

INSTITUTE FOR GOVERNMENT

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR TO 31 MARCH 2024

Charity number 1123926

Company number 6480524

**INSTITUTE FOR GOVERNMENT
ANNUAL REPORT AND ACCOUNTS**

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**INSTITUTE FOR GOVERNMENT
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR TO 31 MARCH 2024**

Board of Governors

Governor

Lord Sainsbury of Turville	Chair
Baroness Valerie Amos	
Sir Andrew Cahn	
Sir Ian Cheshire	Chair, Finance & Audit Committee
Miranda Curtis	
Sir Richard Lambert	Resigned 13 July 2024
Baroness Susan Kramer	
Sir David Lidington	
Dame Angela Eagle	Resigned 8 July 2024
Tamara Finkelstein	Appointed 5 July 2023

Governors are appointed for an initial term of 3 years. They may be reappointed for further periods of 3 years.

Executive Directors

The Director and Chief Executive of the Institute is Dr Hannah White. The Director is responsible for the day-to-day running of the Institute along with a team of Directors and Programme Directors.

Bankers

Barclays Bank
Acorn House
36-38 Park Royal Road
London
NW10 7JA

Registered Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Principal & Registered Office

2 Carlton Gardens
London
SW1Y 5AA

Website

www.instituteforgovernment.org.uk

The Institute for Government is a registered charity (No.1123926) and a company limited by guarantee registered in England and Wales (No.6480524). It was granted an exemption from the requirement to use the word Limited on 18 January 2008.

INSTITUTE FOR GOVERNMENT GOVERNORS' ANNUAL REPORT FOR THE YEAR TO 31 MARCH 2024

The Governors are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2024 which are prepared to meet the requirements for a directors' report and accounts for Companies House.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Our purposes and activities

The Institute for Government ("the Institute") is an independent charity. We work with all the main political parties in Westminster and with senior civil servants in Whitehall, providing evidence-based advice that draws on best practice from around the world.

The purposes of the Institute for Government are:

- The advancement of education in the art and science of government in the UK for the benefit of the public on a non-party political basis, and
- The promotion of efficient public administration of government and public service in the UK by providing programmes of education, training, research and study for the public benefit on a non-party political basis.

We continue to deliver our vision to increase the effectiveness of government in the UK, by improving the processes of government, and enhancing the decision making and skills of civil servants and politicians. Our focus is on bringing about long term, sustainable change, with an emphasis not just on producing proposals but on working to see them implemented and have an impact on the way the UK is governed.

Principal activities and achievements

2023-24 was another exceptionally busy and successful year for the Institute. In a period where government faced significant challenges, we continued to focus on the key questions for government effectiveness. In detail, our work covered:

- **Civil Service** - our Commission on the Centre of Government reported in March 2024, launched by former prime ministers Sir John Major and Gordon Brown. This major report proposed fundamental reforms, including creating a new Department for the Prime Minister and Cabinet. It also built on earlier work to make the case for a civil service statute. The rest of the programme looked at civil service recruitment, the new Darlington Economic Campus, civil service impartiality and a deep dive into the Home Office. In January 2024 we published the latest Whitehall Monitor looking at the overall state of the civil service.

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- **Policy making** - we have continued our work on net zero with a publication on adapting to climate change and a succession of public and private events. We published case studies on the policy successes of same-sex marriage and offshore wind and looked at the chronic policy problem of tackling obesity. Forthcoming work examines chronic challenges on housebuilding and the asylum system.
- **Devolution** - we engaged closely in the debate on how to deepen devolution across England. We published two major reports – the first setting out practical advice for local leaders, and the second with detailed recommendations for how the next government should take forward devolution. We held events across England – including in London, Liverpool, Manchester, Sheffield and Bristol – bringing together stakeholders to discuss how to make a success of devolution. We also conducted extensive analysis of the May 2024 mayoral elections, the powers and budgets at stake, and the proposals of the leading candidates, to inform public debate about the importance of these votes. We also continued to analyse and comment on developments in the other nations, including the restoration of power-sharing in Northern Ireland and the changes of first minister in Scotland and Wales.
- **Public Finances** - the team had a few areas of focus in 2023/24. The first was on the effectiveness of the Treasury. This included publishing the final report of our deep dive into the Treasury's role during the pandemic, a detailed examination of the nature of Treasury 'orthodoxy' and how to harness the strengths of the Treasury more effectively, examining how evidence is used in tax policy making and making recommendations for improving the UK's fiscal framework. We also started work on how to run the next spending review and how to manage spending on public services capital more effectively. We have also focused on regional economic growth - identifying which policy areas are most appropriate to devolve to sub-national government in support of growth.
- **Public bodies and regulation** - we published a report on the purpose of public bodies. We continued to establish our new programme on regulation with public and private events as well as research on the parliamentary oversight of regulators (launched after year end). We also published a series of explainers and comments on artificial intelligence around the AI summit. Following our success in improving information on public appointments and broadening the scope of their regulation, we continue to research and publish in this area with a focus on reducing delays to the appointments process.
- **Public services** - public service performance continues to be the core focus of our work – with a particular focus on productivity problems in the public sector. We published an agenda setting report on productivity problems in hospitals, launched a new event series – Productivity Pitches – highlighting promising frontline innovations, and produced our flagship annual Performance Tracker publication. We also published reports on reforming school inspections, retention in public services, different models for funding health care, and the Office for Local Government.

