to experience, reflect upon and learn from relationships, to craft one's own consultancy practice both through activities exploring aspects of change practice, and in the here-and-now of group processes, as they emerge. 2017 brought resurgence in demand for this kind of deep thinking in light of current times. 17 organisational consultants and trainers at the **TA Academie in the Netherlands** participated in an in-house bespoke P3C programme. We are looking forward to graduates from this programme joining our exciting graduation celebrations in May 2018.

Dynamics @ Board-Level 2017 included participants from India and Trinidad; IMD Switzerland and the Home Office in the UK to make a rich melting pot of "board members". A temporary organisation was created out of the cohort to make a living laboratory for participants to study how Boards function and how one takes up a role and manages oneself effectively in it.

The Leicester Conference 2017 A bumper year for members from 22 different nationalities eg Singapore, Chile, Ukraine, Argentina, Norway, India, Australia and Russia with all kinds of organisations represented including Queensland Police Service; Greenpeace, IBM, Shell, Harvard University and various other colleges and an Economic Development Board, and roles such as members of parliament, commercial manager, executive director and chief diversity & inclusion officer.

The renowned **Human Relations Journal**, a peer reviewed highly ranked academic international journal, continues to extend its reach by making some of our best content free to access. Human Relations articles have significant impact on academic debates on a wide variety of topics that affect people at work, for example, the changing nature of managerial work, leadership, politics at work, economic inequality and management, job quality, careers, employee well-being and much more. Well over half a million (584,901) Human Relations full-text articles were downloaded by readers in 2017.

Tavistock Institute China

Since February 2017, TIHR and Hua Jing (China) Psychology have been building **The Tavistock Institute China** together. What was a small seed is gradually growing into a tree, there have been difficulties and challenges as well as achievements and it is very much a learning process for everyone involved. The rigorous training programme offered so far has included an Intensive course which served as a taster as well as core training introducing Tavistock Institute methodologies followed by a Group Dynamician course – upskilling participants in interpreting group process and understanding the systemic dynamics, both hidden and unconscious, in order to improve groups’ effectiveness, and a Group Relations conference. We aim to offer a course qualifying its attendees in Tavistock Institute OD practice in consultancy and coaching as well as developing skills in taking up consultant roles in Group relations conferences. We work with simultaneous translation, with people on the ground, without any mediating expat or other global company and have been learning a lot about how little we know or understand Chinese culture and ways of being. A fascinating journey of learning and growth.

Offering spaces for thinking and learning in various parts of the Public Service:

We have provided the Cabinet Office with a two day Programme on Developing Emotional Resilience. We were commissioned in early 2017 by the Office for Security and Counter-Terrorism in the Home Office to carry out research into ‘what works’ in the delivery of Prevent projects. The aim of the work is to gain a deeper understanding of how Prevent is implemented, what factors are tied to positive outcomes, and how ‘good practice’ can be transferred. This is part of the wider effort to develop an evidence-base to inform ongoing and future delivery of projects that are funded to prevent violent extremism. Based on this research, we are developing an ‘effective practice’ Guide (to be completed in Jan 2018), offering those ‘on the ground’ key learning around what to think about when planning, delivering and scaling up their Prevent projects.

This year also saw a new development for young people:

Launching Young Leaders, a one day experiential development workshop for those aged 18-26. Fifteen enthusiastic young people attended the day and came away with a new perspective on their working lives and on themselves. They came with a variety of experiences and backgrounds, students who had worked part-time, those in their first leadership role, and some who were nervously anticipating a leadership role. They all worked together in order further their learning. Through a series of interactive events, opportunities to reflect; and an introduction to the theories underpinning the programme and our ways of working. The key aim of the work is to support the growth and change of those in the group during a transitional phase of their professional development.

Although run in a similar way to the Leicester Conference, in order to make this kind of experiential professional development opportunity accessible to young people, Launching Young Leaders as a ‘social investment’ programme (i.e. it forms part of our charitable work and runs at a cost to us) in order to create space for the people who would not normally have access to our programmes – and as part of the Institute’s public benefit, part of our commitment to improve society. We are keen to expand the reach of this programme and ensure that we are helping young people as the progress in the world of work.

