

New Economics Foundation

Annual report and financial statements

30 June 2025

Charity registration number
1055254

Company limited by guarantee
Company registration number
3193399 (England & Wales)

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Chair's Statement Year ended 30 June 2025

Trustees	Adam Sharples CB (Chair) Halla Gunnarsdottir (Vice-Chair) Richard Bryars (Treasurer) Anna Henry Ben Pringle Laurie Laybourn Martin Koehring Nicholas Dearden Pascale Frazer-Carroll Tariq Kazi Wing-Harn Chen
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Registered office and operational address	New Economics Foundation 10 Salamanca Place London, SE1 7HB
Website	www.neweconomics.org
Charity registration number	1055254
Company registration number	3193399 (England & Wales)
Auditor	Buzzacott Audit LLP 130 Wood Street London, EC2V 6DL
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Solicitor	Russell-Cooke LLP 8 Bedford Row London WC1R 4BX

Chair's Statement Year ended 30 June 2025

This financial year has coincided almost exactly with the first 12 months of a new UK government, marking a significant opportunity for those of us working to shape a fairer, more sustainable economy. For NEF this period has also seen us recalibrating our strategy to engage constructively with a shifting policy landscape - one that presents both fresh opportunities and renewed challenges.

The turbulence of recent years has not abated. Globally, we have witnessed the continued rise of authoritarian and anti-democratic forces, and, closer to home, we have witnessed troubling anti-migrant riots and an increasingly organised far right. These political developments are unfolding in the context of accelerating climate and ecological breakdown - realities that underscore the urgency of our mission.

At the same time, this year marked the first full 12 months of Danny Sriskandarajah's leadership as CEO, following his arrival the previous January. Under his guidance, and following the conclusion of our previous five-year cycle, NEF launched a new strategy in January 2025. This was developed through extensive consultation with our staff, partners, supporters, and wider stakeholders, and reflects the evolution of our work, our unique role within a wider movement and the rapidly changing world around us.

Our strategy is centred on three key ambitions:

- ◆ Guaranteeing economic security for all
- ◆ Building a fast and fair transition to a green economy
- ◆ Shifting power to people and communities

We pursue these goals by inspiring new thinking, influencing decision-makers, and innovating alongside communities. In doing so, NEF draws on its four-decade history of pioneering ideas and working collaboratively to reimagine how the economy can serve people and planet. We are committed to co-creating radical but practical policy proposals, delivering credible and robust research, and bringing forward demonstrator projects that prove a better way is possible. Crucially, we aim to amplify the voices of those traditionally excluded from policymaking and to bridge divides by building solidarity around shared interests. As part of this, we are beginning to reinvigorate our international work, with a renewed focus on partnerships in the Global South.

Over the past year, NEF's reputation for independent, high-quality analysis has opened doors to new forms of influence. Our experts were invited to join two government advisory panels - on transport capital expenditure and fuel poverty - and gave evidence at four parliamentary select committee hearings. At the same time, we have not hesitated to be vocal in our opposition to harmful policy decisions. Our most high-profile interventions this year included highlighting the harmful impacts of expanding Heathrow and the proposed cuts to disability benefits. In both cases, NEF's research played a critical role in shaping public debate and parliamentary scrutiny, with our experts in high demand from media and MPs alike. While we continue to campaign for the end of the two-child limit, as well as more fundamental reform of the social security system, NEF was instrumental in helping to mitigate the scale of cuts faced by disabled people.

Chair's Statement Year ended 30 June 2025

Financially, the year was not without difficulty, notably with the withdrawal of some longstanding funders of the new economy space. This created a shortfall in unrestricted income and necessitated a restructuring of our core operations and having to say goodbye to some talented colleagues through redundancies. However, we have emerged from this period with a revised structure aligned to our strategic priorities and a more stable financial footing for the future.

Despite the challenges, this year has been one of purposeful transition and strategic renewal for NEF. I would like to thank our staff, Trustees, partners, and supporters for their commitment and contributions. Together, we continue to build momentum for an economy that works for people and the planet.

A handwritten signature in dark ink, appearing to read 'Adam Sharples', written in a cursive style.

Adam Sharples CB
Chair

Introduction

The Trustees present our statutory report together with the financial statements of the New Economics Foundation (NEF) for the year ended 30 June 2025. The report, which constitutes a Trustees' report for the purposes of charity law and a directors' report for the purposes of company law, has been prepared in accordance with Part 8 of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 26 to 30 of the attached financial statements and comply with the charitable company's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

Overview

NEF was set up in 1986 by the leaders of the first TOES (The Other Economic Summit) as an independent 'think-and-do' tank to promote a transition to a new economic system.

Our mission is to create an economy that works for people and the planet.

Objectives and activities

Our objectives, as set out in the memorandum and articles of association, for which we were established, are:

- a) To advance education and undertake research for the benefit of the public (and to publish the useful results of such research), particularly in economics, citizenship, and environmental, social and political sciences; and
- b) To promote sustainable development for the benefit of the public by:
 - i. the preservation, conservation and the protection of the environment and the prudent use of resources
 - ii. the relief of poverty and improvement of the conditions of life in socially and economically disadvantaged communities
 - iii. pursuing such other related charitable purposes as the Trustees may determine.

By sustainable development, we mean "development which meets the needs of the present without compromising the ability of future generations to meet their own needs."

Public benefit

As Trustees, we have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning our future activities. To further our charitable objectives for public benefit, all of our work is directed towards promoting the wellbeing of individuals and communities, ensuring this is achieved in a fair and socially just manner, and achieving this within ecological limits.

NEF achieves public benefit for the population as a whole through advancing knowledge and education about economic, social and environmental issues.

Thanks

We are immensely grateful for the support of a wide range of individuals and organisations – our work would not be possible without your generosity. As an organisation seeking to influence public policy, NEF is committed to transparency, and we list and thank on our website everyone who donates more than £5,000 in any financial year. In a year where unrestricted funding has been particularly scarce, we are especially grateful to those who have helped NEF with flexible funding, which supports some of our most impactful advocacy and media work. This includes the Friends Provident Foundation, John Ellerman Foundation, Laudes Foundation, Guy Lipman, and Joyce Pountain,

Summary of activities & performance

Strategy & impact

This year saw the launch of our new strategy. Our aim is to change the economy so that it delivers the following five elements required for people to live good lives:

- ◆ An environment to thrive in – with decisive and deep action, we can avoid the worst impacts of climate breakdown and build more equal and happier societies.
- ◆ A politics for all – when communities come together, amplify their voices and strengthen their power, we can reinvigorate our democracies.
- ◆ A state fit for the 21st century – new models of public services, investment and devolved decision making can empower the state to support people in.
- ◆ A new internationalism – new financial architecture can provide global public finance and effective social protections to those being left behind by the global economy.
- ◆ Thriving local communities – giving economic and political power to local and regional areas can create local economies that support people to flourish.

