



Charity registration number 235351 (England and Wales)

Company registration number 755502

**THE INSTITUTE OF ECONOMIC AFFAIRS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2025**



# THE INSTITUTE OF ECONOMIC AFFAIRS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Linda Edwards (Chairman) Robin Edwards (Treasurer) Kevin Bell (Deceased 09 September 2025) Professor Christian Bjornskov Professor Martin Ricketts Professor Patrick Minford Robert Boyd Bruno Prior Thomas Harris
<b>Secretary</b>	Andrew Mayer
<b>Charity number (England and Wales)</b>	235351
<b>Company number</b>	755502
<b>Registered office</b>	2 Lord North Street Westminster London SW1P 3LB
<b>Auditor</b>	Streets Audit LLP 21-33 Great Eastern Street, Shoreditch London EC2A 3EJ
<b>Bankers</b>	Barclays Bank PLC Market Place Town Centre Leicester Leicestershire LE87 2BB
<b>Investment advisors</b>	Evelyn Partners Investment Managers LLP (EPIM)

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# THE INSTITUTE OF ECONOMIC AFFAIRS

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# THE INSTITUTE OF ECONOMIC AFFAIRS

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2025

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The Trustees present their report together with the financial statements of the Institute of Economic Affairs (IEA) for the year ended 31 March 2025.

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 (published October 2019).

#### **Status**

The Institute of Economic Affairs is a charitable company limited by guarantee. The Institute was established through a trust deed in November 1955 and incorporated in 1963. It was set up under a Memorandum of Association which sets out its objects and powers and is governed under its Articles of Association. It is a registered charity No. CC/235351.

#### **Structure, Governance and Management**

The IEA is a charitable company limited by guarantee (i.e. without shares) whose Members are limited in liability to £1 each on termination of the company.

The IEA's current membership are the eight serving Trustees and three former Chairmen of the Board who on resignation of their Chairmanships were appointed Life Vice Presidents (LVPs), provided that there are no more than three. The longest serving LVP retires on the ascension of the newest LVP, with the named exception of Lord Vinson, the original LVP. Members have voting rights at the Annual General Meeting of the IEA, but only current Trustees comprise the Board of Directors.

The IEA is managed by its Executive Director & Ralph Harris Fellow, who oversees all aspects of its affairs and is responsible for achieving its goals. They report three times a year to the Board of Trustees' and more frequently to its Finance and General Purposes Committee (F&GP), comprising the committee Chairman, the Chairman of the Board, the Treasurer, and two further board members. These individuals also serve as the Audit Committee.

Decisions about the level and mix of activities are made by the Trustees; about detailed day-to-day operations by a senior leadership team comprising the Executive Director, Chief Operating Officer, Editorial Director, Director of Communications, Director of External Relations and Director of International Outreach.

The Chairman of the Board and the Chairman of the Finance and General Purposes Committee form the Remuneration sub-committee which reviews the Executive Director's performance annually. Three of the Trustees, including the Chairman of the Board, form a Nominations subcommittee which recommends potential Trustees to the full Board from time to time.

Three of the Trustees, who must be current or retired academics, lead the Academic Advisory Council (which has no fixed number), which meets biannually and communicates more regularly with a wider network of between 50–100 academic fellows to support the academic work of the IEA. This includes writing, editing, peer review and setting academic standards.

Three of the Trustees, 3–5 external advisors, and temporarily an external acting Chairman form the Education Advisory Committee, which meets biannually and communicates more regularly with a wider network of 50–100 educators to support the educational outreach work of the IEA. This includes speaking in schools and universities, curriculum alignment, digital resources and supporting staff in the education team.

The IEA also seeks input and advice from an Advisory Council which is led by the Treasurer and has no fixed number of members. The Council supports the IEA's outreach work to new individual donors, corporations, and trusts, to ensure the longer-term viability of the charity. The Advisory Council is being relaunched in 2026 with revised terms.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### Objectives and activities

The mission of the IEA is to improve the understanding of the fundamental institutions of a free society by analysing and expounding the role of markets in solving economic and social problems. We try to achieve our objectives by means of the activities listed below, which include allocated support costs.

#### Academic programmes:

- Research – conducting research and publishing books, papers, and briefings.
- Education – organising events, seminars, and conferences – many of them for students
- International – establishing partnerships with think tanks, mainly in Europe, Africa, and Asia
- Communicating and distributing our work through traditional and digital media

Fundraising and subscriber support (more details of our approach are provided below).

### Public Benefit

As detailed above, the mission of the IEA is to improve the understanding of the fundamental institutions of a free society by analysing and expounding the role of markets in solving economic and social problems. We bring analysis of issues relating to political economy to the public's attention through our various academic programmes and other activities. The Trustees confirm that, in exercising their powers and fulfilling their responsibilities in pursuit of the aims described above, they have paid due regard to the guidance on public benefit published by the Charity Commission.

### Fundraising

The IEA is entirely independent of any political party or group and is funded by voluntary donations from individuals, companies and foundations who want to support its work plus small amounts of income from subscriptions, event partnerships, conferences, book sales, studio rental, and investments.

