

INSTITUTE FOR GOVERNMENT

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR TO 31 MARCH 2025

Charity number 1123926

Company number 6480524

**INSTITUTE FOR GOVERNMENT
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR TO 31 MARCH 2025**

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**INSTITUTE FOR GOVERNMENT
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR TO 31 MARCH 2025**

Board of Governors

Governor

Lord Sainsbury of Turville
Anand Aithal
Baroness Valerie Amos
Sir Andrew Cahn
Sir Ian Cheshire
Miranda Curtis
Baroness Susan Kramer
Sir David Lidington
Tamara Finkelstein

Chair

Appointed 17 September 2024
Resigned 5 November 2024

Chair, Finance & Audit Committee

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

After the year end, on 11 June 2025, Lord Sainsbury of Turville resigned and Edward Michael Balls was appointed to the Board. On that date, Sir Ian Cheshire became Chair of the Board. In May 2025, Anand Aithal took over as Chair of the Finance & Audit Committee.

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 2025

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 2025 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

2024-25 was another exceptionally busy and successful year for the Institute. The election was the defining feature of the year, with lots of work on preparation for government in the run-up to the election and on training for new MPs, ministers and private office staff and select committee members following the change of government.

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 – the year started with us promoting our 2023/24 work on the centre of government, making the case publicly and privately for changes to No10 and the Cabinet Office in particular. After the general election we published *20 ways to improve the civil service* which distilled our key insights on civil service reform into a digestible format for new ministers and senior officials. We followed that up with the latest *Whitehall Monitor* published in January 2025.

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We amplified our recommendation to introduce a civil service statute by publishing a draft Bill for the government to adopt, promoting it in a half-day conference. Throughout the year we continued a drumbeat of commentary about the state of the civil service and the priorities for change after the election.

Policy making – our work in 2024-25 focused on how the government could deliver its core missions from clean power and housebuilding to closing the opportunity gap. We published a timely report on how Labour could overcome the ten biggest barriers to achieving clean power by 2030, released just one week before the election. This was followed by a series of events and extensive commentary throughout the year. We also published new research on how to improve the government's track record on housebuilding and asylum policy - the latest instalments in our *Chronic Policy Problems* series. We launched a new series *Policymaking for Left-Behind groups* exploring how the government could use its mission-based approach to deliver better outcomes for groups who have experienced persistent disadvantage, across many policy areas and decades. Our first paper in this series focused on school readiness, highlighting stark disparities between demographic groups and what this meant for the government's ambition to close the opportunity gap.

Devolution – The 2024-25 financial year was a very busy and successful period for our devolution programme. It included the publication of five influential reports: on the new government's devolution agenda, how to 'complete the map' of devolution, urban regeneration, combined authority constitutions, and local government reorganisation. We also hosted a number of public and private events in London and elsewhere, including with four metro mayors, the minister for devolution, the deputy first minister of Scotland, and four local and combined authority chief executives. We also engaged privately with the government, combined and local authorities to help to shape policy and implementation in relation to devolution.

Public Finances – our work this year focused on achieving impact in the run-up to and after the general election, focusing on developing and disseminating solutions to key problems in the functioning of fiscal policy, where the election provided an opportunity to convince a new government to take a different approach. We published new research on capital spending in public services and how to run the multi-year spending review and continued to follow up on earlier work on fiscal frameworks and tax policy making. We also developed and published new work on local growth plans, focusing on developing recommendations for how the new government could maximise the opportunities provided by devolving more responsibilities to new and existing strategic authorities.

Public bodies and regulation – we published *Parliament and Regulators* before the election and worked with parliamentary staff in recess to develop training and how-to guides for select committees. Post-election, we concluded our trio of reports on the life cycle of public bodies with *How to set up a public body*, which we have followed up with input and support for several set-up projects. Public events and private roundtables on artificial intelligence, together with a short publication on its use by the civil service, have also consolidated our work in this area. We also started work on the role of regulation in enabling and incentivising necessary transformational investment in the water and energy sectors.

Public services - The team has focused this year on framing the choices facing the new government. This included a report on how to address the prisons crisis and a major analysis of the biggest problems facing public services and how to address these published within

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weeks of the election, and an assessment of the autumn budget and the implications for the spending review.