Our task is to help build the conditions for these ambitions to be realised through three interconnected workstreams – guaranteeing economic security for all, building a fast and fair transition, and shifting power to people and communities. Building on our 40-year track-record as a think and do-tank, our approach across these areas will be to:

- ◆ Inspire - to co-create radical policy ideas based on robust evidence and lived experience that will deliver a more just and sustainable future.
- ◆ Influence – campaigns that challenge unhelpful orthodoxies, convene unusual suspects, open up space for people often locked out of decision making, help shape public debate, and change minds.

- ◆ Innovate – pioneering transformative projects and demonstrating approaches that build people's power, putting marginalised communities and groups at the heart of what we do.

Below we outline the progress made under the three workstreams this year.

Guaranteeing Economic Security for All

- ◆ NEF was pivotal in mitigating proposed benefit cuts for ill and disabled people. Through a combination of direct engagement with Parliamentarians, briefings, and media appearances (including in-depth coverage on ITV's *Peston*), our analysis showing the true impact of the proposals played a crucial role in challenging the government's plans.
- ◆ Prior to the Welfare Bill, there had been some positive developments in social security policy. Language in autumn's White Paper clearly demonstrated the influence we have been able to have through our work on benefits conditionality over the previous 18 months.
- ◆ In the London borough of Camden, we supported a successful 12-week "test and learn" pilot focused on unconditional engagement with employment support, which produced new ideas and evidence but also generated considerable interest from DWP, Cabinet Office and other local and combined authorities. This work continues to attract significant attention inside and outside government.
- ◆ We deepened our collaboration with the academic team behind the Minimum Income Standard (MIS), exploring how public services can be better integrated into the framework. Our proposals around childcare sparked interest across devolved administrations and the national government, leading to briefings with politicians and civil servants.
- ◆ We also published two related reports with the Social Guarantee, advocating for Universal Basic Services (UBS) as a tool to ensure essential needs are met within environmental limits. These reports addressed both transport equity and the role of infrastructure and planning in reducing car dependency.
- ◆ The Greater Manchester Living Income (GMLI) Coalition, of which NEF is a partner alongside grassroots groups has gained considerable momentum this year. We have gained the endorsement of Mayor Andy Burnham, who was one of over 300 people to enjoy our launch event. We are now co-producing a proposal for a Living Income pilot with staff at the Greater Manchester Combined Authority.
- ◆ With partners including Patriotic Millionaires and academics from the London School of Economics we have been working to establish and define the concept of an Extreme Wealth Line (EWL) to highlight the danger that wealth concentration poses to our economy, environment and democracy. Our initial report based on interviews with and surveys of millionaires found that even the rich feel the growing concentration of wealth is hugely damaging.
- ◆ NEF continues to explore wealth taxes and their implementation. This has included roundtables with experts, including representatives from HMRC and the Treasury, as well as convening partners in other G20 countries to build pressure for international action.

- ◆ NEF has continued to support the Homes for Us Alliance – the national housing campaign made up of grassroots activists. This included a major housing summit where nearly 100 campaigners came together to share research, strategies and agree priorities for future campaigns.
- ◆ We have since launched a campaign for rent controls and have secured meetings with mayors and supported elected officials and campaigners to advocate for rent controls.
- ◆ Our campaigning, economic research and advocacy over the past four years help to secure significant increase for the Affordable Homes Programme in the Spending Review, including a new commitment that 60% will be allocated to social housing. However, we continue to highlight that this remains insufficient to meet the need for 90,000 new social homes a year.

Building a Fast and Fair Transition

- ◆ NEF's groundbreaking fiscal research has shaped the UK and EU policy debates, with growing numbers of politicians, commentators and civil society allies questioning public finance orthodoxy. Important work this year included our 'How do you solve a problem like inflation?' paper calling for greater monetary fiscal co-ordination.
- ◆ Building on years of NEF's work on fiscal matters, we have been regularly contacted and cited in our critique of the methodology and role of the Office for Budget Responsibility's (OBR) forecasts. Our influential policy briefing in October cast a light on the flawed assumptions in the OBR's methodology that weight its forecasts towards austerity. We remain in constructive conversation with OBR themselves.
- ◆ The year saw the EU agreed a reform of the Stability and Growth Pact that allowed some flexibility for capital expenditure, but reimposed limits on overall public spending, triggering budget cuts in many member states. At the same time, Europe has made exceptions for rising military expenditure, with growing signs that social spending will bear the brunt of the squeeze, in ways that risk fuelling the far right. We continue to be a leading member of the EU Fiscal Matters Coalition fighting pushing for greater social and environmental spending. Notably the Macroeconomic Framework for Europe report proposed co-ordinated climate investment across the EU.
- ◆ Our analysis indicated that the new UK National Wealth Fund (NWF) should be able to issue its own bonds, while removing its liabilities from the Chancellor's fiscal debt target to raise an additional £100bn over the next 10 years. We are an increasingly influential voice, with growing cross-party support emerging for our proposals and our Head of Economy and Environment called to give oral evidence to the Treasury Select Committee as part of its National Wealth Fund inquiry.
- ◆ NEF staff have been invited to sit on two Government bodies over the last year, the Department of Transport's Capital Review Panel and the Department for Energy Security & Net Zero's Fuel Poverty Strategy Working Group.

- ◆ NEF's Great Homes Upgrade campaign to retrofit the nation's buildings continued this year with our Blueprint for warmer homes, launched in January at an event with Energy Minister Miatta Fahnbulleh MP. The blueprint proposes a local delivery model, with stable long-term funding to deliver jobs across the country, as well as energy efficiency and lower bills. To make the necessary investment, we propose an interest-free loan scheme delivered through the National Wealth Fund and targeted support for vulnerable households.
- ◆ In addition, we produced new analysis on how the Bank of England could lower borrowing costs for renewable and retrofit investments through Term Funding Scheme for Energy Price Stability (TFSEPS). This proposal would help to protect households from fossil fuel price spikes and is gaining traction within policy and investment circles.
- ◆ As the government has made a series of disappointing decisions about airport expansions, NEF spearheaded the response successfully introducing doubt about the alleged economic benefits from increasing aviation capacity. The Heathrow announcement sparked a flurry of very high profile media appearances, including the front pages for our scoop that the Chancellor's justification came from a Heathrow-funded report using methodology the government had previously discounted as flawed. This in turn led to an invitation to give evidence to the Commons Environmental Audit Committee and Transport Select Committee, whose chair cited NEF's analysis in subsequent questioning of ministers.
- ◆ The Frequent Flyer Levy has continued to gain momentum as a means to curb aviation demand in a fair manner. We have spoken to numerous MPs, including at events in parliament and at party conferences and launched a 'flying fair package' to shift the conversation by proposing a £20 discount on everyone's first flight, alongside changing Air Passenger Duty and a frequent flyer levy.