The IEA has been registered with the Fundraising Regulator since 2017 and works in a way that is compliant with the Code of Fundraising Practice. The IEA's development protocols, which are given to all prospective donors make clear that the IEA does not permit commissioned research and is editorially independent of our donors.

The IEA respects donor privacy and encourages donor transparency in public statements of support for the charity. Most donors come to the IEA unprompted or via third party recommendations. Most donations are unrestricted, or where for a restricted end that purpose is clearly stated, including any secondary use for residuals. The IEA otherwise abides with data protection standards when communicating with or ceasing to communicate with donors.

The IEA conducts due diligence on potential donors to ensure they are of good standing and that donations are intended, permitted, not from government sources, and do not create conflicts of interest. Donors are informed about the impact of their donations through bespoke communications, reports, meetings, and an annual review. Where the IEA works with partners to fundraise, that relationship is transparent, the fundraiser abides by IEA protocols, and any statement of solicitation is clear.

The work of IEA fundraisers, and management of fundraising risks is supervised by the Treasurer, with external expert advice provided through an Advisory Council. Fundraising reports are provided to every meeting of the Board and F&GP Committee. The IEA manages complaints about fundraising in line with other complaints sent to the IEA. The IEA received no complaints about fundraising in 2024/25.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### Review of achievements

We produced 22 new publications, of which 3 were books, 16 were discussion papers, and 3 were miscellaneous formats. These covered a wide range of subjects, and arguments. Some purely educational, for example schools of economic thought, the space economy, and Hayek's Nobel Prize anniversary. Others, current affairs, for example labour market reform, housing, discrimination law, legalising parallel imports. In between, blue skies thinking, for example private cities and nominal GDP targeting. A good mix of the long-term scholarship with immediately relevant talking points, of radicalism and pragmatism.

We have broadly replicated that mix on the Substack Insider, which is not simply the old blog on a new platform, but a new research publication format. Here, the peer review process that we use for other publications does not apply, but we handle that quality control in other ways, mostly by prioritising in-house authors, where we know that they deliver high-quality output.

In partnership with John Wiley & Sons Ltd and the University of Buckingham we continue to publish the academic journal *Economic Affairs*, three times a year. The journal, in print since 1980, is provided in hardcopy to university libraries and otherwise downloaded over 120,000 times a year. Our readers and contributors come from a wide range of backgrounds and disciplines, not least those working in think tanks, research institutes, and universities as well as international organisations such as the OECD.

The Education Department had a successful 2024/25, refining initiatives to improve efficiency and build a Talent Pipeline, guiding students from learning liberal concepts to developing the skills to apply them. Improved marketing grew our audience from 800 to over 3,000, boosting application rates by 94% across our sixth form programmes.

Attendance at our Food for Thought Lunches tripled, with more significant guests (academics, journalists, etc.). We created online portals for publication requests, IEA visits, and school conferences, integrated at the back end with project management tools that enabled efficient handling of increased demand. For instance, a university newsletter link led to 750 publications sent to 13 UK university societies in one week.

The IEA (student society) Hayek Network welcomed two new members: in Manchester and Trinity College Dublin. Both launched by former participants in our programmes. We established partnerships with Fighting for a Free Future and Students for Liberty which has expanded our reach. Evidenced by record breaking interest in our alumni events.

The IEA had over 4,000 media appearances across print, broadcast and online in 2024/25, with a higher proportion of appearances in high value outlets than previous years. The Institute's publications and expert policy commentary received significant attention, including front-page coverage of our analysis of the impact of tax rises on families on in the *Daily Mail*. Our work on the cost of regulation appeared in the *Spectator's* pre-Spring Statement coverage. Our Executive Director has written multiple agenda-setting op-eds for *The Times*.

We produced a record-breaking 512 videos, over 100 more than the previous year, helping quadruple YouTube subscriber numbers to 54,000 and achieving over 4.6 million views. The IEA's social media posts had over 40 million impressions, with exponential follower and engagement growth across platforms. While the pivot to Substack grew our subscriber list by 15% to over 16,000, raising an extra £12,000 annually.

The IEA's international grant making programme, the Whetstone Freedom Fund, delivered 20 grants to 17 partners working in 16 countries on 4 continents. These projects included 15 translations of 13 IEA publications. When completed, these grants will deliver 8,000 printed books which in turn will reach over 3 million people through in-person and online promotion activities.

Seven of these grants supported partners across Africa to address a range of economic problems, from trade restrictions and burdensome regulation to insecure property rights and high taxes. This work has been supplemented by four reports by the Initiative for African Trade & Prosperity (IATP), including a concise primer on the transformative potential of the African Continental Free Trade Area Agreement (AfCFTA).

