



Trustees' Report

Year ended 31 December 2024

Institute for Fiscal Studies



Contents

Company information	2
Introduction from the Chair of Trustees	3
Objectives and activities	4
The objects of the Institute	4
Strategic framework	4
How has the Institute tried to further these aims?	4
Review of 2024	5
Priorities for 2025 and beyond	7
Strategic Report	8
Financial review	8
Reserves policy	8
Principal risks and uncertainties	9
Governance and management	11
Constitution	11
Members of the Board of Trustees	11
Attendance at Board meetings	11
Induction and training of Trustees	13
Organisational structure of the Institute and the decision-making process	13
Remuneration policy	13
Statement of policy on fundraising	13
Charity Governance Code	14
Trustees' responsibilities	15
Independent Auditor's Report	16
Financial reports / Statement of financial activities	20
Balance sheet	21
Statement of cash flows	22
Notes to the accounts	23

Company information

Company registered office

7 Ridgmount Street
London WC1E 7AE

Company registered number

00954616 (Incorporated in England and Wales)

Registered charity

258815

Company bankers

National Westminster Bank plc
City of London Office
1 Princes Street
London EC2R 8BP

Auditor

Moore Kingston Smith LLP
9 Appold Street
London EC2A 2AP

Introduction from the Chair of Trustees



I am pleased to present the Trustees' Report of the activities of IFS in 2024.

During the year, the IFS once again justified its role as the most respected and influential independent institution in economic and fiscal policy in the UK. During the general election campaign, many in the media and the public turned to the Institute as a public referee, holding parties to account when numbers didn't add up or policy proposals were less than transparent. Aside from the election itself, researchers at the IFS analysed and explained a number of fiscal events for the UK as a whole and across the regions.

The authority to comment on policies and policy proposals and to work with governments to understand and improve policy development comes from unparalleled excellence in academic research conducted at the IFS. An example of this was the IFS Deaton Review of Inequalities: the first part of its work was published in 2024 by Oxford University Press and – in common with nearly all publications and outputs by IFS staff – is available free of charge online for everyone to read.

The IFS is entirely independent of political parties, companies, individuals and pressure groups, with much of its funding coming through a peer-reviewed process from UK Research and Innovation (UKRI). During the year, we were successful in gaining renewed funding for IFS's UKRI-funded Centre for the Microeconomic Analysis of Public Policy, which will provide much-needed consistency of funding for the next five years.

On behalf of the Trustees, I thank all the staff at IFS for their tireless work, continuing to produce and disseminate excellent research of the highest standard. I would like to thank my fellow Trustees for giving their time and expertise so generously throughout the year. Thanks also go to my predecessor in this role, Michael Ridge, who stepped down last year after 8 years of service to the IFS as Trustee and Chair of the Board.

A handwritten signature in black ink, appearing to read 'Harry Gaskell', with a long horizontal flourish extending to the right.

Harry Gaskell
Chair of Trustees, Institute for Fiscal Studies

Objectives and activities

The objectives of the Institute

The objectives of IFS are the advancement of education, for the benefit of the public, by promotion on a non-political basis of the study and discussion of, and the exchange and dissemination of information and knowledge concerning, the economic and social effects and influences of:

- existing taxes;
- proposed changes in fiscal systems; and
- other aspects of public policy,

in each case whether in the United Kingdom (UK) or elsewhere in the world.

So as to advance these objectives, it is IFS's policy to retain the right to publish its reports openly in order to inform public debate and policymaking.

Public benefit

The members of the Board of Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 and have taken due regard of the Charity Commission's general guidance on public benefit. Examples of how the Institute has aimed to meet its public benefit are given in the review of 2024, where the Institute's achievements are reported.

Strategic framework

IFS operates within a strategic framework agreed by the Board of Trustees; in addition to its regular meetings, the Board meets every year to discuss strategy with IFS staff, discuss issues, opportunities and difficulties, and agree on objectives. These discussions cover maintaining excellence in research, preserving independence and impartiality in policy analysis, engaging with a wide range of stakeholders, financial viability and good management, good governance, and supporting Institute members.

How has the Institute furthered these aims?