Shifting Power to people and communities

- ◆ The Reclaiming Our Regional Economies (RORE) programme has continued to show how combined authorities and communities can shape local economies around the needs of local people. The RORE event at the Labour Party Conference featured three metro mayors – Tracy Brabin, Andy Burnham, Richard Parker – as well as Minister for Local Government and English Devolution, Jim McMahon MP.
- ◆ In South Yorkshire we have been convening PLANT, a group of 12 grassroots organisations from across the region to demonstrate how to embed people-led policy making in the region. Originally formed to support the regional priority of planting 1 million trees, PLANT is now engaging with SYMCA to co-create a community engagement strategy and advocate for a community-led retrofit pilot.
- ◆ Alongside this, we produced a paper for the South Yorkshire Mayoral Combined Authority and Rotherham Metropolitan Borough Council leaderships outlining the policy levers and laws they could use to compel landlords to sell poor-quality homes into public ownership.

- ◆ In the West Midlands, special educational needs and disabilities (SEND) provision has emerged as a key priority for the communities we have been working with. In Birmingham we have collaborated with grassroots SEND providers on research and strategy. These included a briefing on how SEND provision is subject to wealth extraction and how investing in co-operative providers could ease the unsustainable financial burden this is placing on local authorities.
- ◆ In Solihull we worked with the Council to support their place-based strategy and business rates retention model, focusing on community asset development.
- ◆ Across our programmes, we have built capacity among community partners looking to make improvements to their lives, while connecting them with national campaigns and policy debates. We have supported dozens of groups and hundreds of individuals with training workshops on policy, storytelling, and one-to-one development sessions. Both the Homes for Us and Power to Prosper programmes have included regranteeing to smaller organisations usually unable to access funds.

Plans for the future

Our overarching priority for the coming financial year is to deliver impact along the ambitions we have set out in our new strategy. The current political and economic landscape in the UK presents considerable challenges to making progress on our goals of building a fast and fair transition to a green economy, guaranteeing economic security for all, and shifting power to people and communities. That said, we are confident that sharpening NEF's unique approach to delivering impact will help make a positive difference in key areas. We will continue to combine high quality research with organising coalitions of partners and communities to apply pressure on policymakers to adopt key demands and seeking to influence a range of stakeholders (e.g. Ministers, advisors, officials, parliamentarians, select committees, regional and local authorities) to deliver more ambitious policy interventions in the areas we work on.

From an organisational perspective, our priorities include improving the quality of funding that will allow us to be more flexible and agile in our work, delivering a surplus at the end of the financial year to help meet our reserves policy, modernising key aspects of our operations such as IT infrastructure, and refreshing key HR policies.

Financial review

Principal funding sources

NEF receives grants and donations from trusts, foundations, the public sector, charities and not-for-profit organisations, as well as individuals who support our work. We have continued to secure new funders and renew many existing funders. In the last year we have secured new large multi-year grants from Aviva Foundation, The National Lottery Community Fund and The Oak Foundation for projects to be delivered in partnership with other organisations. We also deliver some of our work through consultancy contracts to a similar range of organisations, which are normally either other charities (or similar not-for-profit organisations) or local, regional or national governments.

Results & financial position

Despite the impact of long-term elevated inflation, alongside a cost-of-living crisis, on our costs, notably salaries, we have effectively delivered the vast majority of our programmes with minimal adjustments and continued to build an effective and persuasive public voice for our work.

Income for the year 2024/25, at £4,991,568, increased from £4,874,510 the previous year, due to additional grant funding from trusts and foundations for our programme delivery. The increase also reflects our strategy of engaging with a wider range of new partners (see our Grant Making Policy section below for details), with 31% of last year's expenditure awarded as grants to partners. This was offset by a reduction in consultancy income as we concentrated resources on mobilising two large new grant funded programmes. We hope to increase income by developing new approach to consultancy as a part of 2025/26 plans.

Expenditure increased from £4,935,449 to £4,949,737, again linked to increased programme activity, funded by new grants.

Headcount and FTE reduced to 42.0 and 37.7 respectively (44.0 and 40.6 in 2023/24), as a result of proactive management of overall staffing capacity, aligning this to project delivery cycles as far as possible, and the needs of the organisation.

During 2024/25, NEF Consulting Limited continued its trading activities, concentrating on providing training to various organisations. NEF Consulting made an operating profit of £9,707 (prior year an operating profit of £9,183). A donation of £9,707 was therefore made to the charity under gift aid. The Trustees of NEF will continue to support NEF Consulting Limited based on its plans in the current year to continue to make a profit and further contributions to the charity.

As a result of changes made in previous year to the organisational structure to support the delivery of two new multi-year grants, which will partially utilise the expertise of our NEF Consulting team, there has been a reduction in consultancy income through NEF Consulting, as capacity has been redirected to NEF programmes.

Remuneration policy for key management personnel

The Trustees consider that they, together with the Chief Executive Officer and the Senior Management Team (SMT), constitute the key management personnel for reporting purposes. Following an organisational restructure in late 2025, the SMT is comprised of the CEO, Deputy CEO and the Chief Operating Officer (COO). The remuneration of these individuals is overseen by the Remuneration Committee giving due regard to pay bands informed by external benchmarking, and formal appraisals.

The charity is committed to ensuring a balance between (1) paying its staff fairly to attract and retain good people and (2) careful management of overall funding. Pay bands have been in place for a number of years and are periodically reviewed. The organisation remains committed to ensuring internal parity.

The Trustee Board is actively involved in two key elements of remuneration policy:

1. Senior staff pay
2. Annual cost of living adjustment

The Remuneration Committee reviews each year any recommended changes to salaries for senior positions and makes recommendations to the Board, which reserves to itself decisions on the pay of senior staff. The Finance, Audit and Risk Committee, as part of the annual budget setting process, considers any annual cost of living increase for affordability, before it is referred to the wider Board for final approval. The Board delegates decisions on progression-related pay increases (excluding members of the senior management team) to the Chief Executive Officer.

The Finance, Audit and Risk committee, on behalf of the Board of Trustees, conducts an annual review of the level of free reserves (being unrestricted reserves less non-current assets) in the general fund by considering risks associated with the various income streams, expenditure plans and balance sheet items. This enables an estimate to be made of the level of free reserves that are sufficient, having considered:

- ◆ The reasons we need reserves
- ◆ The potential impact of external factors outside our control
- ◆ The time required for reorganisation in the event of a downturn in income
- ◆ How to protect ongoing work programmes
- ◆ How to allow the charity to meet its working capital requirements
- ◆ How the charity is going to establish the level of reserves required
- ◆ How the policy and reserves will be monitored and reviewed

The charity needs reserves in order to protect continuity of operations during the peaks and troughs of funding cycles and to maintain core activities as individual projects finish and new ones start. In addition to such operational reserves, a fund of accumulated reserves allows the charity the potential to invest in (a) organisational capacity building (b) strategic initiatives and (c) seed funding of new projects.