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Impact through Digital Engagement:

The Institute website promotes all streams of our work, publishing regular news articles (on average seven new articles each month), project case studies, presentations and thought pieces. In 2016 – 2017, we had over 105,000 visitors to the website, who actively engaged with content 140,000 times. Quarterly newsletters and targeted e-mail campaigns were sent 37 times during the year to a combined database of 6,900 subscribers. In July 2017, we launched a dedicated website to promote and facilitate online bookings for the TIHR festival celebrating the Institute's 70th anniversary.

Our social media presence continues to grow: we have 14,533 followers and connections across our three main social media profiles (4,122 Twitter followers, 4,984 Facebook likes, and 5,427 LinkedIn followers). Our continued year on year growth demonstrates the increasing impact we are having online. Our staff, from apprentices to seniors, engage together in learning and integrating social media and digital engagement activities into their practice. We also continue to use social media analysis in our research projects and as a topic of research.

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Organisational structure of the institute and decision making process

The Council holds bi-monthly meetings. The Institute CEO provides an update to the trustees at each of the Council meetings. This includes a status update on the key projects and other significant events. An update of the financial status of the Institute is also reviewed at each meeting. Further, the Council has a rolling programme which covers the key activities of the Institute over the course of twelve months.

In addition, the following sub-committees are in operation:

- The Pension trustees meet 2-3 times a year and are responsible to the pension fund.
- The HRJ committee meets twice a year to discuss and review the activities of the HR Journal.

Internally, the CEO holds bi-weekly management meetings.

Salary progression reviews are carried out annually and are normally based on the performance of staff members and business context. All staff are positioned organisationally in a range of salary bands which are directly related to their roles and grade. The bands are as follows: R – Researcher. S – Senior Researcher and P- Principal. The difference in grade reflects seniority of knowledge, experience and workload. The majority of the principal grade employees are line managed by the CEO who makes a recommendation of any increase in salary within the same percentage range as other staff member (1-4%). This is confirmed as both reasonable and affordable by the Head of Finance.

Financial Review

Financial results for the year 2016-17

The Institute had a challenging financial year which resulted in a deficit of £42,913, a significant drop compared to the previous year (2016: £411,036). The deficit included a payment of £265,168 for the defined benefit pension scheme (see Reserves policy below). Both The Professional Development and Human Relations Journal areas saw increased income, which was offset by lower Project income, as many projects came to completion and new projects did not commence until the end of this financial year and/or following the financial year. The Institute forecasts its income from project related work will increase during 2017-18 after securing a number of new research and evaluation projects.

The Institute was holding a provision of £87,585 at the end of September 2017 for potential costs related to its membership of the Menon Network EEIG following the bankruptcy of a fellow member of the EEIG and which will impact the EEIG and its members. The Institute are retaining the remaining provision of to cover any further payment settlements related to other EEIG projects.

Reserves policy

The Trustees recognise the need to hold reserves both to enable the Institute to progress its long term projects and to protect its current activities. The Institute believes that a reserves level of three months' income is appropriate for the ongoing operations of the organisation. Of the accumulated reserves on September 30, 2017 of £722,246 (excluding the pension fund liability), an amount of £27,689 is invested in operational assets and this amount is not available to meet ongoing expenditure. The unrestricted free reserves are £694,557 which represents 4 months of future expenditures.

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During the year the Institute agreed a revised pension recovery plan with the pension trustees (approved by the pensions regulator) whereby the deficit will be paid within 15 years. During the year ended 30 September 2017 the Institute paid £265,168 in accordance with this plan. The actuarial valuation of the Tavistock Institute of Human Relations Retirements Benefit Scheme at 30 September 2017 for the purposes of FRS102 showed a funding deficit of £4,688,000 (2016: £5,348,000).