During the year, the Institute has carried out a wide range of research and has publicised the resulting findings as widely as possible through publications and conference participation, on its own website, on social media and in broadcast and written media. Success lies in the scientific quality of our research and the efficacy with which our findings have informed the public debate. The following pages outline how this has been done, as well as highlighting significant operational changes.

Review of 2024

IFS responded to significant events relating to UK policy, which included a number of fiscal events – UK-wide and in the devolved regions – before and after the change of government, as well as to the general election itself. Where decisions of national importance were at stake, by policymakers and the electorate, IFS research shone a light on the claims and counter-claims of politicians to help voters understand the choices for the country.

The IFS aims to reach a range of audiences, using strategies tailored to the expertise and interests of those groups. Methods used to connect with people include in-person meetings with national and regional policymakers, evidence to select committees and government bodies, written reports, public events, academic conferences, social media posts, digital tools, materials for schools and students, podcasts and videos.

The expertise that allows IFS researchers to explain and improve policy is underpinned by leading-edge academic research. The wide-ranging IFS Deaton Review of Inequalities was published in 2024 by Oxford University Press. Researchers have published articles in top journals and taken part in conferences, seminars and academic collaborations. Examples of research programmes that were ongoing in 2024 included: the IFS Pensions Review; research into productivity and labour markets; the Centre for Tax Analysis in Developing Countries; and collaborations with health experts into child nutrition and health and social care.

More information about IFS research and publications can be found on the IFS website:

<https://ifs.org.uk/research-and-analysis>.

To support our research and engagement, IFS has raised research funding during the year. A key funding source is UKRI, which, most significantly, funds the Economic and Social Research Council (ESRC) Centre for the Microeconomic Analysis of Public Policy (CPP) at IFS. Funding for this core research programme was applied for and renewed this year, with the new five-year tranche beginning in autumn 2025.

IFS research is funded through research grants, from the UK Research Councils, charitable trusts such as the Nuffield Foundation, and elsewhere (see financial review on page 12 for details). During 2024, IFS was notified of the outcome of 36 research proposals, of which 24 were approved for funding (67% success rate). Fewer proposals were submitted and assessed than in 2023 (42) but the success rate was higher (60% in 2023). In part, this was owing to the significant effort devoted to preparing the bid for renewal funding for the ESRC Institute, which was successful achieved with a value of £10.3 million. The total value of awards made was £14.9 million (£10.02 million in 2023). The number of potential funders approached was 23, and funding was awarded by 18 different organisations (25 and 17 in 2023). A total of 87 funded research projects were active in 2024, which is a little lower than 2023 (101).

A list of projects active during 2024 can be found on the IFS website: <https://ifs.org.uk/about/finance>.

Part of the remit of the IFS is to build capacity and expertise in the social sciences in the UK and elsewhere. In 2024, we recruited three new graduates and three postdoctoral researchers. The organisation also hosted eight summer students and four work-experience school students as part of a programme to encourage interest in social science research amongst under-represented groups of young people. The IFS acts as a hub for UK researchers and experts, with a wide network of affiliates who frequently visit from the UK and overseas to collaborate with IFS researchers. During the year, the IFS hosted a series of guest seminars, as well as larger academic and policy-focused events. Details of all IFS events can be found on the website: <https://ifs.org.uk/events>.

Operationally, a significant development during the year has been a move to cloud computing and a laptop-first policy. This will enhance data security and ease of working for staff and affiliates.

Selected highlights

During the year, a number of members of staff were recognised for their excellence in the field. IFS Director, Paul Johnson, was awarded an honorary doctorate degree from the University of Sussex. CPP Director, Imran Rasul, was appointed Royal Economic Society President-Elect. IFS Deputy Director, Carl Emmerson, was made a Fellow of the Academy of Social Sciences. IFS Deputy Research Director, Dr Sonya Krutikova, was appointed to the new Department for Education Science Advisory Committee. CPP Co-director, Professor Sir Richard Blundell, gave the prestigious Marshall Paley Lecture on inequalities.