Reserves policy and going concern

The reserves policy is set within the context that the charity owns its own office space, which has a net asset value of £2.31m (net book value less outstanding mortgage). This is not an operational asset, as the charity can function from any office space and has the option, if required, to dispose of this asset and move to rented accommodation. The Trustees consider that this asset, though illiquid, underpins the long-term financial health of the charity. Trustees acknowledge that there is uncertainty around the likely ability of the charity to dispose of the asset readily, and therefore we put more emphasis on maintaining appropriate operational funds and cash balances (see below).

Trustees' report Year ended 30 June 2025

The Trustees have concluded that, alongside the designated fund relating to the building, the other reserve to be considered is the general fund:

1. Operational funds (a general fund). In order to ensure that the charity can accommodate variations in funding cycles, it is the policy of the Trustees to maintain general funds equivalent to three months' worth of future operational costs, net of reliable and recurring income, at any time. At 30 June 2025, this target amounts to £538,000 (2024: £529,000). General reserves at 30 June 2025 actually amounted to £410,853 (2024: £393,070). It is the intention of the Trustees to rebuild these reserves carefully over the next five years. To achieve this, the Trustees aim to deliver a surplus budget in 2025–26, while making appropriate adjustments to NEF's ongoing cost base and exploring the diversification of its income streams. The goal is to return to generating a consistent surplus from 2025–26 onwards to help rebuild operational reserves.
2. Alongside the reserves policy, it is the policy of the Trustees to maintain at least three months' cover as cash at bank for all operational costs at any time. The finance team monitors cash flow on a weekly basis and the Trustees review this regularly. Three month's group operational costs equate to £720,000; group cash at bank at the year-end was £2.32m (2024: £1.12m). As interest rates rise, we have adopted a policy of saving a proportion of these cash reserves in a high interest paying ethical saving account available in the market.

The Trustees are also required to consider whether there are significant doubts about the charity's ability to continue as a going concern and to disclose whether there are any material uncertainties looking forward for at least one year from the date of signature of these financial statements. The Trustees have considered the future strategic plans of the charity and have reviewed the level of funding secured, detailed cash flow projections, and the underlying trading position of NEF Consulting. The Trustees have also considered potential downside scenarios that might reasonably arise. They are satisfied that the charity remains a going concern.

Grant-making Policy

For some of our projects we hold funds intended to be re-granted to other organisations. These funds have been granted to us by other larger funders, in combination with funding for our own delivery of related work, primarily with the purpose of reaching smaller, grassroots organisations that we are well-placed to engage with via our place-based organising and community power building work.

This approach by funders, of sharing funds for re-granting, is growing, as the funding community revisits grant-making policies and approaches that can be hard to access for smaller organisations and can also be rooted in systemic injustices. The charity is moving towards a participatory re-granting approach, which means working in collaboration with grassroots groups and people with lived experience of the issues we seek to address, to design the funds and parameters for re-granting. We expect the value of our re-granting to increase in future years as a proportion of our charitable activity.

Our grant-making principles are:

- ◆ We want to hold space for experimentation and innovation in grantees and in our re-granting process. We want to fund new and less established organisations and people that represent the lived experiences of those most affected by our priority areas of work.

We will use risk mitigations (such as initially lower grant values and ongoing capacity building support for grantees) to manage any risks that flows from this approach.

- ◆ We have expertise in the work of our grantees, and this supports us to assess risk more accurately, which in turn allows us to take an informed view of risk relating to grantees, and thus support higher levels of risk-taking.
- ◆ Each fund will have clear aims and guiding principles, which will support both core funding awards and specific deliverables where overall aims and work align. Evaluation protocols will be proportionate (as non-invasive and admin-light for grantees as possible).
- ◆ Getting the money to grantees is critical– we can accept a less-than-perfect process, underpinned by robust yet proportionate due diligence, if it facilitates more money reaching grassroots groups more quickly.

We manage risks in a number of ways, including working with fiscal hosts to support good financial governance, bringing in expert partners, delivering wider support to grantees covering both delivery and operational knowledge and skills, applying learnings from previous grant rounds to future work, and clearly defining fund parameters with relevant guidance and policies to support implementation of these.

Principal risks and uncertainties

The Trustees actively review both the strategic and operational risks that the charity faces. These cover both short and long-term risks and in particular concern financial sustainability and reputation. The Trustees confirm that they are satisfied that strategies, systems and controls are, as far as possible, in place to mitigate significant risks.

Achieving the necessary income to fund its work is the primary risk the charity faces. Although the New Economics Foundation continues to have good success rates in securing project funding, this is within the context of an ever-challenging funding environment, made more unpredictable by the ongoing crises of the last few years. The charity is aware that careful management is required to mitigate against this, which includes regular communication with funders, the review of project budgeting and costing procedures and ensuring adequate monitoring and reporting procedures. In the next year, Trustees will approve a business plan and review of the charity's business model to accompany the new strategy, addressing how the charity will strengthen income streams that contribute to core funding.

Risks to the charity's reputation are managed by ensuring that senior staff monitor all projects, working closely on appropriate dissemination strategies, and ensuring that quality and rigor is regularly monitored in terms of output and impact.

Trustees' report Year ended 30 June 2025

The Finance, Audit & Risk Committee of the Board of Trustees regularly reviews NEF's risk register and undertakes a detailed review of a particular area of the register at each of its meetings, which are reported to and discussed by the Board of Trustees. The Committee's principal role is one of oversight and scrutiny and it does not relieve the Board of its responsibilities for the monitoring and management of risk.

Fundraising

We aim to achieve best practice in the way in which we communicate with donors and other supporters. We take care with both the tone of our communications and the accuracy of our data to minimise the pressures on supporters. We are registered with the Fundraising Regulator and adhere to the Code of Fundraising Practice. We apply best practice to protect supporters' data and never sell data, we never swap data and ensure that supporters' and donors' communication preferences can be changed at any time.

We manage our own fundraising activities and do not employ the services of professional fundraisers. We undertake to react to and investigate any complaints regarding our fundraising activities and to learn from them and improve our service. During the year ended 30 June 2025, we received no complaints about our fundraising activities (2024 – none).

Structure governance and management

NEF is constituted through articles of association and registered as a company limited by guarantee.

The appointment of a new trustee to the board of Trustees takes place after due consideration from both parties to ensure a good strategic fit for the board and the prospective trustee. In the last year we appointed six new Trustees as well including our new Chair broadening the skills and experience of the Board.

The hybrid induction process for new Trustees includes meeting programme staff and receiving information about the role and responsibilities of charity Trustees. They are also briefed on their legal obligations under charity and company law, the content of the Memorandum and

Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. Trustees are eligible to attend appropriate external training events where these will facilitate the undertaking of their role.

The Board of Trustees usually meets four times a year and focuses on its three roles of strategy, performance and assurance. The Trustees delegate the day-to-day running of the charity to the Chief Executive, and the senior management team, in line with the scheme of delegation.