Prevention has been a big theme of our work this year, with the publication of an agenda-setting report on how the government could take a preventative approach to public services and a follow up paper on the role of youth work in prevention. We also published the first in a new series of Performance Tracker local reports, as well as publications on integrated care systems and the general practice estate.

IfG Academy – The Academy continued to expand and develop its work with priority audiences. Prior to the general election, our focus was on delivering learning and development for the opposition with our preparing for government work. After the general election, we shifted our focus to supporting new members of parliament—delivering training to 63 MPs, many of whom were first-time members, from across the political parties. We worked with newly established select committees on effective parliamentary scrutiny, covering 11 committees across 2024-25. Concurrently, our work with academics continued to grow. Our flagship programmes with AHRC and ESRC were completed successfully, and we delivered workshops for existing partners such as City University, Leeds, and Exeter. We also launched new partnerships with organisations such as the University of Warwick and University of Kent. Beyond academics, we delivered training to new audiences including the Equality and Human Rights Commission, and the Trades Union Congress. We expanded our relationship with the civil service through work with the AI Safety Institute, DSIT, and the Cabinet Office's Leadership College for Government. Altogether, the Academy delivered 96 workshops, including ministerial and private office workshops.

Ministers – Preparing for a potential change of government and supporting new ministers and their teams was the main focus for the ministers programme. We worked with the Academy team to support opposition parties, as we always do ahead of a general election, to think about how to approach governing in the event of an election victory. We also delivered 15 workshops with departmental private offices to support their preparation for the election and a potential transition. Once the new government had taken office, we delivered workshops with individual ministers, groups of newly-elected MPs who became ministers and departmental teams to support their transition into government and help them understand how to work with the civil service. Our research programme continued with more work on ethics and standards in government (including analysing the new government's work in this area); ministers' roles in responding to crises; and our series of interviews with former ministers. We also made our database of all ministerial appointments since 1979 publicly available.

Future Plans 2025-26

Civil service: We are examining the relationship between ministers and civil servants, looking at what factors are essential to trust and confidence between the two. We are also looking at how the transition to a new government worked. *Whitehall Monitor 2026* will, as ever, be a major project, and we will publish our analysis of the civil service fast stream. We will research the delivery model of the Department for Work and Pensions as part of the Public Finances led project on inactivity. We will look in detail at how decisions are made in government through an examination of the ministerial submissions process. We will continue our commentary and impact work on the effectiveness of the civil service, the ability of government to deliver its objectives and how to make the centre of government work better.

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Policy making: We will take forward our series on *Policymaking for Left-Behind Groups* with a focus on boys eligible for free school meals (FSM) - a group that consistently falls behind their peers and faces some of the most entrenched disparities. Our work will examine how the Department for Education can support local areas to meet short-term school readiness targets while addressing long-term inequalities for this group. By bringing together on-the-ground insights with our expertise on how government works, we aim to help shape the policy making process so that it delivers for groups who have been persistently underserved. This case study will generate broader insights on how to improve policymaking for groups that persistently experience poorer outcomes. As part of a separate project, we plan to develop a 'one stop' digital resource- the first of its kind - to support officials to deliver rapid yet robust policy advice under pressure, covering the end-to-end policy process.

Devolution: This year we are launching our 'DevoLab' series. This will include a programme of events and case studies on topics including transport, health and skills; shining a light on the most innovative practices taking place at a local and regional level. We are continuing to work on how to extend devolution further and complete the map of Devolution in England – including developing advice on one of the trickiest final parts of completing the map – extending devolution to non-Metropolitan areas. And we are beginning new research bringing together key stakeholders in a series of roundtables to look at public services as the next phase of English devolution.

Public finances: This year we will launch three new strands of work. First, jointly with the civil service team, examining policy development and delivery in the Department for Work and Pensions, focussing on incapacity benefits. Second, examining the benefits and barriers to shifting the balance of public sector pay away from pensions to current pay. Third, using microdata to understand better the relationship between private sector employment opportunities and problems with recruitment and retention in the public sector across the country. We will also extend our work on local growth to examine how strategic authorities develop effective local growth plans. Building on earlier work on Treasury orthodoxy and industrial strategy, we will also develop recommendations for how to steer a growth mission effectively from the centre. We will also continue to follow up on and achieve impact with earlier work on spending reviews and fiscal policy making processes.