Top journals and press highlights

Top five journal articles past decade (2015–24): 45

Top field journal articles past decade (2015–24): 130

Front pages 2024: 301 (144 in 2023, 258 in 2022, 165 in 2021)

Press interviews 2024: 413 (304 in 2023, 493 in 2022, 249 in 2021) including 24 on Today, 13 on LBC and 65 on BBC Radio 4

Academic and policy publications summary

Type	2024	2023	2022	2021
Journal articles [¥]	102	82	81	48
Top five journal articles [*]	6	6	3	2
Top field journal articles [◊]	17	11	21	13
Working papers	89	70	105	67
IFS reports [‡]	58	70	55	44
Comments	117	95	79	42

[¥] Includes more papers in 2022, 2023 and 2024 than were tracked in the past, now available on Elements.

^{*} *American Economic Review* (AER), *Econometrica* (ECMA), *Journal of Political Economy* (JPE), *Quarterly Journal of Economics* (QJE), *Review of Economic Studies* (ReStud).

[◊] *Journal of Health Economics*, *Journal of Labor Economics*, *Journal of Human Resources*, *Review of Economic Dynamics*, *Journal of Public Economics*, *Journal of Econometrics*, *RAND Journal of Economics*, *Review of Economics and Statistics*, *Journal of Economic Literature*, *Economic Journal*, *Journal of the European Economic Association*, *European Economic Review*, *Journal of Monetary Economics*, *Quantitative Economics*.

[‡] Includes IFS Deaton Review of Inequalities chapters.

More statistics about publications and impact are on the IFS website: <https://ifs.org.uk/about/impact>.

Priorities for 2025 and beyond

In addition to the UKRI-funded CPP, whose research programme is central to IFS's work, two other large projects are getting underway and are expected to progress during 2025. The first will focus on access to the justice system, pathways through the justice system and wider effects on well-being for those experiencing the justice system. The second project aims to transform understanding of economic inequalities within and between the UK's ethnic minority groups. Informed by multidisciplinary insights, researchers will bring together cutting-edge methods and newly linked datasets. For both projects, IFS researchers are in a unique position to engage with policymakers and stakeholders, and to upskill a generation of researchers in the study of ethnic inequalities.

During the year, our researchers and communications professionals will continue to seek ways to engage in dialogue with audiences across the UK and further afield. An example is the biennial IFS residential conference, which brings together academics, policymakers and tax professionals: the theme for 2025 will be business taxation.

Two big changes are underway for the organisation in 2025. IFS's director, Paul Johnson, will be stepping down after 14 years in the job: recruitment will take place during the first quarter of the year. The IFS will also be moving in the summer to new premises. Following an extensive search for a suitable property, plans are already in train to fit out the accommodation ready for staff to move in during July. In preparation for this, IFS has been updating its ICT infrastructure to move most data and analysis to a cloud computing environment. This has enhanced data security and will allow for more flexible working using laptops.

Strategic report

Financial review

The results for the year ended 31 December 2024 are presented in the statement of financial activities on page 20. Before unrealised net gains on investment, IFS surplus was £410,486 (2023: £505,431). This was primarily driven by a surplus on membership and donations/raising funds (£327,613) and investment (deposit) income (£188,684). Research at IFS recorded a deficit of £185,285, made up of a surplus on unrestricted research funds (primarily research contracts) of £299,609 and a deficit on restricted research funds (primarily research grants) of £483,894. The latter figure reflects the impact of inflation on multi-year fixed budget research grants.

Expenditure increased in total by £1,298,488 in the year, to £10,959,987 (2023: £9,661,499). Around half that increase (£645,607) was higher staff costs – both the impact of inflationary pay awards, but also higher staff numbers to manage an expanded research agenda. The other major drivers of increased expenditure were one-off IT costs associated with a major upgrade of hardware and software across the organisation, and professional fees associated with IFS's planned office move in 2025.

Unrealised net gains on IFS's investment with CCLA of £150,666 for the year meant net income overall for the year was £561,512. Despite this, because of the rise in the overall cost base, General Fund reserves cover only increased marginally from 6.26 months to 6.29 months – remaining at the six-month target set by the Board of Trustees.

The Institute attempts to raise its research funds from a range of organisations so that it is not dependent upon a single source of funding. Although 46% of the income from charitable activities recognised in 2024 was provided by the ESRC (46% in 2023), this funding covers a wide range of projects and IFS continues to submit applications to new funders to widen the funding base.