Trustees' report Year ended 30 June 2025

Decisions are made according to the levels of delegated authority defined in the organisation's policies and procedures and according to job descriptions and commensurate levels of authority for different grades of staff. The risk register setting out the major risks to which the organisation is exposed is regularly reviewed by the FARC, annually by Board and where necessary updated, and risk management approach identified and implemented to minimise these risks. The Senior Management Team is charged with keeping the risk register updated.

The Board has a number of committees to which it delegates some responsibilities. The Finance, Audit and Risk Committee meets five times a year, consists of Trustees with appropriate experience, and is chaired by the Treasurer. The Remuneration Committee meets as and when required to consider any recommended changes to the pay of senior staff. The Board & Officers' Committee meets several times a year and focuses particularly on overseeing NEF's impact, business planning and staffing issues. It also has the power to act on all day-to-day matters not within the province of any other committee of the Board of Trustees. It has executive powers to deal with matters of importance which would normally be referred to the Board of Trustees, but which require decisions as a matter of urgency, and any such decisions are reported to the next meeting of the Board. Working groups may be established at the request of the Chair of the Board as and when needed to focus smaller groups of Trustees on a timebound piece of work with a specific outcome.

Members of the charitable company guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of winding up.

Trustees

The Trustees, who are the directors of the company for the purposes of company law, who served during the year and up to the date of this report were:

Trustees	Appointed/ Resigned
Adam Sharples (<i>Chair from 26 Jun 2024</i>)	B, R
Halla Gunnarsdottir	B, R
Keren Jones (<i>Acting-Chair from 02 Jul 2023 until 26 Jun 2024</i>)	B, R
Alison Cowan (<i>Vice Chair until 12 Mar 2025</i>)	F, B
Richard Bryars, <i>Treasurer (from 28 May 2024)</i>	F, B
Tariq Kazi, <i>Treasurer (until 26 Jun 2024)</i>	F
Nicholas Derden	
Pascale Frazer-Carroll	
Anna Henry	F
Martin Koehring	F
Laurie Laybourn	Resigned 16 Sep 2025
Wing-Ham Chen	Appointed 16 Apr 2025
Ben Pringle	F

B *Member of the Board & Officers' Committee*
F *Member of the Finance, Audit & Risk Committee*
R *Member of the Remuneration Committee*

NEF Consulting Limited

NEF Consulting Limited is a wholly owned trading subsidiary of the charity. The subsidiary was established both to generate funds for the charity and as a vehicle to demonstrate the many and varied practical applications of NEF's ideas. Its results are consolidated within the group financial statements (see note 13 for further details).

Statement of Trustees' responsibilities

The Trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- ◆ select suitable accounting policies and then apply them consistently using the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 charity and the group will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Trustees' report Year ended 30 June 2025

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The above report has been prepared in accordance with the provisions applicable to the small companies' regime as set out in part 15 of the Companies Act 2006

Approved by the Board of Trustees on 10 December 2025 and signed on its behalf by:



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Chair of Trustees

Adam Sharples CB

Independent auditor's report to the members of New Economics Foundation

Opinion

We have audited the financial statements of New Economics Foundation (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 30 June 2025 which comprise the group statement of financial activities, the group and charitable parent company balance sheets and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report and financial statements, 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.

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 on 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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the trustees' report, which is also the directors' report for the purposes of company law, has 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 group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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 by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or

Independent auditor's report Year ended 30 June 2025

- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

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

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

Auditor's 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 guaranteed that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006, the Charities Act 2011 and those that relate to data protection (General Data Protection Regulation); and

Independent auditor's report Year ended 30 June 2025

- ◆ identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and those charged with governance as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ tested journal entries to identify unusual transactions;
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- ◆ used data analytics to identify and investigated the rationale behind any significant or unusual transactions;
- ◆ tested authorisation controls on expenditure items, ensuring expenditure was approved in line with the charitable company's financial procedures; and
- ◆ challenged assumptions made by management in their significant accounting estimates, in particular those relating to the recognition of project income
- ◆ In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance; and
- ◆ enquiring of management and those charged with governance as to actual and potential litigation claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Independent auditor's report Year ended 30 June 2025

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Buzzacott Audit LLP". The signature is written in a cursive, flowing style.

Edward Finch (Senior Statutory Auditor)
For and on behalf of Buzzacott Audit LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 11 December 2025

Consolidated statement of financial activities Year ended 30 June 2025
(incorporating the income and expenditure account)

	Notes	Un-restricted funds £	Restricted funds £	2025 Total funds £	Un-restricted funds £	Restricted funds £	2024 Total funds £
Income from							
Donations and legacies	1	106,997	—	106,997	98,693	—	98,693
Charitable activities							
Programmes	2	693,352	3,906,720	4,600,072	1,487,932	3,037,523	4,525,455
Other trading activities	3	216,463	—	216,463	182,694	—	182,694
Investments	4	68,036	—	68,036	67,668	—	67,668
Total income		1,084,848	3,906,720	4,991,568	1,836,987	3,037,523	4,874,510
Expenditure on	5						
Raising funds							
Costs of generating donations		192,648	—	192,648	174,577	—	174,577
Costs of trading activities		54,279	—	54,279	53,527	—	53,527
Charitable activities							
Programmes		796,090	3,906,720	4,702,810	1,669,822	3,037,523	4,707,345
Total expenditure		1,043,017	3,906,720	4,949,737	1,897,926	3,037,523	4,935,449
Net Income/ (expenditure) and net movement in funds	6	41,831	—	41,831	(60,939)	—	(60,939)
Reconciliation in funds							
Fund balances brought forward at 1 July		2,687,514	—	2,687,514	2,748,453	—	2,748,453
Fund balances carried forward at 30 June	18	2,729,345	—	2,729,345	2,687,514	—	2,687,514

All the above results are derived from continuing activities.

Balance sheets As at 30 June 2025

	Notes	Group		Charity	
		2025 £	2024 £	2025 £	2024 £
Fixed assets					
Tangible fixed assets	11	3,093,179	3,135,033	3,093,179	3,135,033
Investments	12	—	—	1	1
		3,093,179	3,135,033	3,093,180	3,135,034
Current assets					
Debtors	14	212,663	520,821	219,990	524,457
Cash at bank and in hand		2,315,811	1,120,840	2,286,672	1,095,036
		2,528,474	1,641,661	2,506,662	1,619,493
Liabilities					
Creditors: amounts falling due within one year	15	(2,209,521)	(1,349,297)	(2,187,710)	(1,327,130)
Net current assets		318,953	292,364	318,952	292,363
Creditors: amounts falling due after one year	17	(682,787)	(739,883)	(682,787)	(739,883)
Total net assets		2,729,345	2,687,514	2,729,345	2,687,514
The funds of the charity:	18				
Funds and reserves					
Restricted funds		—	—	—	—
Unrestricted funds					
Designated funds:					
- Property fund		2,318,492	2,294,444	2,318,492	2,294,444
General funds		410,853	393,070	410,853	393,070
Non-charitable trading funds			—		—
Total unrestricted funds		2,729,345	2,687,514	2,729,345	2,687,514
Total funds	18	2,729,345	2,687,514	2,729,345	2,687,514