Public bodies and regulation: This year will focus on achieving impact from the body of research already produced. In particular we will support those setting up or abolishing bodies to apply our lessons learned, as well as helping the government to make well-founded decisions. We will also provide support to the various parliamentary and government reviews that are expected on public bodies and regulation. Planned research focuses on economic regulation, particularly how it can support investment in infrastructure.

Public services: Alongside our national analysis of public services, we will continue with our Performance Tracker local series setting out how different services have performed more

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locally. We are looking at what it means to take a place-based approach to public services and how the government can support this in the spending review. We will look at opportunities for reform in particular sectors, and on particular issues such as tackling homelessness. We are also working on enabler for public service reform – building on our work on prevention - and looking at procurement and how it can best contribute to delivering the governments missions.

Academy: This year we are focusing on innovation and trying new ways to grow the Academy in a way that delivers high impact for the team and the IfG. We are continuing work with key partners such as the AI Safety Institute and have also gone through the process of joining the Government Learning Frameworks. This will enable us to reach more civil servants, including private office staff, and we have finalised our 'Private Office Induction' and 'Working with Ministers' training for this purpose. We intend to continue to support experts and academics joining government, including working with partners in academia and government to develop programmes of support for those undertaking fellowships inside government. We are also on course to deliver two open courses for academics in September and November, and demand for our regular courses continues to grow—especially with the advertisement of our new brochure for our standard courses for academics. In terms of our work with ministers, we continue building on the success of our pre- and post-election engagement to better establish ministerial and special adviser professional development as a feature throughout their time in office. Our research work on ministerial case studies over the summer will inform our L&D offers for ministers and their teams from the autumn.

Ministers: As the government beds in, we will continue to assess their work on ethics and standards, as well as monitoring and commenting on levels of turnover among ministers. Our research programme will focus on developing in-depth case studies for ministers dealing with different situations in their roles, including managing crises and delivering in-depth reforms to public services. Our Ministers Reflect interview series will continue to capture the reflections of former ministers and their advice on how to be effective in the role.

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.

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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 which promotes our work and 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.

Through the work 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 £6,857,604 (2024: £6,418,767) whilst consolidated expenditure amounted to £6,462,387 (2024: £5,829,214) as shown in the Statement of Financial Activities. After the creation of a provision for liabilities related to the exit from 2 Carlton Gardens (see below) and transfers to designated funds, the consolidated surplus on all funds was £395,217.

This surplus was partly due to underspend on salaries during the period and partly due to the continuing success of its partnerships team in generating over £1.2m of financial support for the research programme from grants and corporate partners who were increasingly interested in the Institute's work in areas such as the effectiveness of public services, regional devolution and policy making. 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. In 2024-25 the company made a surplus for the year of £292,423. All of the IFG Enterprises Ltd surplus (the net overall P&L position at 31st March 2025) will be transferred to the Institute as a gift aid payment in line with the standing board mandate.

Principal funding sources

The Institute's core funder is the Gatsby Charitable Foundation. Core funding income from the Gatsby Trust in 2023-24 was £5,508,933 (2024: £5,252,561).

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.

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During 2025-26, a new application will be made to the Gatsby Foundation for core funding for the years beyond 2026.

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 £1.2m contributed to the P&L for the year and a significant pipeline of opportunities in place for 2025-26.

2 Carlton Gardens and 16-18 Old Queen Street

The lease for 2 Carlton Gardens expires in April 2026.

In preparation for the lease expiry, the Institute has entered into a lease for a property at 16-18 Old Queen St, owned by its primary funder the Gatsby Foundation. The rent is a peppercorn, but considerable renovation is required.

A provision of £180,000 was created in 2024-25, to sit alongside an existing designated fund of £250,000 to provide financial security against future significant one-off costs associated with the exit from 2 Carlton Gardens. In addition, there is a designated property relocation fund of £1,000,000 to cover the potential costs of planning and executing a move and re-equipping new premises in 2026.