Risk management and internal control

The Trustees have a duty to identify and review the strategic, business and operational risks that the Institute is exposed to, and to ensure that appropriate controls are in place to provide reasonable assurance against fraud and error.

In order to achieve this, the Trustees and management team have undertaken an assessment of the risks that the organisation is exposed to and have produced a risk register which assigns management of these risks to specific individuals and recommends actions to be taken, where necessary, in order to manage the likelihood and impact of these risks. The risk assessment and resulting risk register are reviewed and updated on a regular basis. The most up to date review, in September 2017, confirmed the current primary risks to be the Brexit vote and uncertainty and volatility it may create around work opportunities in the UK and Europe; we continue to monitor the risk of losing staff for various reasons although we think this has now subsided with the latest wave of recruitment and; we continue to develop new streams of funding whilst keeping focused on saving costs wherever prudent.

Appointment of Auditor

Goldwins Limited, Chartered Accountants, have agreed to continue their appointment as external auditor.

Audit Information

Each of the directors has confirmed that so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and that they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Statement of trustees' responsibilities for an incorporated Charity

The trustees (who are also directors of The Tavistock Institute of Human Relations for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

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- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and 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 the group] 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

BY ORDER OF THE COUNCIL



Professor Cliff Oswick

14th March 2018

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS

YEAR ENDED 30th SEPTEMBER 2017

Opinion

We have audited the financial statements of The Tavistock Institute of Human Relations (the 'Charity') for the year ended 30 September 2017 which comprise the Statement of Financial Activities, the Balance Sheet, statement of cash flows 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an auditor's 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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 September 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 auditor's report 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.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS

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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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on pages 13&14, the trustees 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 they 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 Charity'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 Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 TAVISTOCK INSTITUTE OF HUMAN RELATIONS
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TAVISTOCK INSTITUTE OF HUMAN
RELATIONS
YEAR ENDED 30th SEPTEMBER 2017

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 auditor's report.

Anthony Epton

Anthony Epton (Senior Statutory Auditor)
for and on behalf of
Goldwins Limited
Statutory Auditor
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

13 April 2018

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE)
FOR THE YEAR ENDED 30th SEPTEMBER 2017

	Note	Unrestricted £	2017 Total £	Unrestricted £	2016 Total £
Income from:					
Donations and legacies	2	-	-	-	-
Charitable activities	3				
-Research evaluation and organisational development		716,603	716,603	1,340,667	1,340,667
-FAST		4,100	4,100	1,100	1,100
-Professional development		605,603	605,603	589,937	589,937
-Royalties from publications		1,040,468	1,040,468	940,770	940,770
		2,366,774	2,366,774	2,872,474	2,872,474
Other trading activities		-	-	-	-
Investments	4	2,042	2,042	4,428	4,428
Other		198	198	217	217
Total income		2,369,014	2,369,014	2,877,119	2,877,119
Expenditure on:					
Raising funds		-	-	-	-
Charitable activities	5				
-Research evaluation and organisational development		1,534,641	1,534,641	1,556,445	1,556,445
-FAST		105,105	105,105	112,263	112,263
-Professional development		582,268	582,268	573,244	573,244
-Royalties from publications		189,913	189,913	224,131	224,131
Other		-	-	-	-
Total expenditure		2,411,927	2,411,927	2,466,083	2,466,083
Net income / (expenditure) before net gains / (losses) on investments		(42,913)	(42,913)	411,036	411,036
Net gains / (losses) on investments		-	-	-	-
Net income / (expenditure) for the year	6	(42,913)	(42,913)	411,036	411,036
Transfers between funds		-	-	-	-
Net income / (expenditure) before other recognised gains and losses		(42,913)	(42,913)	411,036	411,036
Actuarial gains / (losses) on defined benefit pension schemes		519,000	519,000	(1,916,000)	(1,916,000)
Net movement in funds		476,087	476,087	(1,504,964)	(1,504,964)
Reconciliation of funds:					
Total funds brought forward		(4,441,661)	(4,441,661)	(2,936,697)	(2,936,697)
Total funds carried forward		(3,965,574)	(3,965,574)	(4,441,661)	(4,441,661)