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- **IfG Academy** - the Academy expanded its scope of activities and developed different streams of learning and development activity. We continued working with our partners in academia, completing 28 workshops through the financial year. This helped consolidate our relationships in the wider network of academics and research councils. Beyond maintaining activity with other sectors including diplomats and campaign groups, we also diversified our offer by holding our first open course for charities and NGOs. As the Academy establishes itself in the wider L&D market, we also began to see an uptick in requests for training and resources from the civil service. The Academy has continued and strengthened its work with ministers, civil servants, the opposition and others from the public sector as part of its wider mission to use learning and development to support the IFG's mission to make government more effective.
- **Ministers** - we continued working with government ministers and the civil servants who work most closely with them to support them to be as effective as possible in their roles. We also maintained our commentary on the question of ethical standards and transparency in government, putting forward recommendations for how these can be better upheld and working with other like-minded organisations to build support for changes to the system. We continued building our archive of interviews with former ministers and began preparing to publish an internal database on ministerial responsibilities since 1979.
- **General election** - we coordinated activity and developed propositions for change around a core set of priority issues in advance of the election. Alongside this, we developed a plan for events, explainers and commentary on the general election itself.

Future Plans 2024-25

The Institute's work programme for 2024 continues to focus on our core priorities – pursuing impact from existing work and new projects which support our long-term aims, and ensuring our work is framed with the external context in mind. We are particularly focused on refining and amplifying our core messages for improving effective government ahead of and after the general election and have built an impact programme to reflect this. Political priorities will be in flux, and we may need to adapt our plans to ensure we make the most of the 'influencing' moment that the election provides.

Our civil service programme will continue to be at the heart of our work – in 2024 it will be built around generating opportunities to take forward our core messages on civil service reform in the context of the election while our policy making work will focus on how government can address chronic policy problems – with a particular focus on complex, cross-cutting policies and implementing net zero targets.

Our devolution work will look at how a new government can ensure English devolution is more stable and coherent – with a particular focus on the May 2024 elections. We will focus on how to complete the map of English devolution – and strengthen the powers of existing mayors. We will also be producing new work on union strategy later in the year.

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Our work on public finances will have a particular focus on developing solutions to some of the problems we have identified in our work over the last few years – including why the country has historically underinvested in capital and what can be done about it. We will also be looking at how to improve the spending review process. We continue to do work on effective industrial strategy. This will be alongside impact for our work on HMT and tax policy making.

The public services team will be expanding our annual Performance Tracker after securing new funding, with a stronger focus on local performance. We will be pursuing new research into what works in prevention in public services. We will have a strong emphasis on the inheritance of public services for the next government. Alongside this, we will be revisiting the state of procurement in government.

The public bodies and regulation team will be completing a trio of reports on the creation, functioning and closure of public bodies and sharing their messages ahead of the election – often a waypoint in the creation and dismantling of quangos.

Our work on ministers will continue to combine research on topics including standards in government and the conditions necessary for ministers to be effective; capturing the experiences of outgoing ministers; and making the case for ministerial training. The Academy will continue to focus on high-quality ministerial and shadow ministerial training – both building demand and delivery – alongside expanding our work with academic institutions on understanding government. We anticipate an expansion of our ministerial training in the event of a transition of government.

How our activities deliver public benefit

In shaping our annual objectives and business plans the Institute has considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

The Institute produces high-quality research reports, comments and analyses that are independent of government, political parties, individual clients or companies. These are promoted widely and free of charge to individuals, organisations, practitioners and others with an active interest in the government of the UK.

Together, these reports and the events arising out of our work provide a robust evidence base on the governance of the UK. This helps equip the public, parliament and government itself with knowledge and information on the issues affecting the governing of the UK and the training of its current and future ministers.

Our staff are frequently invited to discuss the findings of our research on UK and international radio and television and in print media. In this way our research helps inform the public debate, media outlets and individual citizens. We have a social media presence on X, Facebook, Instagram and LinkedIn which is free and accessible to the public.

We encourage those with an interest in our work to become involved by joining our mailing lists and receiving newsletters and being invited to attend our public events.

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With the establishment of the IfG Academy we hope to share our expertise even more widely in order to improve the process of policy-making at all levels.

Impact is at the heart of our work. We build the research and arguments for change, relationships, products and channels to improve government. We monitor the impact of our work very closely and report on it at each meeting to the Board. Our strong relationships, reputation and quality of argument means we have significant impact on government and expect that to grow after a general election in which the importance of how government is done was a key theme of debate.

Financial Review

The Institute's consolidated income amounted to £6,418,767 (2023: £5,740,123) whilst consolidated expenditure amounted to £5,829,214 (2023: £5,843,450) as shown in the Statement of Financial Activities. After transfers to designated funds, the consolidated surplus on all funds was £589,553.

The Institute made a considerable surplus. This was partly due to underspend on salaries during the period and partly due to the continuing success of its partnerships team in once again generating over £1m of financial support for the research programme from corporate partners who were increasingly interested in the Institute's work in areas such as the effectiveness of public services, regional devolution, implementation of net zero and levelling up policy. We also saw an ongoing increase in bookings from academic institutions for courses to support early career researchers to understand government and make an impact on the policy debate.