Our former European outreach initiative, the European Policy Information Center – EPICENTER (now part of IEA Forum, although we remain the UK member), celebrated its tenth anniversary. It expanded with two further member think tanks, now comprising 12 free market organisations from across Europe. In the last reporting year, EPICENTER published 46 blogs, 6 briefings, and 39 publications. These reports were cited by 1,866 media outlets reaching an estimated 300 million Europeans.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### Financial review

Total income for the year was £1,339,674 (2024: £5,847,385) and total expenditure was £2,152,184 (2024: £2,986,289). After taking account of losses on investments of £262,701 (2024: gains £286,000), there was a net movement in funds of (£1,075,211) (2024: £3,147,096) in the year. Restricted income was £273,246 (2024: £230,000) compared with expenditure on restricted projects of £246,806 (2024: £473,750). Total net assets amounted to £5,243,885 (2024: £6,319,096). The financial statements, together with the notes thereto, expand on these outline details.

The financial statements include a liability for a settlement agreement that was determined and paid after the year end but before the financial statements were signed, relating to a legal claim made against the charity in a prior accounting period.

The Finance and General Purposes Committee and the full Board of Managing Trustees regularly review the amount of donations. Excluding the new endowment in prior year there was a 32% decrease in donations income compared with 2023/24. The accounts are prepared on the going concern basis, with further details set out within the accounting policies. We are grateful to all our donors for supporting our work.

### Risk Review

The principal risks and uncertainties to which the IEA is exposed are reputational, loss of key personnel, and financial.

Reputational risk centres on the quality and integrity of the Institute's research and publications and other activities. All the IEA's major publications are peer reviewed. The system was managed in the period by the Academic and Research Director and supervised by the Chairman of our Academic Advisory Board, Professor Christian Bjørnskov.

The IEA maintains strict independence from commercial, party political or other interests. It does not accept commissions to perform research on behalf of commercial or governmental interests.

The performance of key personnel is reviewed at least annually, either by the Executive Director or by a small committee of Trustees led by the Chairman, to assess whether both the employer's and employees' objectives are being satisfied. As with any small organisation, it is not possible to completely protect against the loss of key people.

Financial risks and uncertainties are largely covered by the Reserves and Investment policies noted below. The Trustees examine at least once a year the major strategic, operational, and financial risks and uncertainties which the Institute faces, either at regular or special Board meetings, or through the Finance and General Purposes Committee.

### Grant making policy

The Trustees make occasional grants to individuals to support their research and to attend conferences. These are often from restricted funds donated specifically for such purposes. From time-to-time grants may be made to other institutes where the Trustees think it appropriate. All such projects are assessed by reference to our mission.

### Investment and reserves policies

The Institute's educational mission has a long-term orientation, as noted above, whereas our ability to carry out our work depends on attracting annual donations in a highly competitive fund-raising environment. Accordingly, the Trustees' policy is to invest conservatively. The Treasurer and the Finance and General Purposes Committee regularly review investment results.

The IEA has responsibility for two funds, the Ralph Harris Fund, which supports the office of the Executive Director and the Nigel Vinson Fund which exists to widen the understanding of the Constitution of Liberty and the freedoms that are the foundations of our society, particularly in social market economies where free speech and free trade are conducted within a moral framework. Both funds are managed by Evelyn Partners.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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The Trustees' policy on reserves, which is reviewed annually, is to have sufficient liquid funds on hand to cover 10% of budgeted expenditure, which amounts to approximately £202,000. We believe this is adequate under normal circumstances to enable us to maintain operations in the event of seasonal or other fluctuations in donations and/or expenditure. This target was met in that at year end there was cash at bank and in hand of £161,063 in addition to the cash deposits held within the investment funds of £91,000.

The Trustees do not seek to accumulate reserves but rather to apply donations in support of the Institute's programmes in accordance with donors' intent. The free reserves of the charity as at 31 March 2025, defined as being unrestricted, undesignated funds not represented by tangible fixed assets, were in negative balance of £548,533 (2024: positive balance £273,779). The cumulative carry forward amount for funds is £5,243,885 (2024: £6,319,096) made up of endowment funds of £5,188,905 (2024: £5,451,606), restricted funds of £128,690 (2024: £102,250) and general funds in deficit of £73,710 (2024: £765,240). Action has been taken to restore reserves through an efficiency programme and ongoing cost controls.

### Future Plans

In 2025-26, the IEA intends to continue to produce high-calibre research on economic matters, taxation, liberalisation, the regulatory environment, energy and climate change, lifestyle issues and more. We will continue to engage with educators, academics, universities and alumni through our extensive student and teacher outreach programme and through our comprehensive communications strategy.

### Trustees

The following were Trustees (who are directors for the purposes of company law) at the time of signing this report and financial statements. They all held office throughout the year ended 31 March 2025 and up to the date of signing this report, unless otherwise stated.

Linda Edwards	Chairman
Robin Edwards	Treasurer
Kevin Bell	Deceased 09 September 2025
Professor Christian Bjørnskov	
Professor Patrick Minford	
Professor Martin Ricketts	
Bruno Prior	
Robert Boyd	
Thomas Harris	





# THE INSTITUTE OF ECONOMIC AFFAIRS

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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None of the Trustees has an interest, direct or indirect, in any contract entered into by the Institute. The Trustees may from time to time and at any time, appoint any person to be a Trustee, up to the prescribed maximum of twelve. Appointments are normally made on the recommendation of the Nominations Committee. Any Trustee so appointed retains office until the next Annual General Meeting, and is then eligible for election for a four-year term, which can be renewed twice or extended further by election as Chairman for two further terms.