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS

BALANCE SHEET

AS AT 30th SEPTEMBER 2017

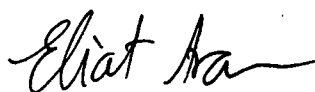
	Note	£	2017 £	£	2016 £
Fixed assets:					
Tangible assets	11		<u>27,689</u>		<u>41,348</u>
			27,689		41,348
Current assets:					
Debtors	12	693,913		633,023	
Cash at bank and in hand		<u>924,505</u>		<u>1,276,504</u>	
		1,618,418		1,909,527	
Liabilities:					
Creditors: amounts falling due within one year	13	<u>923,681</u>		<u>1,044,536</u>	
Net current assets / (liabilities)			<u>694,737</u>		<u>864,991</u>
Total assets less current liabilities			722,426		906,339
Creditors: amounts falling due after one year			-		-
Net assets excluding pension asset / (liability)			722,426		906,339
Defined benefit pension scheme asset / (liability)			<u>(4,688,000)</u>		<u>(5,348,000)</u>
Total net assets / (liabilities)			<u>(3,965,574)</u>		<u>(4,441,661)</u>
The funds of the charity:					
Unrestricted income funds:	17				
General funds		<u>(3,965,574)</u>		<u>(4,441,661)</u>	
Total unrestricted funds			<u>(3,965,574)</u>		<u>(4,441,661)</u>
Total charity funds			<u>(3,965,574)</u>		<u>(4,441,661)</u>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on 14/03/2018 and signed on their behalf by



Prof Cliff Oswick, Chair
Members of Council of Management



Eliat Aram, Ex-Officio Member

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

	Note	2017		2016	
		£	£	£	£
Cash flows from operating activities	18				
Net cash provided by / (used in) operating activities			(348,065)		401,300
Cash flows from investing activities:					
Dividends, interest and rents from investments		-	-	-	-
Proceeds from the sale of fixed assets		-	-	-	-
Purchase of fixed assets		(3,934)	(34,528)		
Proceeds from sale of investments		-	-	-	-
Purchase of investments		-	-	-	-
Net cash provided by / (used in) investing activities			(3,934)		(34,528)
Cash flows from financing activities:					
Repayments of borrowing		-	-	-	-
Cash inflows from new borrowing		-	-	-	-
Receipt of endowment		-	-	-	-
Net cash provided by / (used in) financing activities			-		-
Change in cash and cash equivalents in the year			(351,999)		366,772
Cash and cash equivalents at the beginning of the year			1,276,504		909,732
Change in cash and cash equivalents due to exchange rate movements			-		-
Cash and cash equivalents at the end of the year	19		<u>924,505</u>		<u>1,276,504</u>

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 October 2014.

Reinstatement of previous year's figures

The accounts are prepared under the new accounting standard FRS102 which replaced former Financial Reporting Standards including FRS17, and involved some significant changes. As required, the comparative figures for the previous year including pension were restated in line with FRS102.

c) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern. Key judgements that the charitable company has made which have a significant effect on the accounts. The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

d) 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.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

e) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

1 Accounting policies (continued)

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose

Expenditure on charitable activities includes the costs of delivering services, undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	20% pa on cost
Computer equipment	33% pa on cost
Furniture and equipment	20% pa on cost

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

1. Accounting policies (continued)

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The charity operates stakeholders pension scheme.