The charity has a trading subsidiary, IFG Enterprises Limited which undertakes commercial activities on behalf of the charity. Prior to 2023-24 it was used to manage office space and venue hire. In 2023-24 the Institute for Government started using IFG Enterprises Ltd to manage the following activities: sponsorship of projects and events and chargeable work undertaken by the IFG Academy. This represents a change in the balance of activity between the parent company and the trading subsidiary but makes no difference to the group as a whole.

In 2022-23 the company made a small profit for the year of £5,749. In 2023-24 the volume and value of transactions increased as a result of this change and the profit increased to £160,988. All of the IFG Enterprises Ltd surplus of £160,988 (the net overall P&L position at 31st March 2024) will be transferred to the Institute as a gift aid payment in line with the standing board mandate.

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Principal funding sources

The Institute's core funder is the Gatsby Charitable Foundation. Core funding income from the Gatsby Trust in 2023-24 was £5,252,561 (2023: £4,704,150).

A three-year plan was produced during 2022-23 setting out the research programme the Institute intended to undertake to 2026 along with the associated cost. A funding request was then submitted to the Gatsby Trustees asking for their support to deliver the plans. Approval for funding for the three-year period to March 2026 was given by the Gatsby Board in February 2023.

In addition to this core funding, the Institute funds its project work and events by generating income from a range of corporate and academic funders and trusts. Details on all sources of funding are provided on the Institute's website. As noted above, it was an exceptionally positive year for resource generation with over £1m contributed to the P&L for the year and a significant pipeline of opportunities in place for 2024-25.

Reserves policy

Total unrestricted funds increased to £3,972,705 as at 31 March 2024 (2023: £3,383,152).

There are no restricted reserves (2023: £nil). Fixed assets represent £142,334 (2023: £213,241) of the unrestricted funds total.

The new lease for 2 Carlton Gardens was signed after year end on 4th April 2023. Designated funds of £250,000 have been set aside to provide financial security against future significant one-off costs associated with 2 Carlton Gardens. In addition, the property relocation fund of £1,000,000 has been established with a view to covering the potential costs of planning a move and re-equipping new premises in anticipation of the end of the 2023-2026 lease.

The Governors have reviewed their reserves policy and the financial risks faced by the organisation. The Governors' policy is that the level of reserves, defined as free and undesignated reserves measured by the amount of retained general funds should be at least six months' operating costs. Current general fund reserves levels are £2,580,370 (2023: £2,349,911) which represent 42% of the planned expenditure of the Institute for 2024-25. It is therefore the policy of the Institute to continue to build its reserves.

Investment policy

The investment of funds surplus to day-to-day requirements is considered at the Finance & Audit Committee. These funds are placed on deposit with large reputable banks with as long a maturity as is consistent with managing cash flow requirements.

Going Concern

The Institute reported a cash inflow of £621,219 for the year (2023: outflow of £(27,400)). The group retained a healthy cash balance of £3,994,203 at 31st March 2024. The Governors are of the view that the management has the capacity to react quickly to changing circumstances and the security of the medium-term commitment of the Gatsby Charitable Foundation provides assurance that the charity is a going concern.

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Structure, Governance and Management

Institute for Government is a company limited by guarantee governed by its Memorandum of Association dated 16 January 2008, and revised Articles of Association adopted by special resolution on 21 September 2010. It is registered as a charity with the Charity Commission.

The Institute is run by the Board of Governors who are also Members and Directors of the Company and Trustees of the Charity.

Governors

The Board met every three months during the period covered by the Annual Report to manage and control the affairs of the Institute. The Governors concern themselves mainly with issues of a strategic nature, deciding broad policy for the Institute and ensuring good governance and compliance. The Institute seeks to maintain a balance of political, civil service and commercial experience as well as political affiliation among the members of its Board.

The senior management team undertakes the day-to-day management of the Institute's activities within the framework set out by the Governors and comprises the Director, the Deputy Director, the Director of Impact, the Director of Finance & Resources, the Chief Economist and Programme Directors.

The Executive Committee of the board continued to meet regularly throughout the year. The Committee is chaired by Lord Sainsbury.

The Finance and Audit Committee, chaired by Sir Ian Cheshire, also met on a quarterly basis and reviewed the financial performance and all aspects of risk management of the Institute.

The Remuneration Committee met twice in the year to consider matters relating to recruitment and retention of staff.

The Articles of Association provide for the appointment and retirement of the Governors on three-year terms. During the year Miranda Curtis retired by rotation and was re-appointed for a further term. Sir Richard Lambert also retired by rotation but was invited to extend his term for a further year to support the work of the Centre Commission. There is a requirement for a minimum of three governors and there is no upper limit, though normally the Board will comprise a maximum of fifteen members.

During the year Tamara Finkelstein joined the Board.

The Governors put forward and discuss potential new Board members amongst the existing members. Proposals for appointments and re-appointments are reviewed by the Nominations Committee prior to approval by the Board. The key principles for appointment are that the Board of Governors should provide a balance of experience including from the civil service, private sector, the academic sector and also from the major political parties. The Board should always be balanced in terms of direct political affiliation to ensure its non-partisan position.