Approved by the Board of Trustees on 10 December 2025 and signed on its behalf by



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Adam Sharples CB
Chair of Trustees
Company number 03193399

Consolidated statement of cash flows Year ended 30 June 2025

	Note	2025 £	2024 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	1,242,262	(104,480)
Cash flows from investing activities:			
Purchase of property, plant and equipment		(9,213)	(34,589)
Investment income received		68,036	67,668
Interest payable		(55,482)	(62,885)
Net cash used in investing activities		3,341	(29,806)
Cash flows from financing activities:			
Repayments of borrowing		(50,632)	(45,301)
Net cash used in financing activities		(50,632)	(45,301)
Change in cash and cash equivalents in the reporting period		1,194,971	(179,587)
Cash and cash equivalents at the beginning of the year	B	1,120,840	1,300,427
Cash and cash equivalents at the end of the reporting period	B	2,315,811	1,120,840

Notes to the cash flow statement for the year to 30 June:

A Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	2024 £
Net income for the reporting period (as per the statement of financial activities)	41,831	(60,939)
Depreciation charges	51,067	46,802
Investment income receivable	(68,036)	(67,668)
Interest payable	55,482	62,885
Decrease in debtors	308,158	(169,536)
Increase/(decrease) in creditors	853,760	83,976
Net cash provided by (used in) operating activities	1,242,262	(104,480)

B Analysis of cash and cash equivalents

	2025 £	2024 £
Total cash and cash equivalents: Cash at bank and in hand	2,315,811	1,120,840

C Analysis of movements in net cash (debt)

	At 1 July 2024 £	Cash flows £	Non-cash changes £	At 30 June 2025 £
Cash and Cash Equivalents	1,120,840	1,194,971	—	2,315,811
Borrowings				
Debt due within one year	(48,946)	48,946	(55,410)	(55,410)
Debt due after one year	(739,883)	—	57,096	(682,787)
	(788,829)	48,946	1,686	(738,197)
Total	332,011	1,243,917	1,686	1,577,614

Principal accounting policies Year ended 30 June 2025

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below. These financial statements are presented in sterling and rounded to the nearest pound.

Basis of preparation

These financial statements have been prepared for the year ended 30 June 2025 with comparative information presented for the year ended 30 June 2024.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS 102.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the liability for multi-year project grant commitments, including how much income to defer or accrue and how much income to recognise from the project grant to cover overhead costs;
- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ allocating expenditure between funds based on an estimate of staff time.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. They have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the group and the charity to continue as a going concern. They are of the opinion that the group and the charity will have sufficient resources to meet its liabilities as they fall due. In making this assessment the trustees have paid particular attention to the wider economic situation and impact this has on funding opportunities and the group's cost base. The most significant areas of judgement that affect items in the financial statements are detailed above.

Principal accounting policies Year ended 30 June 2025

Basis of consolidation

The consolidated statement of financial activities, consolidated statement of cash flows and group balance sheet consolidate each reporting line of the financial statements of New Economics Foundation and its subsidiary company, NEF Consulting Limited, made up at the balance sheet date.

A separate statement of financial activities, or income and expenditure account, has not been presented for the charity because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The total income of the parent charity amounted to £4,952,262 (2023/24: £4,842,676) and total expenditure was £4,920,138 (2023/24: £4,912,798), resulting in the net expenditure for the year of £32,124 (2023/24: net expenditure of £70,122).

Income recognition

Income is recognised in the period in which the group and the charity has entitlement to income, the amount of the income can be measured reliably, and it is probable that the income will be received.

Income from government and other 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. Income is deferred where it relates to specific future periods either via explicit or implicit time conditions within the grant agreement.

Income earned under a contract for services is recognised in the financial statements as entitlement is earned through completion of the contract. Deferred income from the sales of goods is recognised once the good has been delivered. Income from the sales of goods and services is the amount derived from ordinary activities (net of VAT).

Income received by way of subscriptions and donations are included in full in the statement of financial activities when 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.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group or charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure related to grants payable is recognised when there is a legal or constructive obligation. This is when there is documented communication of the approved re-grant to the intended recipient.

Principal accounting policies Year ended 30 June 2025

All expenditure is accounted for on an accruals basis. Expenditure is comprised of direct costs, grant payments and support costs. Direct and grant costs are allocated to a specific activity. The classification between activities is as follows:

- a) Expenditure on raising funds includes all expenditure associated with raising funds for the charity and the operating costs of NEF Consulting Limited.
- b) Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Expenditure on charitable activities includes both direct costs, grant costs and indirect support costs.

All expenditure is inclusive of irrecoverable VAT.

Allocation of support costs

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. Expenditure is allocated to activities based on an estimate of staff time spent on each activity.

Leases

Payments under operating leases are charged to the statement of financial activities in equal annual instalments over the period of the leases.

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.

Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost together with any incidental costs of acquisition.

Depreciation is provided, where required, on tangible fixed assets at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its estimated useful life, as follows:

- ♦ Long leasehold buildings* - 50 years
- ♦ Fixtures and fittings - 10 years
- ♦ Computer software & equipment - 4 years

Assets are depreciated from when they are brought into use.

Principal accounting policies Year ended 30 June 2025

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

*The depreciable amount relates to estimated rebuilding costs at the time of acquisition.

Investments in subsidiaries

Investments in subsidiaries are included at cost less any impairment.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash and cash equivalents

Cash and cash equivalents represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the group and the charity anticipate it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Pension costs

Contributions in respect of the charity's defined contribution pension scheme are charged to the statement of financial activities when they are payable to the scheme. The charity's contributions are restricted to the contributions disclosed in note 7. There were no outstanding contributions at the year end. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at rates ruling at the date of transactions. Exchange differences are taken into account in arriving at the net incoming resources for the year.

Unrestricted general funds

These are funds which can be used for any purpose within the charitable objects of the group.

Principal accounting policies Year ended 30 June 2025

Designated funds

Funds set aside by the trustees out of unrestricted funds for specific future purposes.

Restricted funds

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions. Income from donations and legacies

1 Income from donations and legacies

	Unrestricted funds	
	2025 Total £	2024 Total £
Unrestricted grants	21,000	—
Regular giving, individual donations and legacies	85,997	98,693
	106,997	98,693

2 Income from charitable activities – programmes

Grants receivable funded work in the following programme areas:

	Un- restricted funds £	Restricted funds £	2025 Total £
Grants receivable			
Guaranteeing economic security for all	111,163	2,061,623	2,172,786
Building a fast and fair transition to a green economy	444,381	511,342	955,723
Shifting power to people and communities	137,808	1,333,755	1,471,563
2025 Total	693,352	3,906,720	4,600,072

	Un- restricted funds £	Restricted funds £	2024 Total £
<i>Grants receivable</i>			
<i>Guaranteeing economic security for all</i>	<i>586,206</i>	<i>1,627,724</i>	<i>2,213,930</i>
<i>Building a fast and fair transition to a green economy</i>	<i>539,959</i>	<i>343,850</i>	<i>883,909</i>
<i>Shifting power to people and communities</i>	<i>361,767</i>	<i>1,065,949</i>	<i>1,427,716</i>
2024 Total	1,487,932	3,037,523	4,525,455

During the year ended 30 June 2025, the charity reviewed the basis of presentation of the programme areas. Our programme areas are now analysed based on our new strategy mission areas since our programme work now is focused on three urgent missions to transform the economy. The comparatives have been reanalysed for consistency.