New Trustees, who are already familiar with the Institute prior to appointment, are 'trained' mostly on the job by attending meetings of Trustees. They are provided with notes covering the Institute's mission, history, organisation, governance, and details of the other Trustees, together with the latest Trustees' Report and Financial Statements. Newly appointed Trustees will usually already have substantial board level or departmental management experience in either the commercial or academic arenas.

### **Pay policy for senior staff**

The performance of key personnel is reviewed at least annually, either by the Executive Director or by a small committee of Trustees, led by the Chairman. Pay increases and bonuses are awarded to reward merit. Decisions regarding pay levels are informed by reference to other think tanks and also comparable positions in related sectors.

### **Taxation Status**

The charitable company is a registered charity and, as such, for taxation purposes is entitled to exemption under the Income and Corporation Taxes Act 1988.

### **Auditor**

In accordance with the company's articles, a resolution proposing the reappointment of the charities auditor will be put at a General Meeting.

The Trustees have taken advantage of the exemptions available under the small companies' regime, exempting them from the requirement to prepare a strategic report and in preparing the Trustees' Report.

### **Statement of Trustees responsibilities**

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

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



## THE INSTITUTE OF ECONOMIC AFFAIRS

### TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees report was approved by the Board of Trustees.



Linda Edwards  
Chairman

Date: 2-Dec-2025





# THE INSTITUTE OF ECONOMIC AFFAIRS

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE INSTITUTE OF ECONOMIC AFFAIRS

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### Opinion

We have audited the financial statements of The Institute of Economic Affairs (the 'Charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources, 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE INSTITUTE OF ECONOMIC AFFAIRS

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### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; 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 from the requirement to prepare a Strategic report.

### **Responsibilities of Trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the 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.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE INSTITUTE OF ECONOMIC AFFAIRS

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### **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 it 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.

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

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

- the engagement partner ensured that the audit engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management and from our knowledge and experience of the charity and sector in which it operates;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity including the Companies Act 2006, charities legislation, taxation legislation, data protection, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with laws and regulations identified above through making enquiries of management and inspecting legal correspondence, if required; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- reviewed a sample of grants in the year to ensure accurate recognition;
- agreed a sample of employees on the payroll to existence and agreed the accuracy of the pay;
- assessed and reviewed the appropriateness and effectiveness of the key systems and controls;
- assessed whether judgements and assumptions made in determining the accounting estimates set out were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF THE INSTITUTE OF ECONOMIC AFFAIRS

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In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Robert Anderson (Senior Statutory Auditor)**

For and on behalf of Streets Audit LLP  
Chartered Accountants and Statutory Auditor  
21-33 Great Eastern Street, Shoreditch  
London  
EC2A 3EJ  
Date: 03 December 2025



# THE INSTITUTE OF ECONOMIC AFFAIRS

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Unrestricted funds 2025	Restricted funds 2025	Endowment funds 2025	Total 2025	Unrestricted funds 2024	Restricted funds 2024	Endowment funds 2024	Total 2024
		£	£	£	£	£	£	£	£
<b>Income from:</b>									
Donations and legacies	3	845,349	273,246	-	1,118,595	1,569,314	230,000	3,871,000	5,670,314
Charitable activities	4	90,363	-	-	90,363	62,160	-	-	62,160
Investments	5	130,716	-	-	130,716	9,305	-	105,606	114,911
<b>Total income and endowments</b>		<b>1,066,428</b>	<b>273,246</b>	<b>-</b>	<b>1,339,674</b>	<b>1,640,779</b>	<b>230,000</b>	<b>3,976,606</b>	<b>5,847,385</b>
<b>Expenditure on:</b>									
Charitable activities	6	1,905,378	246,806	-	2,152,184	2,512,539	473,750	-	2,986,289
<b>Total expenditure</b>		<b>1,905,378</b>	<b>246,806</b>	<b>-</b>	<b>2,152,184</b>	<b>2,512,539</b>	<b>473,750</b>	<b>-</b>	<b>2,986,289</b>
<b>Net gains/(losses) on investments</b>	11	<b>-</b>	<b>-</b>	<b>(262,701)</b>	<b>(262,701)</b>	<b>-</b>	<b>-</b>	<b>286,000</b>	<b>286,000</b>
<b>Net income/(expenditure)</b>		<b>(838,950)</b>	<b>26,440</b>	<b>(262,701)</b>	<b>(1,075,211)</b>	<b>(871,760)</b>	<b>(243,750)</b>	<b>4,262,606</b>	<b>3,147,096</b>
Transfers between funds		-	-	-	-	418,000	-	(418,000)	-
<b>Net movement in funds</b>	8	<b>(838,950)</b>	<b>26,440</b>	<b>(262,701)</b>	<b>(1,075,211)</b>	<b>(453,760)</b>	<b>(243,750)</b>	<b>3,844,606</b>	<b>3,147,096</b>
<b>Reconciliation of funds:</b>									
Fund balances at 1 April 2024		765,240	102,250	5,451,606	6,319,096	1,219,000	346,000	1,607,000	3,172,000
<b>Fund balances at 31 March 2025</b>		<b>(73,710)</b>	<b>128,690</b>	<b>5,188,905</b>	<b>5,243,885</b>	<b>765,240</b>	<b>102,250</b>	<b>5,451,606</b>	<b>6,319,096</b>