The project to renovate 16-18 Old Queen Street is a major focus of management attention. This building is intended to be the long-term home of the Institute and it is essential that the investment provide the facilities and resources required for the Institute's work in the coming decade. Initial contracts were drawn up around the end of 2024-25 for project managers, architects and other consultants and detailed design work was scheduled to take place over the summer of 2025. The intention is to enter into a construction contract in autumn 2025.

Reserves policy

Total unrestricted funds increased to £4,367,922 as at 31 March 2025 (2024: £3,972,705).

There are no restricted reserves (2023: £nil). Fixed assets represent £309,363 (2024: £142,334) of the unrestricted funds total.

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 £2,808,558 (2024: £2,580,370) which represent 42% of the planned expenditure of the Institute for 2025-26. It is therefore the policy of the Institute to continue to build its reserves to provide resilience in the case of the unexpected.

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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 £769,087 for the year (2024: inflow of £621,219). The group retained a cash balance of £4,523,829 at 31st March 2025. 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.

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. During 2024-25, the Board was chaired by Lord Sainsbury of Turville. He stepped down at the Board meeting in June 2025 and the chair was taken by Sir Ian Cheshire, formerly chair of the Finance and Audit Committee.

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

The Finance and Audit Committee was chaired by Sir Ian Cheshire during the year. It also met on a quarterly basis and reviewed the financial performance and all aspects of risk management of the Institute. Since year end, the Committee has been chaired by Anand Aithal.

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 Baroness Valerie Amos retired by rotation and after year end, Lord Sainsbury stepped down. There is a requirement for a minimum of three governors

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and there is no upper limit, though normally the Board will comprise a maximum of fifteen members.

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.

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 and 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 potential liabilities relating to 2 Carlton Gardens and 16-18 Old Queen Street.

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 along with assurances of ongoing funding for the immediate future.

The potential liabilities relating to 2 Carlton Gardens have been mitigated by setting aside adequate designated provisions and reserves, while the management of the Old Queen Street project is under constant review.

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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 and fundraising

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.

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 2026 will be put to the Annual General Meeting.

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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.

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



Sir Ian Cheshire (Chair)

10 September 2025

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 2025 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 2025 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

25 September 2025

INSTITUTE FOR GOVERNMENT
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted General Fund	Designated Funds	Restricted Funds	2025 Total Funds	2024 Total Funds
		£	£	£	£	£
Income from:						
Charitable activities	4	6,665,239	-	65,670	6,730,909	6,321,406
Other trading activities	5	80,928	-	-	80,928	63,680
Investments		29,067	-	-	29,067	21,181
Other	6	16,700	-	-	16,700	12,500
Total		6,791,934	-	65,670	6,857,604	6,418,767
Expenditure on:						
Raising funds		15,199		-	15,199	15,766
Charitable activities	7	6,280,019	101,499	65,670	6,447,188	5,813,448
Total		6,295,218	101,499	65,670	6,462,387	5,829,214
Net income/(expenditure)		496,716	(101,499)	-	395,217	589,553
Transfers between funds	19	(268,528)	268,528	-	-	-
Net Movement in funds		228,188	167,029	-	395,217	589,553
Reconciliation of funds:						
Total funds brought forward		2,580,370	1,392,335	-	3,972,705	3,383,152
Total funds carried forward		2,808,558	1,559,364	-	4,367,922	3,972,705

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 £101,499 allocated to designated funds (2024: £96,631) represents the depreciation charge while transfers between funds are additions to fixed assets (£268,528 - see also Notes 12 & 13 on pages 28 & 29).