Our organising and movement building programme works across our mission to build coalitions to campaign for change across NEF's agenda.

Notes to the financial statements Year ended 30 June 2025

3 Income from other trading activities

	Unrestricted funds	
	2025 Total £	2024 Total £
Consulting	38,597	99,102
Books and publications	3,413	3,717
Licensee income	174,453	79,875
	216,463	182,694

4 Income from investments

	Unrestricted funds	
	2025 Total £	2024 Total £
Dividend income	265	—
Interest earned	67,771	67,668
	68,036	67,668

5 Total expenditure

	Direct costs			Support costs	2025 Total £
	Staff costs (note 7) £	Other costs £	Grants Payable £	£	
Costs of raising funds					
- Strategic fundraising	52,912	122,331	—	17,405	192,648
- NEF Consulting	18,338	25,498	—	10,443	54,279
Costs of charitable activities					
- Programmes	1,638,473	1,598,469	487,672	978,196	4,702,810
2025 Total funds	1,709,723	1,746,298	487,672	1,006,044	4,949,737

	Direct costs			Support costs	2024 Total £
	Staff costs (note 7) £	Other costs £	Grants payable £	£	
Costs of raising funds					
- Strategic fundraising	53,136	100,839	—	20,602	174,577
- NEF Consulting	22,055	14,990	—	16,482	53,527
Costs of charitable activities					
- Programmes	1,729,216	1,436,995	342,074	1,199,060	4,707,345
2024 Total funds	1,804,407	1,552,824	342,074	1,236,144	4,935,449

Notes to the financial statements Year ended 30 June 2025

	2025 Total £	2024 Total £
Support costs		
Staff costs (note 7)	581,513	706,274
Communications	48,979	52,266
Depreciation	51,067	46,802
Legal and professional	17,500	14,060
Premises	159,950	170,055
Human resources	10,925	70,908
Office running costs	48,763	63,685
Information technology	47,998	60,267
Irrecoverable VAT	39,349	51,827
	1,006,044	1,236,144

6 Net income (expenditure) for the year

This is stated after charging:

	2025 £	2024 £
Depreciation	51,067	46,802
Interest payable	55,482	62,885
Operating lease rentals	8,019	10,682
Auditor's remuneration		
- Statutory audit	17,000	16,170
Foreign exchange gains or losses	—	360

7 Staff costs and trustees' remuneration

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	1,962,834	2,163,093
Redundancy and termination costs	18,731	24,541
Social security costs	217,376	230,018
Pension costs	92,295	93,029
	2,291,236	2,510,681

Included within redundancy and termination costs are ex-gratia payments totalling £18,731 to three employees (2024: £24,541 to two employees).

Notes to the financial statements Year ended 30 June 2025

The following number of employees whose total remuneration, on an annual equivalent basis, was in excess of £60,000 during the year were as follows:

	2025 No.	2024 No.
£60,001 - £70,000	1	2
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1
£120,001 - £130,000	1	—

The total value of employee benefits, including employers' national insurance and pension contributions, of the key management personnel was £390,218 (2024: £403,987). The reduction in costs was due to the vacant position of COO in SMT in 2025 compared to 2024

No trustees received emoluments during the year for services provided to the charity (2024: £nil).

Trustees' expenses represent the payment or reimbursement of travel & subsistence costs totalling £120.60 (2024: £556).

8 Staff numbers

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

	Headcount		FTE	
	2025 £	2024 £	2025 £	2024 £
Strategic fundraising	1	1	0.5	0.5
NEF Consulting	1	1	0.3	0.4
Programmes	32	31	28.1	29.1
Support (including Communications)	8	10	7.8	9.6
Governance	1	1	1.0	1.0
	43	44	37.7	40.6

9 Related party transactions

No donations were made to the charity by any trustees during the year (2024: £100). There were no other related party transactions during the year (2024: none).

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary NEF Consulting Limited transfers available profits to the parent charity by way of gift aid. Accordingly, no provision for current or deferred tax is required.

11 Tangible fixed assets

Group and charity	Long leasehold buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 July 2024	3,329,170	115,839	147,250	3,592,259
Additions in the year	—	—	9,213	9,213
At 30 June 2025	<u>3,329,170</u>	<u>115,838</u>	<u>156,463</u>	<u>3,601,472</u>
Depreciation				
At 1 July 2024	245,897	107,151	104,178	457,226
Charge for the year	26,583	8,688	15,796	51,067
At 30 June 2025	<u>272,480</u>	<u>115,839</u>	<u>119,974</u>	<u>508,293</u>
Net book values				
At 30 June 2025	<u>3,056,690</u>	<u>—</u>	<u>36,489</u>	<u>3,093,179</u>
At 30 June 2024	<u>3,083,274</u>	<u>8,687</u>	<u>43,072</u>	<u>3,135,033</u>

12 Investments

Investments, at cost, comprise:

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Investment in wholly owned trading subsidiary	<u>—</u>	<u>—</u>	<u>1</u>	<u>1</u>

13 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of NEF Consulting Limited, a company registered in England. The subsidiary was established both to generate funds for the charity and as a vehicle to demonstrate the many and varied practical applications of NEF's ideas. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

Notes to the financial statements Year ended 30 June 2025

	2025 Total £	2024 Total £
Turnover	38,597	99,102
Cost of sales	(19,938)	(82,842)
Gross Profit	18,659	16,260
Operating expenses	(9,661)	(7,661)
Interest receivable	709	584
Profit for the financial year	9,707	9,183
Accumulated deficit at 30 June 2024	—	—
Donation to parent undertaking under gift aid	(9,707)	(9,183)
Retained earnings (accumulated deficit) at 30 June 2025	—	—

14 Debtors

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Trade debtors	85,850	125,762	83,570	120,062
Amounts due from subsidiary	—	—	9,707	9,436
Prepayments	50,510	53,744	50,510	53,744
Accrued income	61,700	329,426	61,600	329,326
Other debtors	14,603	11,889	14,603	11,889
	212,663	520,821	219,990	524,457

15 Creditors: amounts falling due within one year

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Bank loans (note 17)	55,410	48,946	55,410	48,946
Trade creditors	177,836	221,222	176,495	218,762
Taxation and social security	81,033	77,170	80,530	76,319
Other creditors	76,743	8,483	76,743	8,483
Accruals	150,864	107,778	150,864	107,778
Grants Payable	80,822	97,318	80,822	97,318
Deferred income (note 16)	1,586,813	788,380	1,566,846	769,524
	2,209,521	1,349,297	2,187,710	1,327,130

16 Deferred income

All restricted grants for the delivery of projects have been treated as performance related grants. Income relating to these grants has been recognised on the basis of the level of performance delivered by the year-end. Any amounts received in excess of the level of performance delivered have been treated as deferred income for recognition in future accounting periods.