2 Income from donations and legacies

	Unrestricted £	2017 Total £	2016 Total £
Donations	-	-	-
	-	-	-

3 Income from charitable activities

	Unrestricted £	2017 Total £	2016 Total £
Contracts and fees receivable:			
Sage Publications - Royalties	1,040,468	1,040,468	940,770
Conference fee attendance	582,391	582,391	577,645
Consultancy	91,446	91,446	813,798
Research & Evaluation	441,086	441,086	576,811
Project funds surplus/(deficit)	207,283	207,283	(40,245)
Supervision	-	-	2,595
SAGE - Festival Contribution	3,000	3,000	-
Wellcome trust	1,100	1,100	1,100
Other incomes	198	198	217
Total income from charitable activities	2,366,972	2,366,972	2,872,691

4 Income from investments

	Unrestricted £	2017 Total £	2016 Total £
Investment income	2,042	2,042	4,428
	2,042	2,042	4,428

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

5 Analysis of expenditure

	Charitable activities					2017 Total £	2016 Total £
	Research Evaluation and Organisational Development	FAST	Professional development	Royalties from publications	Support costs		
			£	£	£		
Staff costs (Note 7)	824,054	44,878	212,939	60,844	302,445	1,445,160	1,562,740
Direct cost							
Payable to partner organisations	124,445	-	-	-	-	124,445	65,959
Other direct cost	1,627	204	140		24	1,995	2,849
Conference fees and expenses	6,872	10,195	1,012	9,695	2,592	30,366	12,320
Consultancy fees	109,597	23,833	63,487	73,428	22,306	292,651	312,137
Travelling and meeting expenses	25,322	308	189,965	13,197	712	229,504	281,289
Support cost							
Other staff costs	7,048	-	37	1,400	36,009	44,494	39,186
Rent, rate & service charge	-	-	-	-	93,235	93,235	92,720
Books and subscription	164	-	(30)	12	3,225	3,371	3,555
Marketing	46	-	-	57	-	103	2,423
Insurance	-	-	-	-	5,465	5,465	6,008
Printing, postage and stationery	4,982	1,172	4,396	43	6,265	16,858	14,231
Website and computer expenses	4,469	1,241	235	1,504	21,517	28,966	25,136
Telephone and internet	6,638	-	207	488	10,888	18,221	19,981
Office expenses	29	193	-	-	9,656	9,878	13,352
Sundry	-	-	-	-	19,883	19,883	23,788
Depreciation	-	-	-	-	17,593	17,593	18,451
Profit and loss on exchange	-	-	-	-	(1,151)	(1,151)	(49,121)
Bad debt	-	-	-	-	-	-	504
Legal and professional	3,784	-	-	240	18,162	22,186	7,450
Audit fees	-	-	-	-	5,750	5,750	5,750
Bank charges	114	-	247	154	2,439	2,954	5,376
	1,119,190	82,024	472,635	161,062	577,016	2,411,927	2,466,083
Support costs	415,451	23,081	109,633	28,850	(577,016)	-	-
Total expenditure 2017	1,534,641	105,105	582,268	189,912	-	2,411,927	2,466,083
Total expenditure 2016	1,556,445	112,263	573,244	224,131	-	2,466,083	

The total expenditure £2,411,927 was unrestricted (2016: £2,466,083).

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

6 Net Incoming resources for the year

This is stated after charging / crediting:

	2017	2016
	£	£
Depreciation	17,594	18,450
Operating lease rentals:		
Property	67,375	64,746
Auditors' remuneration (excluding VAT):		
Audit	5,750	5,750
	<u>5,750</u>	<u>5,750</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2017	2016
	£	£
Salaries and wages	1,053,625	1,189,300
Social security costs	110,365	116,608
Employer's contribution to defined contribution pension schemes	281,170	256,831
	<u>1,445,160</u>	<u>1,562,740</u>

The following number of employees received employee benefits (excluding employer pension) during the year between:

	2017	2016
	No.	No.
£100,000 - £120,000	<u>1</u>	<u>1</u>

The total employee benefits including pension and national insurance contributions of the key management personnel were £127,193 (2016: £121,501).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

Trustees' Indemnity insurance was taken out in the year at a cost to the Charity of £1,067 (2016: £1,063).