There is no specific training or induction for new governors as they have been selected based upon their experience and interest in the objectives of the Institute.

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None of the Governors receive remuneration or other benefit from their work with the charity though they may be paid reasonable travel, hotel and other expenses that they incur in connection with their attendance at Institute meetings. All Governors must declare the nature and extent of any interest, direct or indirect, they may have in any proposed transaction of the charity and they will not participate in any discussions or votes on such matters. The Governors must also declare any conflicts of interest that may arise. Any connection between a governor or senior manager with a stakeholder (customer, supplier, sponsor, funder, government department, political party) of the charity must be disclosed in the same way as any other contractual relationship with a related party.

The Institute has utilised the governance code for charities to assess compliance with the principles of the code and identify any measures required to improve its governance standards and overall effectiveness as an organisation.

Risk Management

The day-to-day task of managing risk is devolved to senior management though the Governors retain overall responsibility for risk management. Reporting of significant risks, how these are managed and mitigated forms part of the regular reporting by senior management to the Governors at board and other sub-committee meetings.

The Institute maintains a risk register in which current risks are reviewed in the context of the internal and external environment, along with their probability and impact. The focus in this risk register is on the most material risks facing the Institute; risks which if realised could have serious consequences for all or some of our stakeholders and threaten the future viability of the Institute.

The most significant risks facing the Institute and the ones that inform our reserves policy are the reliance on Gatsby funding and the length of the lease and potential liabilities relating to 2 Carlton Gardens. Assurances of continuing support have been sought by the Board from the Gatsby Foundation and a commitment covering the period up to and including 2023-26 has been received. The potential liabilities relating to 2 Carlton Gardens have been mitigated by setting aside adequate designated reserves.

The Institute's systems are cloud-based and there is constant attention to the issue of cyber-security, ensuring that the Institute's systems are fit for purpose and secure. Cyber Essentials accreditation has been maintained.

Trading subsidiary

The Institute has a wholly owned subsidiary, IFG Enterprises Limited, which undertakes commercial activities on behalf of the charity.

A Board Resolution of 11th December 2018 mandated the automatic transfer of the IFG Enterprises Ltd surplus to the Institute going forward and all profits of IFG Enterprises Limited are gift aided to the Institute for Government.

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The Institute does not raise funds from the public and considers that it has appropriate standards and controls in place in its fundraising work with corporate and institutional clients to ensure that it adheres to the Code of Fundraising Practice. The Institute takes great care to ensure that its work is not influenced by fundraising activities and all funders and their contributions to the Institute are disclosed on the website.

Pay policy for senior staff

The Board of Governors, who are the Institute's trustees and members of the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Institute on a day-to day basis. All board members give of their time freely and no governor received remuneration in the year.

The Institute for Government's policy on pay is that it should be based on merit and that it should reward performance. The Institute has a formally constituted board sub-committee to address remuneration issues. This meets on a regular basis throughout the year. Its remit is to consider the basis on which pay decisions are made and to ensure they are in line with the Institute's mission and recruitment and retention strategy. It also reviews senior pay decisions and advises the Board on the remuneration of the Director.

Pay decisions are based on merit and, where appropriate for technical and specialist roles, market rates. The Institute considers each year, according to circumstances, whether to apply a cost of living adjustment to salaries. The Institute's approach to pay is to balance the need to attract, retain and motivate appropriately skilled individuals able to deliver the necessary impact with the financial considerations of being a charity.

Auditor

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor. A resolution proposing the appointment of Crowe U.K. LLP as auditors of the Charity for the year to 31 March 2025 will be put to the Annual General Meeting.

Statement of Governors' responsibilities

The Governors (who are also directors of the Institute for Government for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the 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;
- make judgements and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

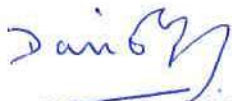
The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as each of the Governors is aware at the time of approving our Governors' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- each of the Governors, having made enquiries of fellow Governors that he/she ought to have individually made, has taken all steps that he/she is obliged to take as a director in order to make him/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board of trustees



Lord Sainsbury of Turville (Chair)

17 September 2024

Independent Auditor's Report to the Members of the Institute for Government

Opinion

We have audited the financial statements of Institute for Government ('the charitable company') and its subsidiaries ('the group') for the year ended 31 March 2024 which comprise Consolidated Statement of Financial Activities, Charity and Group Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group'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 contained within the annual report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report prepared 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within 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 and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 13], the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were taxation and employment legislations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

20 November 2024

INSTITUTE FOR GOVERNMENT
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2024

		Unrestricted					
	Notes	General Fund	Designated Funds	Restricted Funds	2024 Total Funds	2023 Total Funds	
		£	£	£	£	£	
Income from:							
Charitable activities	4	6,321,406	-	-	6,321,406	5,706,271	
Other trading activities	5	63,680	-	-	63,680	13,505	
Investments		21,181	-	-	21,181	8,347	
Other	6	12,500	-	-	12,500	12,000	
Total		6,418,767	-	-	6,418,767	5,740,123	
Expenditure on:							
Raising funds		15,766	-	-	15,766	7,894	
Charitable activities	7	5,716,817	96,631	-	5,813,448	5,835,556	
Total		5,732,583	96,631	-	5,829,214	5,843,450	
Net income/(expenditure)		686,184	(96,631)	-	589,553	(103,327)	
Transfers between funds	18	(455,725)	455,725	-	-	-	
Net Movement in funds		230,459	359,094	-	589,553	(103,327)	
Reconciliation of funds:							
Total funds brought forward		2,349,911	1,033,241	-	3,383,152	3,486,479	
Total funds carried forward		2,580,370	1,392,335	-	3,972,705	3,383,152	