**INSTITUTE FOR GOVERNMENT
CHARITY AND GROUP BALANCE SHEETS
AS AT 31 MARCH 2025**

	Notes	Group 2025 £	2024 £	Charity 2025 £	2024 £
Fixed Assets					
Tangible fixed assets	12	275,523	64,887	275,523	64,887
Intangible fixed assets	13	33,840	77,447	33,840	77,447
Investments	14	-	-	100	100
		309,363	142,334	309,463	142,434
Current Assets					
Debtors	15	492,426	488,639	2,507,985	1,458,726
Cash at bank		4,523,829	3,994,203	2,409,236	2,935,176
		5,016,255	4,482,842	4,917,221	4,393,902
Current Liabilities					
Creditors: amounts falling due within one year	16	777,696	652,471	678,762	563,631
Net Current Assets		4,238,559	3,830,371	4,238,459	3,830,271
Total assets less current liabilities		4,547,922	3,972,705	4,547,922	3,972,705
Provision for liabilities and charges	18	180,000	-	180,000	-
Total Net Assets		4,367,922	3,972,705	4,367,922	3,972,705
The funds:	19				
Unrestricted Funds					
General Fund		2,808,558	2,580,370	2,808,558	2,580,370
Designated Funds		1,559,364	1,392,335	1,559,364	1,392,335
		4,367,922	3,972,705	4,367,922	3,972,705

Company number 6480524

The profit/loss for the financial year dealt with in the financial statements of the parent company was £395,217 (2024: £589,553).

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.



Sir Ian Cheshire
Chair of Board of Governors on behalf of the governors

Approved and authorised for issue by the Governors on 10 September 2025

**INSTITUTE FOR GOVERNMENT
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE
YEAR ENDING 31 MARCH 2025**

	Group 2025 £	2024 £
Cash flows from operating activities:		
Net cash provided by operating activities	769,087	621,219
Cash flows from investing activities:		
Interest income	29,067	21,181
Purchase of tangible & intangible fixed assets	(268,528)	(25,725)
Net Cash used in investing activities	(239,461)	(4,544)
Change in cash and cash equivalents in the reporting period	529,626	616,675
Cash and cash equivalents at the beginning of the reporting period	3,994,203	3,377,528
Total cash and cash equivalents at the end of the reporting period	4,523,829	3,994,203

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

	Group 2025 £	2024 £
Net income for the reporting period	395,217	589,553
Adjustments for:		
Depreciation charge	101,499	96,631
Interest income	(29,067)	(21,181)
(Increase) in debtors	(3,787)	(77,759)
Increase in creditors	305,225	33,975
Net cash provided by operating activities	769,087	621,219

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

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 10.

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 ongoing 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 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.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

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.

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.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

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.

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.

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.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

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:

	2025	2024
	£	£
Income	6,561,094	6,256,439
Gift aid from subsidiary company	292,423	160,988
	<u>6,853,517</u>	<u>6,417,427</u>
Expenditure on raising funds and charitable activities	6,458,300	5,827,874
Net Income	<u>395,217</u>	<u>589,553</u>
Total funds brought forward	3,972,705	3,383,152
Total funds carried forward	<u>4,367,922</u>	<u>3,972,705</u>
Represented by:		
Designated unrestricted income funds	1,559,364	2,580,370
General unrestricted income funds	2,808,558	1,392,335
	<u>4,367,922</u>	<u>3,972,705</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	2025	2024
	£	£
Grant from Gatsby Charitable Foundation	5,508,933	5,252,561
Project and event sponsorship income	968,281	875,525
Learning and development courses	251,459	193,319
Other income from charitable activities	2,236	-
	<u>6,730,909</u>	<u>6,321,406</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. A new application will be made in late 2025 for upcoming periods.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

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 2025 have been prepared. A summary of the results is shown below.

The summary financial performance of the subsidiary alone is:

	2025	2024
	£	£
Turnover	1,078,856	893,901
Interest income	3,134	964
Cost of sales and administrative costs	(789,567)	(733,877)
Net profit	<u>292,423</u>	<u>160,988</u>
Retained earnings brought forward	-	-
Amount gift aided to the charity	<u>(292,423)</u>	<u>(160,988)</u>
Retained earnings carried forward	<u>-</u>	<u>-</u>

There is a management fee of £785,482 payable to the parent company included in the results above (2024: £732,537) relating to the cost of sales of events held by IFG Enterprises Limited.

As at 31 March 2025, IFG Enterprises Limited had total assets of £2,335,063 (2024: £1,260,274) and total liabilities of £2,334,963 (2024: £1,260,174).

6. OTHER INCOME

Other Income includes £16,700 (2024: £12,500) 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 2025**

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.