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2017	2016
	No.	No.
Raising funds	-	-
Scientific Staff	23.3	25.1
Support	9.4	8.9
	<u>32.7</u>	<u>34.0</u>

9 Related party transactions

There are no related party transactions to disclose for 2017 (2016: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

11 Tangible fixed assets

	Leasehold Improvements £	Computer Equipment £	Fixtures, fittings and Equipment £	Total £
Cost				
At the start of the year	186,343	96,949	20,900	304,192
Additions in year	-	3,934	-	3,934
Disposals in year	-	-	-	-
At the end of the year	186,343	100,883	20,900	308,126
Depreciation				
At the start of the year	186,343	66,876	9,624	262,843
Charge for the year	-	14,775	2,819	17,594
Eliminated on disposal	-	-	-	-
At the end of the year	186,343	81,651	12,443	280,437
Net book value				
At the end of the year	-	19,232	8,457	27,689
At the start of the year	-	30,073	11,276	41,349

All of the above assets are used for charitable purposes.

12 Debtors

	2017 £	2016 £
Amounts recoverable on contracts	414,260	325,145
Prepayments	19,318	16,011
Accrued income	260,335	291,867
	693,913	633,023

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	52,312	48,201
Taxation and social security	102,730	98,613
Accruals	251,403	370,014
Deferred income	517,236	527,708
	923,681	1,044,536

14 Deferred income

Deferred income comprises the payments on account of contracts and fees received in advance.

	2017 £	2016 £
Balance at the beginning of the year	527,708	470,002
Amount released to income in the year	(527,708)	(470,002)
Amount deferred in the year	517,236	527,708
Balance at the end of the year	517,236	527,708

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

15 Pension scheme

The charity operates stakeholders pension scheme and has no pension liability as at the year end.

The company also operates a defined benefit scheme in the UK. This is a separate trustee-administered fund holding the pension scheme assets to meet long term pension liabilities.

With effect from November 30, 2010, the scheme was closed to future accruals of current employees.

In 2011 the Institute agreed a revised deficit reduction plan with the pension fund trustees whereby the deficit would be repaid over 14 years 9 months.

Pension Commitments– FRS102 Section 28 Disclosure

Retirement Benefits Plan (1974)

A full actuarial valuation was carried out at 1 April 2013 and updated to 30 September 2017 by a firm of qualified actuaries. The charity currently pays contributions at the rates set out in the Schedule of Contributions prepared following the 1 April 2013 scheme funding valuation. The estimated future contributions to the plan for the year ended 30 September 2017 are £275,112 (2016: £265,168) increasing by 3.75% per annum, payable monthly from 1 April 2017 to 31 July 2033.

Assumptions:

The major assumptions used by the actuary in assessing liabilities on a FRS 102 basis were:

Assumptions as at	30 September 2017	30 September 2016
Discount rate	2.8%	2.4%
Inflation (RPI)	3.6%	3.4%
Rate of increase in pension in payment capped at 5%	3.6%	3.4%
Rate of increase in pension in payment capped at 2.5%	2.5%	2.5%

The average future life expectancies at age 65 are summarised below:

	Males	Females
Retiring today	22.7	24.8
Retiring in 20 years	24.9	27.1

The major categories of scheme assets	30 September 2017	30 September 2016
	£'000	£'000
Bonds and gilts	789	710
Equities	1,666	1,447
Diversified growth funds (DGFs)	1,642	1,307
Cash	24	202
	<u>4,121</u>	<u>3,666</u>

Net defined benefit pension liability recognised in the balance sheet

	30 September 2017	30 September 2016
	£'000	£'000
Present value of funded obligations	(8,809)	(9,014)
Fair value of scheme assets	<u>4,121</u>	<u>3,666</u>
Net pension liability	<u>(4,688)</u>	<u>(5,348)</u>

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

Pension Commitments- FRS102 Section 28 Disclosure (CONT.)