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The amount of £96,631 allocated to designated funds (2023: £68,664) represents the depreciation charge while transfers between funds are additions to fixed assets (£25,725 - see also Notes 12 & 13 on page 24) and transfers from general to designated funds (£430,000 – see note 18 on page 26).

**INSTITUTE FOR GOVERNMENT
CHARITY AND GROUP BALANCE SHEETS
AS AT 31 MARCH 2024**

	Notes	Group 2024	2023	Charity 2024	2023
		£	£	£	£
Fixed Assets					
Tangible fixed assets	12	64,887	99,459	64,887	99,459
Intangible fixed assets	13	77,447	113,782	77,447	113,782
Investments	14	-	-	100	100
		142,334	213,241	142,434	213,341
Current Assets					
Debtors	15	488,639	410,879	1,458,726	510,484
Cash at bank		3,994,203	3,377,528	2,935,176	3,275,244
		4,482,842	3,788,407	4,393,902	3,785,728
Current Liabilities					
Creditors: amounts falling due within one year	16	652,471	618,496	563,631	615,917
Net Current Assets		3,830,371	3,169,911	3,830,271	3,169,811
Total assets less current liabilities		3,972,705	3,383,152	3,972,705	3,383,152
Total Net Assets		3,972,705	3,383,152	3,972,705	3,383,152
The funds of the charity:	19				
Unrestricted Funds					
General Fund		2,580,370	2,349,911	2,580,370	2,349,911
Designated Funds		1,392,335	1,033,241	1,392,335	1,033,241
		3,972,705	3,383,152	3,972,705	3,383,152

Company number 6480524

The profit/loss for the financial year dealt with in the financial statements of the parent company was £589,553 (2023: £(105,333)).

The governors have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.



Lord Sainsbury of Turville
Chair of Board of Governors on behalf of the governors

Approved and authorised for issue by the Governors on 17 September 2024

**INSTITUTE FOR GOVERNMENT
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
YEAR ENDING 31 MARCH 2024**

	Group 2024 £	2023 £
Cash flows from operating activities:		
Net cash provided by/(used in) operating activities	621,219	(27,400)
Cash flows from investing activities:		
Interest income	21,181	8,347
Purchase of tangible fixed assets	(25,725)	(153,224)
Net Cash used in investing activities	(4,544)	(144,877)
Change in cash and cash equivalents in the reporting period	616,675	(172,277)
Cash and cash equivalents at the beginning of the reporting period	3,377,528	3,549,805
Total cash and cash equivalents at the end of the reporting period	3,994,203	3,377,528

RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2024 £	2023 £
Net income/(expenditure) for the reporting period	589,553	(103,327)
Adjustments for:		
Depreciation charge	96,631	68,664
Interest income	(21,181)	(8,347)
(Increase)/Decrease in debtors	(77,759)	36,624
Increase/(Decrease) in creditors	33,975	(21,014)
Net cash provided by operating activities	621,219	(27,400)

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024**

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

Institute for Government 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 note(s).

b) Preparation of the accounts on a going concern basis

The Governors having assessed the charity's financial position, its plans for the foreseeable future, the risks to which it is exposed and forecast projections are satisfied that it remains appropriate to prepare the financial statements on the going concern basis. Further details on the Institute's going concern assessment are provided in the Governors' Annual Report on page 8.

c) Critical accounting judgements and estimate uncertainty

In the application of the charity's accounting policies, which are described in this note, Governors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods. The 2023-26 lease on 2 Carlton Gardens was signed at the beginning of 2023-24. All future obligations under that lease will be reassessed and provided for as deemed necessary over the life of the lease. The Governors are of the view that there are no assumptions concerning the future or estimations of uncertainty affecting assets and liabilities at the balance sheet date which are likely to result in a material adjustment to their carrying amounts in the next financial year.

d) Group financial statements

In accordance with the requirements of SORP 2015 the financial statements consolidate the results of the charity and its wholly owned subsidiary IFG Enterprises Limited on a line-by-line basis. The results of IFG Enterprises Limited are shown in Note 5.

e) Income

Income from any source including grants is recognised when the charity has entitlement to the funds, any performance conditions attaching to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Our principal source of income, from the Gatsby Charitable Trust, is given as an annual grant towards our general operating costs. The grant is therefore recognised evenly across each financial year. For other grants and income for specific projects and events series, income is recognised when any performance criteria have been met and with regard to the length of the project being funded or the number and timing of events in a funded series.