# THE INSTITUTE OF ECONOMIC AFFAIRS

## BALANCE SHEET AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
<b>Fixed assets</b>					
Tangible assets	13		537,157		569,163
Investments	14		4,788,905		5,499,845
			<u>5,326,062</u>		<u>6,069,008</u>
<b>Current assets</b>					
Debtors	16	94,952		257,592	
Cash at bank and in hand		161,063		67,049	
			<u>256,015</u>		<u>324,641</u>
<b>Creditors: amounts falling due within one year</b>	17	(338,192)		(74,553)	
<b>Net current (liabilities)/assets</b>			<u>(82,177)</u>		<u>250,088</u>
<b>Total assets less current liabilities</b>			<u>5,243,885</u>		<u>6,319,096</u>
<b>The funds of the Charity</b>					
Endowment funds	18		5,188,905		5,451,606
Restricted income funds	19		128,690		102,250
Unrestricted funds	20		(73,710)		765,240
			<u>5,243,885</u>		<u>6,319,096</u>

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

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

The financial statements were approved by the Trustees on ..... 2 Dec 2025

  
Linda Edwards (Chairman)

Company registration number 755502 (England and Wales)





# THE INSTITUTE OF ECONOMIC AFFAIRS

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	25		(484,940)		2,833,072
<b>Investing activities</b>					
Purchase of tangible fixed assets		-		(3,872)	
Purchase of investments		(262,575)		(5,358,353)	
Proceeds from disposal of investments		710,814		2,107,291	
Investment income received		130,716		114,911	
<b>Net cash generated from/(used in) investing activities</b>			578,954		(3,140,023)
<b>Net cash generated from financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			94,014		(306,951)
Cash and cash equivalents at beginning of year			67,049		374,000
<b>Cash and cash equivalents at end of year</b>			161,063		67,049



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies

#### Charity information

The Institute of Economic Affairs (IEA) is a charitable company limited by guarantee, and is registered, domiciled and incorporated in England. Its registered office is 2 Lord North Street, Westminster, London SW1P 3LB.

#### 1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for investments which are recognised at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective October 2019, the Charities Act 2011, and the Companies Act 2006. The Institute constitutes a public benefit entity as defined by FRS 102.

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

#### 1.2 Going concern

The charity has net current liabilities and unrestricted general funds in deficit at the year end, which necessitates the Trustees' to consider whether the going concern basis of preparation remains appropriate. The Trustees confirm that at the time of approving the financial statements, there is a reasonable expectation that the Institute has adequate resources to continue in operational existence for the foreseeable future. In arriving at this conclusion, the Trustees have reviewed budgets and cash flow forecasts covering a period to 31 March 2027, taken account of current and anticipated financial performance in the current economic conditions, and the Institute's healthy reserves position. For this reason, the going concern basis continues to be adopted in the preparation of the Institute's financial statements.

#### 1.3 Charitable funds

##### Unrestricted Funds

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objectives. Designated funds are unrestricted funds which the Trustees have currently designated for specific purposes. General funds are unrestricted funds for which no specific purposes have been designated.

##### Restricted Funds

Restricted funds are those donated to the Institute for one or more specific purposes.

##### Endowment Funds

The Ralph Harris Fund is an expendable endowment fund whose use is restricted to financial support for the position of the Executive Director, including employment and support costs.

The Nigel Vinson Fund is a permanent endowment fund whose use is restricted to supporting the academic and outreach work of the IEA in collaboration with the University of Buckingham.

#### 1.4 Income

Income from donations is included in income when these have been pledged by the donor, it is probable that the income will be received and the amount can be measured reliably, except:

- when donors specify that donations given to the charity must be used in future accounting periods, the income is deferred until those periods;
- when donors impose conditions, which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the pre-conditions for use have been met.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 1 Accounting policies

(Continued)

Subscription income is credited to income for the subscription period covered.  
All other income including income from investments is credited to income when receivable by the charity

#### 1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. All costs are allocated between expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources e.g. by floor space. Staff costs have been allocated according to the time spent on each activity.

Research expenditure is written off in the financial statements as it is incurred.

#### 1.6 Tangible fixed assets

Fixed assets are stated at historical cost, less depreciation.

Depreciation is provided on tangible fixed assets, other than freehold land, at rates calculated to write each asset down evenly over its expected useful life, as follows:-

Freehold land and buildings	over 40 years
Fixtures and fittings	over 3 - 10 years depending on the nature of the asset

Expenditure of a capital nature below £1,000 is not capitalised, but charged to the Statement of Financial Activities in the year of expenditure.