Reserves policy

The reserves policy is twofold: one, to hold funds for working capital purposes and as a contingency, should sufficient new funding not emerge or should existing contracts be cancelled; and two, to reflect the net book value of fixed and intangible assets.

In response to the significant impact of inflation on IFS's reserves, in November 2022 the Board of Trustees approved an investment of £2 million into CCLA's COIF Charities Investment Fund and established an Investment Committee to oversee performance. The purpose of the investment was defined as maintaining the real value of reserves as a whole over a 15- to 20-year time frame. For the year ended 31 December 2024, the unrealised net gain on this investment was £150,666.

As at 31 December 2024, the Institute's total reserves were £5,113,832 (2023: £4,552,680), comprising the unrestricted General Fund of £5,031,403 (2023: £4,408,501), the unrestricted Fixed Asset Fund of £47,552 (2023: £62,800) and the unrestricted Intangible Asset Fund of £34,877 (2023: £81,379).

The General Fund reflects the Institute's net current assets and is considered to be the amount of reserves that could be easily converted to cash, should the need arise. The target is for the General Fund to be maintained at a level to cover up to six months' expenditure (excluding direct project costs). The Trustees wish to continue to raise modest surpluses so that the General Fund meets and maintains this target.

The Fixed Asset Fund was established in 2010 such that this fund would be equivalent in value to the net book value of the Institute's fixed assets.

The Intangible Asset Fund comprises IFS's investment in a new website, launched in 2022, which is being paid for out of the General Fund. Now the site has been launched, the value of the asset, and this fund, will reduce on a straight-line basis over three years.

The reserves policy is subject to active review in the light of prevailing circumstances.

	2024	2024	2024	2023	2023	2023
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Cash and cash equivalents	2,361,711	1,891,506	4,253,217	2,409,963	3,051,387	5,461,350
Less net grants received in advance	(332,034)	(1,454,279)	(1,786,313)	(202,787)	(2,256,814)	(2,459,601)
Cash holdings (excluding net project grants received in advance)	2,029,677	437,227	2,466,904	2,207,177	794,573	3,001,750
Other working capital	(184,060)	(437,227)	(621,287)	(436,096)	(794,573)	(1,230,669)
Investments	3,185,786	-	3,185,786	2,637,421	-	2,637,421
General Fund	5,031,403	-	5,031,403	4,408,501	-	4,408,501
No. of months of forecast expenditure (excluding direct project costs)	6.29			6.26		
Target level for the General Fund: (six months' forecast expenditure, excluding direct project costs)	4,800,687			4,226,788		

General Fund	5,031,403	-	5,031,403	4,408,501	-	4,408,501
Fixed Asset Fund	47,552	-	47,552	62,800	-	62,800
Intangible Asset Fund	34,877	-	34,877	81,379	-	81,379
Total reserves	5,113,832	-	5,113,832	4,552,680	-	4,552,680

Principal risks and uncertainties

The Board of Trustees has overall responsibility for ensuring that the Institute has appropriate systems of control, both financial and operational. These systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Audit Committee reviews IFS's internal controls in detail and advises the Board where necessary.

During the year, the Board of Trustees continued to review the major financial and operational risks facing the Institute. This is done through regular review of movements in the risk register at Board meetings. The Audit Committee also regularly reviews the IFS risk register and receives detailed analysis of major risks, advising the Board where appropriate. Key organisational risks normally become a standing item at both meetings so that regular updates can be provided.

The key risks that have been considered by the Board of Trustees in 2024 are:

- Access to funding and changes to existing funders' policies – in particular, IFS relies on the ESRC for a large proportion of the Institute's research funds. However, this funding represents a mix of long-term and short-term funding, which reduces the immediate risk. During 2024, the IFS Audit Committee reviewed a paper outlining the risks in this area and was satisfied with the mitigating

steps IFS is taking. The Institute continues to seek to diversify its funding sources in order to spread the risk.