Income received in advance for any event, project or room hire or provision of other specified service is deferred until the criteria for income recognition are met including when an event actually takes place or, where a project runs across financial years, with regard to resource inputs into a project or specific deliverable or performance criteria.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024**

f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Governors have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Institute's work or for specific projects being undertaken by the Institute.

g) 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 comprise the costs of commercial trading by the subsidiary and their associated support costs;
- Expenditure on charitable activities includes the costs of events, projects and research and other activities 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.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Institute's projects and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in Note 8.

i) Tangible fixed assets

Individual fixed assets costing £500 or more are recognised at cost and are depreciated over their estimated useful economic lives on a straight-line basis as follows:

Asset category	Annual rate
Long leasehold building/improvements	Based on term of lease/estimated lease extension
Office equipment	33%
Furniture & fittings	33%

j) Intangible fixed assets

The Institute launched a new website in 2022-23. Its cost will be amortised over its estimated useful economic life of three years on a straight-line basis.

k) Financial instruments

Institute for Government has financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank in hand together with trade and other debtors and accrued income. Financial liabilities held at amortised cost comprise trade creditors, other creditors and accruals.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024**

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

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.

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.

o) Pensions

The Charity has a money purchase scheme for qualifying employees. Pension costs charged to the Statement of Financial Activities represent the contributions payable by the Charity in the period.

2. LEGAL STATUS OF THE INSTITUTE

The Institute is a company limited by guarantee incorporated in England & Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The Institute's registered office address is 2 Carlton Gardens, London, SW1Y 5AA.

3. FINANCIAL PERFORMANCE OF THE CHARITY

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary which undertakes commercial activities including room hire on behalf of the charity. The summary financial performance of the charity alone is:

	2024	2023
	£	£
Income	6,256,439	5,726,480
Gift aid from subsidiary company	160,988	3,743
	<u>6,417,427</u>	<u>5,730,223</u>
Expenditure on raising funds and charitable activities	5,827,874	5,835,556
Net Income	<u>589,553</u>	<u>(105,333)</u>
Total funds brought forward	3,383,152	3,488,485
Total funds carried forward	<u><u>3,972,705</u></u>	<u><u>3,383,152</u></u>
Represented by:		
Designated unrestricted income funds	2,580,370	2,349,911
General unrestricted income funds	1,392,335	1,033,241
	<u><u>3,972,705</u></u>	<u><u>3,383,152</u></u>

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024**

4. INCOME FROM CHARITABLE ACTIVITIES

	2024	2023
	£	£
Grant from Gatsby Charitable Foundation	5,252,561	4,704,150
Project and event sponsorship income	875,525	770,659
Learning and development courses	193,319	231,348
Other income from charitable activities	-	114
	<u>6,321,406</u>	<u>5,706,271</u>

The Gatsby Charitable Foundation continues to provide an annual inflation-adjusted general purposes grant towards the core operational costs of the Institute. This grant is formally committed until March 2026.

5. INCOME EARNED FROM OTHER ACTIVITIES

The wholly owned trading subsidiary IFG Enterprises Limited is incorporated in the United Kingdom (company number 07240242) and pays all of its profits to the charity under the gift aid scheme. IFG Enterprises Limited now manages all the business activities of the Institute for Government, including charitable activity. Financial statements for the company's financial year to 31 March 2024 have been prepared. A summary of the results is shown below.

The summary financial performance of the subsidiary alone is:

	2024	2023
	£	£
Turnover	893,901	13,505
Interest income	964	138
Cost of sales and administrative costs	<u>(733,877)</u>	<u>(7,894)</u>
Net profit	<u>160,988</u>	<u>5,749</u>
Retained earnings brought forward	-	(2,006)
Amount gift aided to the charity	<u>(160,988)</u>	<u>(3,743)</u>
Retained earnings carried forward	<u>-</u>	<u>-</u>

There is a management fee of £732,537 payable to the parent company included in the results above (2022: £7,297) relating to the cost of sales of events held by IFG Enterprises Limited.

As at 31 March 2024, IFG Enterprises Limited had total assets of £1,260,274 (2023: £104,580) and total liabilities of £1,260,174 (2023: £104,480).

6. OTHER INCOME

Other Income includes £12,500 (2023: £12,000) which represents recharges for the use of facilities at 2 Carlton Gardens by the Public Chairs Forum including utilities and other service costs incurred by the Institute in respect of the whole building and is unrestricted general fund income.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024**

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

As in previous years there is no simple distinction between Research and Learning & Development as identifiably different charitable activities. As such expenditure on charitable activities is not segmented. The expenditure on our charitable work is analysed below.

	2024	2023
	£	£
Staff salaries and other staff related costs	3,589,992	3,693,991
Premises and other building related costs	848,410	895,600
Events and Staff Catering	402,158	370,266
Transcription and other research costs	24,409	6,963
Office supplies	24,540	12,088
IT costs	64,553	67,137
Depreciation	96,631	68,664
Finance costs including bank charges	886	2,244
Website and media costs	161,754	118,330
Irrecoverable VAT	157,043	134,920
Governance costs	41,551	39,173
Support costs	401,521	426,180
Total	5,813,448	5,835,556

8. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

The Institute initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. The table below gives analysis of support and governance costs including the basis on which these are calculated.