#### 1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

#### 1.8 Impairment of fixed assets

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

#### 1.9 Stocks

Stock and Work in Progress have no value for accounts purposes and is attributed to stocks of unsold publications.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The charity has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments. The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies

(Continued)

#### ***Basic financial assets***

Basic financial assets, including investments held as fixed assets, and trade and other receivables, are initially recognised at transaction price.

Investments held as fixed assets comprise equities, open-ended funds, fixed interest securities and currency and are stated at year end market value (bid-price). Realised gains and losses on disposal and unrealised gains and losses due to the movement in market value of investments are recognised in the Statement of Financial Activities.

Other financial assets are assessed at the end of each reporting period for objective evidence of impairment due to reduction in the recoverable amount. Any impairment losses are recognised in the Statement of Financial Activities.

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other payables are initially recognised at transaction price. Any subsequent changes to amounts payable are recognised in the Statement of Financial Activities. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

#### **1.12 Foreign exchange**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

### 2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no critical accounting estimates and areas of judgement included within these accounts.



**THE INSTITUTE OF ECONOMIC AFFAIRS**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2025**

**3 Income from donations and legacies**

	Unrestricted funds 2025 £	Restricted Endowment funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted Endowment funds 2024 £	Total 2024 £
Donations and gifts	845,349	273,246	1,118,595	1,546,940	230,000	5,647,940
Legacies	-	-	-	22,374	-	22,374
	845,349	273,246	1,118,595	1,569,314	230,000	5,670,314



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 4 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
<b>Other income</b>		
Publications and Subscriptions	29,245	11,334
Trading Activities	61,118	50,826
	<u>90,363</u>	<u>62,160</u>

### 5 Income from investments

	Unrestricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
Income from unlisted investments	130,554	-	130,554	-	75,143	75,143
Other income		-	-	8,000	-	8,000
Interest receivable	162	-	162	1,305	30,463	31,768
	<u>130,716</u>	<u>-</u>	<u>130,716</u>	<u>9,305</u>	<u>105,606</u>	<u>114,911</u>



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 6 Expenditure on charitable activities

	Direct costs 2025 £	Direct costs 2024 £
<b>Direct costs</b>		
Fundraising and Subscriber Support	18,468	21,250
Research and Publications	49,695	104,692
Student/Teacher Outreach	69,404	67,906
International Outreach	99,687	234,566
Communications	83,816	172,478
	<u>321,070</u>	<u>600,892</u>
<b>Share of support and governance costs (see note 7)</b>		
Support	1,831,114	2,385,397
	<u>2,152,184</u>	<u>2,986,289</u>
<b>Analysis by fund</b>		
Unrestricted funds	1,905,378	2,512,539
Restricted funds	246,806	473,750
	<u>2,152,184</u>	<u>2,986,289</u>

### 7 Support costs allocated to activities

	2025 £	2024 £
<b>Basis of allocation</b>		
Fundraising and subscriber support	20% Support Costs 21% Personnel Costs	
	366,223	477,079
Research and publications	27% Support Costs 24% Personnel Costs	
	468,647	611,214
Student/Teacher outreach	31% Support Costs 15% Personnel Costs	
	361,615	476,726
International outreach	4% Support Costs 11% Personnel Costs	
	163,383	210,368
Communications	18% Support Costs 29% Personnel Costs	
	471,246	610,010
	<u>1,831,114</u>	<u>2,385,397</u>
<b>Analysed between:</b>		
Personnel	1,287,686	1,642,172
Office support costs	438,817	311,551
Property support costs	91,325	414,662
Travel support costs	13,286	17,013
	<u>1,831,114</u>	<u>2,385,397</u>

Support costs include a liability for a settlement agreement that was determined and paid after the year end but before the financial statements were signed, relating to a legal claim made against the charity in a prior accounting period



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

<b>8</b>	<b>Net movement in funds</b>	<b>2025</b>	<b>2024</b>
		<b>£</b>	<b>£</b>
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	10,000	10,000
	Depreciation of owned tangible fixed assets	32,007	32,926
		<u>          </u>	<u>          </u>

<b>9</b>	<b>Trustees</b>		
	None of the Trustees (or any persons connected with them) received any remuneration, reimbursement for expenses or benefits from the Charity during the year.		

<b>10</b>	<b>Employees</b>		
	The average monthly number of employees during the year was:		
		<b>2025</b>	<b>2024</b>
		<b>Number</b>	<b>Number</b>
	Office and management	20	22
		<u>          </u>	<u>          </u>
	Wages and salaries	1,009,542	1,129,351
	Social security costs	115,087	128,488
	Other pension costs	45,512	50,209
		<u>          </u>	<u>          </u>
		1,170,141	1,308,048
		<u>          </u>	<u>          </u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	2	3
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£130,001 - £140,000	1	-
£180,001 - £190,000	-	1
	<u>          </u>	<u>          </u>

### Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	480,642	449,920
	<u>          </u>	<u>          </u>





# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 11 Gains and losses on investments

	Endowment funds 2025 £	Endowment funds 2024 £
Gains/(losses) arising on:		
Revaluation of investments	(262,701)	286,000