- Retention of key staff and staff satisfaction – human capital is crucial to IFS's long-term success. The Board attaches the highest priority to nurturing and retaining talent and receives updates on the results and action points arising from periodic staff surveys.
- Safeguarding – to a limited extent, IFS is engaged in primary research activities with potentially vulnerable research participants in the UK and internationally. Our procedures in this area have been well benchmarked and stress tested, and we continue to take the greatest care to ensure that the relevant staff get proper training in this area.
- Investment risk – the potential long-term benefits of adding to our investment fund have been carefully weighed against the potential risks to IFS operations of a lack of easy access cash.
- IFS office lease expiration in June 2025 – as at the balance sheet date, IFS had signed a 15 year lease on a new office at 2 Marylebone Road, London NW1 4DF, starting April 2025.
- Network and data security – IFS is reliant on access to and use of data sources from a wide range of suppliers, a lot of which is confidential. Furthermore, as a high-profile public institution, IFS is, like other similar organisations, a potential target for cyber crime. These complex issues are currently managed by an internal information security forum that reports to IFS senior management and IFS Trustees. IFS is currently ISO 27001 compliant.
- Going concern risk and reserves – IFS restricted research grant finances in particular have been put under pressure by cost inflation. In response the IFS has and will continue to explore options to increase income where possible whilst carefully managing costs.
- Director recruitment – as at the balance sheet date, the IFS had successfully hired a replacement Director – Helen Miller, to replace the outgoing Director, Paul Johnson.

Going concern

IFS has modelled and stress-tested its cash flows and this work concluded that it will have sufficient liquid resources (cash and investments that can be converted to cash) to continue to operate for at least 12 months from the date of approval of these financial statements.

The Board of Trustees considered the extreme scenario that no projects currently applied for were successful, that no further applications were submitted, that all debtors were delayed by three months whilst all creditors were settled in the current month, and that no cost mitigations were introduced whether on staff costs or capital investments. Even in this case, which is not considered even remotely likely, IFS's cash position was not projected to turn negative in the 12 months from the date of signing of the accounts. Therefore the Board of Trustees remains of the view that there are no material uncertainties that call into doubt IFS's ability to continue. The financial statements have therefore been prepared on the basis that IFS is a going concern.

Governance and management

Constitution

The Institute for Fiscal Studies (IFS) was incorporated by guarantee on 21 May 1969. It is a private company limited by guarantee and has no share capital. It is a registered charity. The guarantee of each Company Law member ('Member') is limited to £1. The governing document is the Memorandum and Articles of Association of the Company and the members of the Board of Trustees are the Directors of the Company and the Trustees.

Company Law members consist of the IFS Council members. At the end of November 2024, the number of guarantors was 49 (49 at the end of November 2023), five of whom were elected by the IFS members. The Articles contain the provision that the IFS Council be expanded to no more than 50 persons and that it shall consist of 45 members elected by Council and five members elected by the wider IFS membership.

Members of the Board of Trustees

The Board of Trustees is established by the IFS Council: Trustees are elected by the Council from among themselves; the Board consists of at least seven and no more than twelve people, one of whom is *ex officio* the President of the Council. Trustees serve three-year terms, and will usually only serve a maximum of three terms. The Board of Trustees met five times during the year. Committee membership during 2024 was:

- Winnie Armah;
- Jonathan Athow;
- James Bell;
- John F. Chown* (Co-founder of IFS and honorary board member);
- Swati Dhingra;
- Harry Gaskell (Chair; joined in September 2024);
- David Gregson;
- Peter Kane;
- Caroline Mawhood;
- Orna NiChionna;
- Gus O'Donnell (President, IFS Council);
- Michael Ridge (Chair; stepped down in September 2024);
- Nicholas Timmins.

* John Chown is a co-founder of the IFS and a lifelong trustee; he is now unable to attend board meetings because of ill health.

As part of the organisation's governance review (see below), the Board of Trustees set up two subcommittees during 2019 to help improve scrutiny of the Institute's operations – a Nominations Committee and an Audit Committee. An Investment Committee was formed in 2023. The remits and memberships of the committees are as set out below.

Audit Committee

The Audit Committee's overall objective is to give advice to the Board of Trustees on:

- the overall processes for risk, control and governance;
- management assurances and appropriate actions from external audit and internal audit (if appropriate) findings, risk analysis and reporting undertaken;
- the financial control framework and supporting compliance culture;

- accounting policies and material judgements, the accounts and the annual report, and management's letter of representation to the external auditors;
- whistle-blowing arrangements for confidentially raising and investigating concerns over possible improprieties in the conduct of IFS business;
- processes to protect against fraud and corruption;
- the planned activity of internal audit (if appropriate) and external audit.