	General support	Governance	Total	2023	
	£	£	£	£	Basis of calculation
Staff costs	316,627	18,413	335,040	330,338	Support function staff time spent on support function activities
Building costs	84,841		84,841	95,548	Support function staff as proportion of FTE staff
Audit and accountancy fees:					
Audit		22,900	22,900	21,750	Governance
Tax advisory		238	238	1,500	Governance
Legal and professional fees	53		53	16,217	Governance
Total	401,521	41,551	443,072	465,353	

The total paid to the charity's auditors was £22,900.

INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

The aggregate payroll costs were as follows:

	2024	2023
	£	£
Salaries and wages	2,916,851	2,885,854
Social security costs	326,545	350,707
Pension costs	598,813	541,671
Other costs	10,240	9,801
	<u>3,852,449</u>	<u>3,788,033</u>

During the year there were redundancy or termination payments totalling £5,200 (2023: £nil).

The number of staff with emoluments greater than £60,000 was:

	2024	2023
£60,000 - £69,999	3	5
£70,000 - £79,999	5	4
£80,000 - £89,999	2	2
£90,000 - £99,999	1	0
£100,000 - £109,999	1	1
£110,000 - £119,999	2	1
£120,000 - £129,999	2	2
£130,000 - £139,999	1	0
£170,000 - £179,999	0	1
£210,000 - £219,999	1	0

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds. The banding disclosures have changed from gross pay of net of pension and charitable giving salary exchange for 2023 to total gross pay for 2024.

The charity trustees were not paid nor did they receive any other benefits from employment with the charity or its subsidiary in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

During 2023-24, the key management personnel of the parent charity comprised the trustees, the Director, Deputy Director, Director of Finance & Resources, Director of Partnerships, Director of Communications and Marketing, Programme Directors, Director of Impact and Chief Economist of the Institute for Government. The total employee benefits of the key management personnel of the charity were £1,681,764 (2023: £1,399,246). The key management personnel of the group are the same as those of the Charity.

10. STAFF NUMBERS

The average number of persons employed by Institute of Government whether on a full time or part time basis during the period, analysed by category, was as follows:

	2024	2023
	No.	No.
Research, Learning and Development	38	36
Office, management and services	<u>17</u>	<u>17</u>
	<u>55</u>	<u>53</u>

INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024

11. CORPORATION TAXATION

The Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

12. TANGIBLE FIXED ASSETS

Cost	Group and Charity			£ Total
	£ Leasehold Improvements	£ Office Equipment	£ Furniture & Fittings	
Balance brought forward 1 April 2023	2,857,211	689,585	443,316	3,990,112
Additions	-	17,998	1,341	19,339
Transfer to Intangible Assets	-	-	-	-
Disposals	-	45,408	61,617	107,025
Balance carried forward at 31 March 2024	2,857,211	662,175	383,040	3,902,426
Depreciation				
Balance brought forward at 1 April 2023	2,857,211	611,256	422,186	3,890,653
Charge for the period	-	42,373	11,538	53,911
Disposals	-	45,408	61,617	107,025
Balance carried forward 31 March 2024	2,857,211	608,221	372,107	3,837,539
Net book value at 31 March 2024	0	53,954	10,933	64,887
Net book value at 1 April 2023	0	78,329	21,130	99,459

13. INTANGIBLE FIXED ASSETS

Cost	£ Assets under Construction	£ Intangible Assets	£ Total
Balance brought forward at 1 April 2023		124,435	124,435
Additions		6,385	6,385
Transfers		-	-
Balance carried forward at 31 March 2024	-	130,820	130,820
Amortisation			
Balance brought forward at 1 April 2023	-	10,653	10,653
Charge for the period	-	42,720	42,720
Disposals	-	-	-
Balance carried forward 31 March 2024	-	53,373	53,373
Net book value at 31 March 2024	0	77,447	77,447
Net book value at 1 April 2023	0	113,782	113,782

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024**

14. INVESTMENTS

	Charity	
	2024	2023
	£	£
Investment in subsidiaries	100	100

The charity holds 100 shares of £1 each in its wholly owned trading subsidiary company IFG Enterprises Limited which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised in Note 5.

15. DEBTORS

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	195,884	267,425	52,076	265,128
VAT	9,175	-	35,178	-
Other debtors	2,196	2,820	2,196	2,820
Amounts owed by subsidiary	-	-	1,145,330	101,902
Prepayments and accrued income	281,384	140,634	223,946	140,634
	488,639	410,879	1,458,726	510,484

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	164,328	138,407	164,328	138,407
Accruals and deferred income	315,608	385,662	226,768	385,662
Other taxation and social security	96,718	84,723	96,718	82,144
Other creditors	75,817	9,704	75,817	9,704
	652,471	618,496	563,631	615,917

17. DEFERRED INCOME

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Deferred income at 1 April 2023	121,808	114,288	121,808	114,288
Resources deferred during the year	100,790	119,308	11,950	119,308
Amounts released from previous periods	(88,658)	(111,788)	(88,658)	(111,788)
	133,940	121,808	45,100	121,808