### 12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 13 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 April 2024	964,459	100,626	1,065,085
At 31 March 2025	964,459	100,626	1,065,085
<b>Depreciation and impairment</b>			
At 1 April 2024	471,994	23,927	495,921
Depreciation charged in the year	17,642	14,365	32,007
At 31 March 2025	489,636	38,292	527,928
<b>Carrying amount</b>			
At 31 March 2025	474,823	62,334	537,157
At 31 March 2024	492,464	76,699	569,163



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 14 Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 April 2024	5,499,845
Additions	262,575
Valuation changes	(312,275)
Gains on disposal	49,574
Disposals	(710,814)
At 31 March 2025	4,788,905
<b>Carrying amount</b>	
At 31 March 2025	4,788,905
At 31 March 2024	5,499,845

### 15 Financial instruments

	2025 £	2024 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through Statement of Financial Activities	4,788,905	5,499,845

### 16 Debtors

	2025 £	2024 £
<b>Amounts falling due within one year:</b>		
Trade debtors	51,760	50,988
Other debtors	-	4,754
Prepayments and accrued income	43,192	201,850
	94,952	257,592

### 17 Creditors: amounts falling due within one year

	2025 £	2024 £
Other taxation and social security	32,850	26,184
Trade creditors	23,585	20,954
Accruals and deferred income	281,757	27,415
	338,192	74,553

Deferred income amounting to £11,053 arose as a result of 2 year subscriptions paid in advance. Amounts are released to the Statement of Financials Activities within the period to which the subscription relates.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 18 Endowment funds

	At 1 April 2024 £	Incoming resources £	Transfers £	Gains and losses £	At 31 March 2025 £
<b>Permanent endowments</b>					
Nigel Vinson fund	4,176,143	-	-	(93,647)	4,082,496
<b>Expendable endowments</b>					
Ralph Harris Fund	1,275,463	-	-	(169,054)	1,106,409
	<u>5,451,606</u>	<u>-</u>	<u>-</u>	<u>(262,701)</u>	<u>5,188,905</u>
<b>Previous year:</b>	<b>At 1 April 2023 £</b>	<b>Incoming resources £</b>	<b>Transfers £</b>	<b>Gains and losses £</b>	<b>At 31 March 2024 £</b>
<b>Permanent endowments</b>					
Nigel Vinson fund	-	3,945,143	(49,000)	280,000	4,176,143
<b>Expendable endowments</b>					
Ralph Harris Fund	1,607,000	31,463	(369,000)	6,000	1,275,463
	<u>1,607,000</u>	<u>3,976,606</u>	<u>(418,000)</u>	<u>286,000</u>	<u>5,451,606</u>

The Ralph Harris Fund was established as an expendable endowment fund to support the position of the Executive Director (ED) of the IEA, which means all and any costs incurred by the IEA in support of the Executive Director in the performance of his or her responsibilities, including support staff, their recruitment and termination, and a contribution to the overheads of running their office.

The Nigel Vinson Fund was established as a permanent endowment fund to support joint working between the IEA and the University of Buckingham to widen the understanding of the Constitution of Liberty and the freedoms that are the foundations of our society, particularly in social market economies where free speech and free trade are conducted within a moral framework. Each year the surplus of the fund to a level agreed by an authorising board is expended on scholarship, education, academic programmes, events and outreach in support of this mission through collaboration between both parties and focused on but not limited to the Vinson Centre for Economics and Entrepreneurship at the University of Buckingham.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024 £	Incoming resources £	Resources expended £	At 31 March 2025 £
Rising Tide (IATP/Africa Projects)	48,000	16,127	(64,127)	-
SOF (was Student Outreach and Opportunity)	20,000	6,000	(12,142)	13,858
International Projects(was Epicenter)	26,106	-	(26,106)	-
Whetstone Freedom Fund	8,144	176,372	(76,477)	108,039
Building Maintenance Fund	-	42,954	(42,954)	-
Future of the Right Event	-	3,249	(3,249)	-
Islam and Liberty Network	-	900	(900)	-
The Ralph Harris Lecutre	-	8,041	(8,041)	-
Rising Tide- a Coalition of Alternative Solutions	-	8,623	(1,830)	6,793
Nobel Prize Posters	-	6,199	(6,199)	-
Mont Pelerin Society (MPS)	-	4,781	(4,781)	-
	<u>102,250</u>	<u>273,246</u>	<u>(246,806)</u>	<u>128,690</u>

#### Previous year:

	At 1 April 2023 £	Incoming resources £	Resources expended £	At 31 March 2024 £
Events Publication	-	1,000	(1,000)	-
Linda Whetstone Scholarship	-	32,000	(32,000)	-
Building Restoration Fund	104,000	-	(104,000)	-
Rising Tide (IATP/Africa Projects)	110,000	65,000	(127,000)	48,000
SOF (was Student Outreach and Opportunity)	16,000	11,000	(7,000)	20,000
International Projects (was Epicenter)	116,000	19,856	(109,750)	26,106
Think Tent	-	44,000	(44,000)	-
Vision Centre at the University of Buckingham	-	49,000	(49,000)	-
Whetstone Freedom Fund	-	8,144	-	8,144
	<u>346,000</u>	<u>230,000</u>	<u>(473,750)</u>	<u>102,250</u>



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 19 Restricted funds

(Continued)

The Student Opportunity Fund (SOF) which was (Student Outreach and Opportunity Fund) is used exclusively to assist students who are experiencing financial difficulty to attend education programmes and internships at the Institute of Economic Affairs or the Vinson Centre.