Changes in the present value of the defined benefit obligation

	30 September 2017 £'000	30 September 2016 £'000
Opening defined benefit obligation	(9,014)	(6,755)
Current service cost	-	-
Interest cost	(215)	(255)
Employee contributions	-	-
Actuarial gains / (losses)	319	(2,114)
Benefits paid	101	110
Defined benefit obligation at end of year	<u>(8,809)</u>	<u>(9,014)</u>

Changes in the fair value of the scheme assets

	30 September 2017 £'000	30 September 2016 £'000
Opening fair value of scheme assets	3,666	3,198
Interest income	91	124
Actuarial gains / (losses)	200	198
Employer contributions	265	256
Employee contributions	-	-
Benefits paid	(101)	(110)
Fair value of scheme assets at the year end	<u>4,121</u>	<u>3,666</u>

The amounts included within the Statements of Financial Activities

The amounts recognised in P&L /income statement

	30 September 2017 £'000	30 September 2016 £'000
Service cost	-	-
Interest cost	(215)	(255)
Interest income	91	124
Net charges to P&L /income statement	<u>(124)</u>	<u>(131)</u>

Remeasurement gains / (losses) recognised in other comprehensive income

Return on scheme assets (excluding interest)	200	198
Actuarial gains / (losses) on defined benefit obligation		
- experience	-	-
- changes in assumptions	319	(2,114)
Total actuarial gains / (losses)	<u>519</u>	<u>(1,916)</u>
Total amount charged to the Statement of Financial Activities	<u>395</u>	<u>(2,047)</u>

THE TAVISTOCK INSTITUTE OF HUMAN RELATIONS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th SEPTEMBER 2017

Pension Commitments– FRS102 Section 28 Disclosure (CONT.)

Amounts for the current and previous 4 years

	Year to 30 September 2017 £'000	Year to 30 September 2016 £'000	Year to 30 September 2015 £'000	Year to 30 September 2014 £'000	Year to 30 September 2013 £'000
Fair value of employer assets	4,121	3,666	3,198	3,102	2,816
Present value defined benefit obligation	(8,809)	(9,014)	(6,755)	(6,333)	(5,519)
Deficit	(4,688)	(5,348)	(3,557)	(3,231)	(2,703)
Experience gains / (losses) on liabilities	-	-	-	(135)	-
Adjustment due to change in assumptions	319	(2,114)	(276)	(502)	317
Experience gains / (losses) on assets	200	198	(172)	(67)	(85)
Actuarial (loss) / gain	519	(1,916)	(448)	(704)	232

16 Analysis of net assets between funds

	General unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	27,689	-	-	27,689
Net current assets / (liability)	694,737	-	-	694,737
Defined benefit pension scheme asset / (liability)	(4,688,000)	-	-	(4,688,000)
Net assets at the end of the year	(3,965,574)	-	-	(3,965,574)

17 Movements In funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Unrestricted funds:					
General funds	906,339	2,369,014	(2,536,927)	-	738,426
Total unrestricted funds	906,339	2,369,014	(2,536,927)	-	738,426
Pension fund	(5,348,000)	519,000	125,000	-	(4,704,000)
Total funds	(4,441,661)	2,888,014	(2,411,927)	-	(3,965,574)

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18 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net Income / (expenditure) for the reporting period (as per the statement of financial activities)	(42,913)	411,036
Depreciation charges	17,594	18,450
Gains/(losses) on investments	-	-
FRS102 defined benefit pension scheme adjustment	(141,000)	(125,000)
(Loss)/profit on the sale of fixed assets	-	-
(Increase)/decrease in stocks	-	-
(Increase)/decrease in debtors	(51,863)	(45,482)
Increase/(decrease) in creditors	(129,884)	142,296
Net cash provided by / (used in) operating activities	(348,065)	401,300

19 Analysis of cash and cash equivalents

	At 1 October 2016 £	Cash flows £	Other changes £	At 30 September 2017 £
Cash in hand	1,276,504	(351,999)	-	924,505
Total cash and cash equivalents	1,276,504	(351,999)	-	924,505

20 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Property	
	2017 £	2016 £
Less than one year	67,375	67,375
One to five years	145,979	213,354
Over five years	-	-
	213,354	280,729

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.