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024**

18. ANALYSIS OF CHARITABLE FUNDS

Analysis of movements in unrestricted and restricted funds 2023-24

	Balance 1 April 2023	Income	Expenditure	Transfers	Balance 31 March 2024
	£	£	£	£	£
Unrestricted Income Funds					
General funds	2,349,911	6,418,767	(5,732,583)	(455,725)	2,580,370
Designated Funds					
Fixed asset fund	213,241	-	(96,631)	25,724	142,334
Property relocation fund	620,000			380,000	1,000,000
Capital and maintenance fund	200,000	-	-	50,001	250,001
Restricted Funds	-	-	-	-	-
TOTAL FUNDS	3,383,152	6,418,767	(5,829,214)	-	3,972,705

Analysis of movements in unrestricted and restricted funds 2022-23

	Balance 1 April 2022	Income	Expenditure	Transfers	Balance 31 March 2023
	£	£	£	£	£
Unrestricted Income Funds					
General funds	2,537,798	5,740,123	(5,774,786)	(153,224)	2,349,911
Designated Funds					
Fixed asset fund	128,681	-	(68,664)	153,224	213,241
Property relocation fund	620,000	-	-	-	620,000
Capital and maintenance fund	200,000	-	-	-	200,000
Restricted Funds	-	-	-	-	-
TOTAL FUNDS	3,486,479	5,740,123	(5,843,450)	-	3,383,152

The fixed asset fund represents funds set aside equivalent to the net book value of the fixed assets of the organisation. The fixed assets are depreciated over time and therefore it is appropriate to put funds aside covering the reduction in economic value of the Institute's fixed assets.

The property relocation fund represents a round sum estimate of the replacement cost of office equipment and fixtures and fittings in the event of an office move at the end of the lease at 2 Carlton Gardens.

The capital and maintenance fund represents funds put aside to cover future costs in relation to 2 Carlton Gardens which, by their nature, can be both large and unpredictable in timing.

The 2023-26 lease for Carlton Garden was signed on 4 April 2023. Where it imposes clear legal obligations, provision will be made over the life of the lease to cover them. The need for designated funds will be assessed accordingly.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2024**

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Restricted funds	Group total
	General	Designated		funds
	£	£	£	£
Fund balances at 31 March 2024 are represented by:				
Tangible fixed assets	-	142,334	-	142,334
Current assets	3,232,841	1,250,001	-	4,482,842
Current liabilities	(652,471)	-	-	(652,471)
	2,580,370	1,392,335	-	3,972,705

	Unrestricted funds		Restricted funds	Group total
	General	Designated		funds
	£	£	£	£
Fund balances at 31 March 2023 are represented by:				
Tangible fixed assets	-	213,241	-	213,241
Current assets	2,968,407	820,000	-	3,788,407
Current liabilities	(618,496)	-	-	(618,496)
	2,349,911	1,033,241	-	3,383,152

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
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20. OPERATING LEASE COMMITMENTS

At 31 March 2024, the charity had the following total operating lease commitments:

	Group		Charity	
	2024	2023	2024	2023
	£	£	£	£
Operating lease commitments due:				
Not later than one year	600,000	5,315	598,630	5,315
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Lease payments recognized as an expense	598,630	485,000	598,630	485,000

The above commitments represent the charge for an operating lease on 2 Carlton Gardens.

The lease with rent set at £485,00 expired on 4th April 2023.

A three-year lease with rent set at £600,000 was signed on 4th April 2023.

Lease payments recognised as an expense in 2023-24 were £598,630.

The Charity has set aside £250k as a designated fund for any maintenance and reinstatement costs which may be needed during the remainder of its lease at Carlton Gardens. Where the 2023-26 imposes clear legal obligations, provision will be made for the estimated cost over the life of the lease.

21. RELATED PARTY TRANSACTIONS

The charity does undertake transactions with its wholly owned subsidiary IFG Enterprises Limited in the normal course of business. For 2023-24 there was a recharge of £732,537 to IFG Enterprises Limited (2023: £7,297) for the costs incurred by the Institute in supporting the business of IFG Enterprises Ltd. This has increased significantly from year to year as the Institute now transacts all commercial activity through its subsidiary, not just its non-charitable activity. When there are remaining profits from IFG Enterprises Ltd's business they are gift aided by that company to the Institute. For 2023-24 this amount will be £160,988 (2022: £3,743). There were no other related party transactions during the year.

**INSTITUTE FOR GOVERNMENT
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22. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2023

		Unrestricted				
	Notes	General Fund	Designated Funds	Restricted Funds	2022 Total Funds	2021 Total Funds
		£	£	£	£	£
Income from:						
Charitable activities	4	5,706,271	-	-	5,706,271	5,355,103
Other trading activities	5	13,505	-	-	13,505	300
Investments		8,347	-	-	8,347	302
Other	6	12,000	-	-	12,000	43,712
Total		5,740,123	-	-	5,740,123	5,399,417
Expenditure on:						
Raising funds		7,894	-	-	7,894	660
Charitable activities	7	5,766,892	68,664	-	5,835,556	4,906,286
Total		5,774,786	68,664	-	5,843,450	4,906,946
Net income/(expenditure)		(34,663)	(68,664)	-	(103,327)	492,471
Transfers between funds	18	(153,224)	153,224	-	-	-
Net Movement in funds		(187,887)	84,560	-	(103,327)	492,471
Reconciliation of funds:						
Total funds brought forward		2,537,798	948,681	-	3,486,479	2,994,008
Total funds carried forward		2,349,911	1,033,241	-	3,383,152	3,486,479

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.