Whetstone Freedom Fund was established in 2024 as the rebadged name of the legacy funds from the Network for a Free Society transferred to the stewardship of the IEA from 2022. Whetstone Freedom Fund empowers classical liberal organisations to spread the core principles of a free society in every corner of the world.

Future of the Right Event was a one-off event in July 2024 debating the future of the right in the UK.

The Rising Tide IATP/Africa projects foundation supports the Initiative on African Trade and Prosperity championing free market policies for Africa to relieve poverty and promote peace, prosperity and liberty.

Donations were received to grant to the Islam and Liberty Network to advance understanding of political and economic freedom for peace and prosperity in Muslim majority countries.

The Ralph Harris Lecutre was a once-off event held in December 2024 with economist Tyler Goodspeed. The donations were fully expended on the main event.

The Rising Tide Coalition of Alternative Solutions is an ongoing project to consider the effects of state-led welfare and its limitations, through panel discussions, writing and events.

Building maintenance funds were expended on improving the thermal comfort of 2 Lord North Street, renovation of interior events spaces, and the completion of major works from the prior year.

Donations were received for staff to attend the 2024/25 Mont Perelin Society Conference in India.

Donations were received to display portraits of Nobel Prize winning economists within 2 Lord North Street.

### 20 Unrestricted funds

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Designated Fixed Asset Fund	491,461	-	(16,639)	-	474,823
Unrestricted general funds	273,779	1,066,428	(1,888,740)	-	(548,533)
	<u>765,240</u>	<u>1,066,428</u>	<u>(1,905,378)</u>	<u>-</u>	<u>(73,710)</u>
<b>Previous year:</b>	<b>At 1 April 2023 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>At 31 March 2024 £</b>
Fixed Asset Fund	510,000	-	(18,539)	-	491,461
Unrestricted general funds	709,000	1,640,779	(2,494,000)	418,000	273,779
	<u>1,219,000</u>	<u>1,640,779</u>	<u>(2,512,539)</u>	<u>418,000</u>	<u>765,240</u>



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 20 Unrestricted funds

(Continued)

The Fixed Asset Fund represents donations made to the Institute currently designated and used by the Trustees for the purpose of acquiring freehold and investment property. A transfer has been made between the Fixed Asset Fund and the general funds in order to reflect the depreciation of the freehold property on the period.

Unrestricted general funds represent free reserves after allowing for all designated funds.

### 21 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total 2025 £
<b>At 31 March 2025:</b>				
Tangible assets	537,157	-	-	537,157
Investments	-	-	4,788,905	4,788,905
Current assets/(liabilities)	(610,867)	128,690	400,000	(82,177)
	<u>(73,710)</u>	<u>128,690</u>	<u>5,188,905</u>	<u>5,243,885</u>
	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
<b>At 31 March 2024:</b>				
Tangible assets	569,163	-	-	569,163
Investments	48,239	-	5,451,606	5,499,845
Current assets/(liabilities)	147,838	102,250	-	250,088
	<u>765,240</u>	<u>102,250</u>	<u>5,451,606</u>	<u>6,319,096</u>

### 22 Retirement benefit schemes

#### Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The pension costs of the charities scheme amounted to £45,512 (2024:£50,209). There were no contributions outstanding at the end of the period.



# THE INSTITUTE OF ECONOMIC AFFAIRS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

### 23 Operating lease commitments

#### Lessee

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2025 £	2024 £
Within one year	6,108	9,573
Between two and five years	34,261	13,274
	<u>40,369</u>	<u>22,847</u>

### 24 Related party transactions

Donations and fees of £120,400 (2024: £580,600) were received or pledged in the period from IEA Forum Limited, a company in which a Trustee is a director, and three Trustees are members. £19,606 (2024: £122,600) was outstanding at the year-end in respect of these transactions.

Donations from trustees in the period totalled £56,000 (2024: £51,490). Donations from staff and consultants in the period totalled £90 (2024: £nil). There were no amounts outstanding at this or the previous period end in respect of these transactions.

No conditions were attached to any of these donations which would require the charity to significantly alter the nature of its existing activities.

### 25 Cash (absorbed by)/generated from operations

	2025 £	2024 £
(Deficit)/surplus for the year	(1,075,211)	3,147,096
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	(130,716)	(114,911)
Fair value gains and losses on investments	262,701	(286,000)
Depreciation and impairment of tangible fixed assets	32,007	32,926
<b>Movements in working capital:</b>		
Decrease in debtors	162,640	89,408
Increase/(decrease) in creditors	263,639	(35,447)
<b>Cash (absorbed by)/generated from operations</b>	<u>(484,940)</u>	<u>2,833,072</u>