	2025	2024
	£	£
Staff salaries and other staff related costs	3,974,412	3,589,992
Premises and other building related costs	1,066,436	848,410
Events and Staff Catering	376,803	402,158
Research/Academy costs	22,794	24,409
Office supplies	15,478	24,540
IT costs	79,099	64,553
Depreciation	101,499	96,631
Finance costs including bank charges	1,030	886
Website and media costs	166,293	161,754
Irrecoverable VAT	158,807	157,043
Governance costs	46,992	41,551
Support costs	437,545	401,521
Total	6,447,188	5,813,448

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 £	2025 Total £	2024 Total £	Basis of calculation
Staff costs	335,264	18,361	353,625	335,040	Support function staff time spent on support function activities
Building costs	102,281		102,281	84,841	Support function staff as proportion of FTE staff
Audit and accountancy fees:					
Audit		26,320	26,320	22,900	Governance
Tax advisory		2,255	2,255	238	Governance
Legal and professional fees		56	56	53	Governance
Total	437,545	46,992	484,537	443,072	

The total paid to the charity's auditors was £26,320.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

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

The aggregate payroll costs were as follows:

	2025	2024
	£	£
Salaries and wages	3,198,852	2,916,851
Social security costs	358,868	326,545
Pension costs	619,099	598,813
Other costs	11,909	10,240
	<u>4,188,728</u>	<u>3,852,449</u>

During the year there were no redundancy or termination payments (2024: £5,200).

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

	2025	2024
£60,000 - £69,999	3	3
£70,000 - £79,999	5	5
£80,000 - £89,999	2	2
£90,000 - £99,999	2	1
£100,000 - £109,999	2	1
£110,000 - £119,999	0	2
£120,000 - £129,999	2	2
£130,000 - £139,999	2	1
£210,000 - £219,999	0	1
£240,000 - £249,999	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 are for total gross pay before any deductions.

The charity trustees were not paid nor did they receive any other benefits from employment with the charity or its subsidiary in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

During 2024-25, 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 £1,860,185 (2024: £1,681,764). The key management personnel of the group are the same as those of the Charity.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

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:

	2025 No.	2024 No.
Research, Learning and Development	41	38
Office, management and services	<u>17</u>	<u>17</u>
	<u>58</u>	<u>55</u>

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.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

12. TANGIBLE FIXED ASSETS

Cost	£ Leasehold Improvements	£ Office Equipment	£ Furniture & Fittings	£ Assets Under Construction	£ Total
Balance brought forward 1 April 2024	2,857,211	662,175	383,040	-	3,902,426
Additions	-	57,550	-	210,978	268,528
Balance carried forward at 31 March 2025	2,857,211	719,725	383,040	210,978	4,170,954
Depreciation					
Balance brought forward at 1 April 2024	2,857,211	608,221	372,107	-	3,837,539
Charge for the period	-	48,998	8,894	-	57,892
Balance carried forward 31 March 2025	2,857,211	657,219	381,001	-	3,895,431
Net book value at 31 March 2025	0	62,506	2,039	210,978	275,523
Net book value at 1 April 2024	0	53,954	10,933	-	64,887

Assets under construction are the costs in year of the consultant contracts relating to 16-18 Old Queen Street. These will be carried forward and depreciated over the useful life of the leasehold improvements once the Institute has moved into the property.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

13. INTANGIBLE FIXED ASSETS

	£	£
	Intangible Assets	Total
Cost		
Balance brought forward at 1 April 2024	130,820	130,820
Balance carried forward at 31 March 2025	130,820	130,820
Amortisation		
Balance brought forward at 1 April 2024	53,373	53,373
Charge for the period	43,607	43,607
Balance carried forward 31 March 2025	96,980	96,980
Net book value at 31 March 2025	33,840	33,840
Net book value at 1 April 2024	77,447	77,447

14. INVESTMENTS

	Charity	
	2025	2024
	£	£
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	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	225,734	195,884	26,064	52,076
VAT		9,175	30,641	35,178
Other debtors	7,312	2,196	7,312	2,196
Amounts owed by subsidiary	-	-	2,205,388	1,145,330
Prepayments and accrued income	259,380	281,384	238,580	223,946
	492,426	488,639	2,507,985	1,458,726