Movements in deferred income were as follows:

	Group		Charity	
	2025 £	2024 £	2025 £	2024 £
Deferred income brought forward	788,380	808,085	769,523	787,778
Amount released to income in the year	(3,462,498)	(2,614,793)	(3,454,883)	(2,613,343)
Amount deferred in the year	4,260,931	2,595,088	4,252,206	2,595,088
Balance at the end of the year	1,586,813	788,380	1,566,846	769,523

Deferred income includes the re-grant amount of £204,905 designated for Partner organisations (2023:24: £97,318) within Guaranteeing economic security of all, Building fast and fair transition economy and Shifting power to people and communities programme area. This amount is resourced through the funding received from OAK Foundation (£151,405) and Ovo Foundation (£20,000), Thirty Percy Foundation (£8,000) and Esme Fairbairn Foundation (£25,000).

17 Creditors: amounts falling due after one year

	Group and charity	
	2025 £	2024 £
Bank loans	682,787	739,883

Bank loans are repayable as follows:

	Group and charity	
	2025 £	2024 £
Bank loans		
. Payable within one year (note 15)	55,410	48,946
. Payable one to five years	263,003	238,381
. Payable more than five years	419,784	501,502
	738,197	788,829

The charity has a loan £738,197 (2023-24: £788,829) from Triodos Bank which is secured by a charge on 10 Salamanca Place, London, SE1 7HB. The total loan amount was £1.25 million, repayable over 20 years. Interest is charged at the greater of 3% or the Bank of England base rate plus 2.5%.

Notes to the financial statements Year ended 30 June 2025

18 Analysis of group net assets between funds

	General unrestricted £	Designated funds £	Total funds £
As at 30 June 2025			
Tangible fixed assets	36,489	3,056,690	3,093,179
Net current assets	374,363	(55,410)	318,953
Long term liabilities	—	(682,787)	(682,787)
Net assets at the end of the year	410,852	2,318,493	2,729,345
	General unrestricted £	Designated funds £	Total funds £
As at 30 June 2024			
Tangible fixed assets	51,759	3,083,274	3,135,033
Net current assets	341,310	(48,946)	292,364
Long term liabilities	—	(739,883)	(739,883)
Net assets at the end of the year	393,069	2,294,445	2,687,514

19 Movements in funds

	1 July 2024 £	Income £	Expenditure £	Transfers £	At 30 June 2025 £
Unrestricted funds					
Designated funds					
Property fund	2,294,444	—	—	24,048	2,318,492
General funds	393,070	1,039,842	(998,011)	(24,048)	410,853
Non-charitable trading	—	39,306	(39,306)	—	—
Total unrestricted funds	2,687,514	1,079,148	(1,037,317)	—	2,729,345
Restricted funds (analysis below)					
Total restricted funds	—	3,912,420	(3,912,420)	—	—
Total funds	2,687,514	4,991,568	(4,949,737)	—	2,729,345

	1 July 2023 £	Income £	Expenditure £	Transfers £	At 30 June 2024 £
Unrestricted funds					
Designated funds					
Property fund	2,275,526	—	—	18,918	2,294,444
Strategic development fund	9,538	—	—	(9,538)	—
General funds	463,389	1,737,301	(1,798,240)	(9,380)	393,070
Non-charitable trading	—	99,686	(99,686)	—	—
Total unrestricted funds	2,748,453	1,836,987	(1,897,926)	—	2,687,514
Restricted funds (analysis below)					
Total restricted funds	—	3,037,523	(3,037,523)	—	—
Total funds	2,748,453	4,874,510	(4,935,449)	—	2,687,514

19 Movements in funds (continued)

Purposes of designated funds

Designated funds relate to either: (a) the net book value of the freehold land and building less the loan on 10 Salamanca Place as these funds do not represent liquid reserves available for charitable purposes by NEF.

Purpose of restricted funds

The restricted funds are balances of grants given to NEF to carry out specific projects. Please see our website (www.neweconomics.org) for more information about our work.

No transfers have been made from unrestricted reserves.

19 Movements in funds (continued)

Non-charitable trading

This fund represents the balance of NEF's wholly owned trading subsidiary NEF Consulting. Movements on restricted funds for the year were in relation to the following funders:

Restricted funds	At 01 Jul 2024 £	Income £	Expenditure £	At 30 Jun 2025 £
abrdn Financial Fairness Trust	—	22,300	(22,300)	—
Aviva Foundation	—	58,128	(58,128)	—
Barrow Cadbury Trust	—	20,000	(20,000)	—
Calouste Gulbenkian Foundation UK Branch	—	21,690	(21,690)	—
Esmée Fairbairn Foundation	—	42,392	(42,392)	—
European Climate Foundation	—	114,656	(114,656)	—
Friends Provident Foundation	—	90,910	(90,910)	—
Impact on Urban Health	—	58,818	(58,818)	—
Joseph Rowntree Foundation	—	46,218	(46,218)	—
KR Foundation	—	8,180	(8,180)	—
Lloyds Bank Foundation	—	94,495	(94,495)	—
Network for Social Change	—	38,500	(38,500)	—
Nuffield Foundation	—	12,562	(12,562)	—
Oak Foundation	—	1,698,299	(1,698,299)	—
Open Society Foundations (USA)	—	88,662	(88,662)	—
OVO Foundation	—	23,600	(23,600)	—
Patriotic Millionaires International	—	30,000	(30,000)	—
Possible	—	20,000	(20,000)	—
Power to Change Trustee Limited	—	44,405	(44,405)	—
Shelter	—	7,420	(7,420)	—
The Joseph Rowntree Charitable Trust	—	3,180	(3,180)	—
The Motherhood Plan	—	16,100	(16,100)	—
The National Lottery Community Fund	—	1,033,554	(1,033,554)	—
The Nationwide Foundation	—	50,992	(50,992)	—
The Sunrise Project	—	69,478	(69,478)	—
The Sunrise Project Australia Ltd	—	168,105	(168,105)	—
Thirty Percy Foundation	—	24,076	(24,076)	—
Total restricted funds	—	3,906,720	(3,906,720)	—
Total funds	2,687,514	4,991,568	(4,949,737)	2,729,345

20 Operating lease commitments

The group and charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	Equipment	
	2025 £	2024 £
Within one year	1,920	7,408
Between two to five years	7,200	67
	9,120	7,475

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.