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	337,655	164,328	337,655	164,328
VAT	31,159			
Accruals and deferred income	298,900	315,608	231,125	226,768
Other taxation and social security	100,466	96,718	100,466	96,718
Other creditors	9,516	75,817	9,516	75,817
	777,696	652,471	678,762	563,631

17. DEFERRED INCOME

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Deferred income at 1 April 2024	133,940	121,808	45,100	121,808
Resources deferred during the year	73,744	100,790	5,969	11,950
Amounts released from previous periods	(100,790)	(88,658)	(11,950)	(88,658)
Deferred income at 31 March 2025	106,894	133,940	39,119	45,100

18. PROVISION FOR LIABILITIES AND CHARGES

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Balance at 1 April 2024	-	-	-	-
Amount utilised in the year	-	-	-	-
Amount released in the year	-	-	-	-
Amount provided in the year	180,000	-	180,000	-
Balance at 31 March 2025	180,000	-	180,000	-

The provision has been made to cover the liabilities and charges which could potentially arise from vacating 2 Carlton Gardens during 2026 as the Institute moves to its new home at 16-18 Old Queen St.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

19. ANALYSIS OF CHARITABLE FUNDS

Analysis of movements in unrestricted and restricted funds 2024-25

	Balance 1 April 2024	Income	Expenditure	Transfers	Balance 31 March 2025
	£	£	£	£	£
Unrestricted Income Funds					
General funds	2,580,370	6,835,374	(6,338,658)	(268,528)	2,808,558
Designated Funds					
Fixed asset fund	142,334	-	(101,499)	268,528	309,363
Property relocation fund	1,000,000				1,000,000
Capital and maintenance fund	250,001	-	-	-	250,001
Restricted Funds	-	65,670	(65,670)	-	-
TOTAL FUNDS	3,972,705	6,901,044	(6,505,827)	-	4,367,922

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

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 is being 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 2025**

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Restricted funds	Group total
	General	Designated		funds
	£	£	£	£
Fund balances at 31 March 2025				
are represented by:				
	-	309,363	-	309,363
Tangible fixed assets	3,766,254	1,250,001	-	5,016,255
Current assets	(777,696)	-	-	(777,696)
Current liabilities				
Provision for dilapidations	(180,000)			(180,000)
	2,808,558	1,559,364	-	4,367,922

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

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2025**

21. OPERATING LEASE COMMITMENTS

At 31 March 2025, the charity had the following total operating lease commitments:

	Group		Charity	
	2025	2024	2025	2024
	£	£	£	£
Operating lease commitments due:				
Not later than one year	600,000	600,000	600,000	598,630
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
Lease payments recognized as an expense	6,575	598,630	6,575	598,630

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

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

Lease payments recognised as an expense in 2024-25 were £600,000.

The Charity has set aside a balance sheet provision of £180,000 in addition to a designated fund of £250,000 for any maintenance and reinstatement costs which may be needed during the remainder of its lease at Carlton Gardens and at the end of the lease.

On 31 January 2025, the Institute entered into a three-year lease at peppercorn rent for a property at 16-18 Old Queen St owned by The Gatsby Foundation. The building will be re-furbished and, once complete, the Institute will move its operations there after the expiry of the lease at Carlton Gardens.

22. RELATED PARTY TRANSACTIONS

The charity does undertake transactions with its wholly owned subsidiary IFG Enterprises Limited in the normal course of business. For 2024-25 there was a recharge of £785,482 to IFG Enterprises Limited (2024: £732,537) for the costs incurred by the Institute in supporting the business of IFG Enterprises Ltd. When there are remaining profits from IFG Enterprises Ltd's business they are gift aided by that company to the Institute. For 2024-25 this amount will be £292,423 (2024: £160,988). There were no other related party transactions during the year.

**INSTITUTE FOR GOVERNMENT
NOTES TO THE ACCOUNTS
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23. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 2024

		Unrestricted		Restricted	2024	2023
	Notes	General Fund	Designated Funds	Funds	Total Funds	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.