Membership during 2024: Jonathan Athow*, Peter Kane*, Caroline Mawhood* (Chair)

IFS staff attending: Carl Emmerson (Deputy Director), Slav Sikora-Sikorski (Head of Finance)

* Trustee

Nominations Committee

The Nominations Committee's objectives are:

- to develop and maintain rigorous and transparent procedures for appointments and re-appointments to the Council and the President, Trustees and its committees;
- to propose candidates for appointment to the Council and to the Board of Trustees;
- to formulate plans for succession and ensure that there is a transparent and fair procedure for the appointment of the President, Chair of Trustees, Honorary Officers, and members of the Council and Board of Trustees;
- to review regularly the composition of the Board and its committees (including their diversity, balance of skills, knowledge and experience) and make recommendations to the Board with regard to any adjustments that are deemed necessary;
- to review the results of the Board performance evaluation process that relate to the composition of the Board.

Membership during 2024: Frances Cairncross (stepped down in March 2024)[§], Harry Gaskell (Chair; joined in September 2024), David Gregson*, Orna NiChionna*, Sue Owen (joined in March 2024)[§], Michael Ridge*[¥] (Chair; stepped down in September 2024)

IFS staff attending: Carl Emmerson (Deputy Director), Emma Hyman (Head of Operations)

* Trustee

¥ Chair of Trustees

§ Member of Council

Investment Committee

The Investment Committee's objectives are:

- to consider the investment strategy and policies;
- to oversee the execution of the agreed investment strategy;
- to review returns on excess cash and the appropriateness of existing and proposed cash;
- to manage facilities in the context of IFS liquidity requirements;
- to carry out other duties as may be determined from time to time by the Board.

Membership during 2024: David Gregson*, Peter Kane* (Chair), Orna NiChionna*

IFS staff attending: Slav Sikora-Sikorski (Head of Finance)

* Trustee

Induction and training of Trustees

New Trustees receive training and induction following their appointment. Trustees are kept up-to-date with IFS research by a rolling programme of research presentations made at each meeting of the Board of Trustees.

Attendance at board meetings

	February	May	June	September	November
Winnie Armah	Y	N	Y	N	Y
Jonathan Athow	Y	Y	Y	N	Y
James Bell	N	Y	Y	N	Y
Swati Dhingra	N	Y	Y	Y	N
Harry Gaskell	N/A	N/A	N/A	Y	Y
David Gregson	Y	N	Y	Y	Y
Peter Kane	Y	Y	Y	Y	Y
Caroline Mawhood	Y	Y	Y	Y	Y
Orna NiChionna	Y	Y	Y	Y	Y
Gus O'Donnell	Y	Y	Y	Y	N
Michael Ridge	Y	Y	N	N/A	N/A
Nicholas Timmins	Y	Y	Y	Y	Y

Remuneration policy

The salary of the Director is determined by the Board of Trustees when renewing his contract and is normally adjusted each year for a cost-of-living adjustment, in line with salaries across the Institute. The pay of all other staff is reviewed by the Director and, where appropriate, other members of senior management annually and is also usually increased by a cost-of-living adjustment. From time to time, the salary scales of the Institute are benchmarked against comparable organisations. In 2024, the services of the Research Directors, Rachel Griffith, Fabien Postel-Vinay and Imran Rasul, were provided by the University of Manchester (Griffith) and UCL (Postel-Vinay and Rasul) under contracts that reimburse the universities for an agreed percentage of the individual's salary, National Insurance and pension costs. Further details on these amounts are included in note 8 to the accounts.

Organisational structure of the Institute and the decision-making process

The overall management of IFS is carried out by the Director, Paul Johnson, who reports to the Trustees on a quarterly basis. The Director is part of the Senior Management Team of the Institute, which also during 2024 comprised the Deputy Directors, Carl Emmerson, Robert Joyce and Helen Miller, the Deputy Research Directors, Monica Costa Dias and Sonya Krutikova, and the Research Directors, Professors Rachel Griffith, Fabien Postel-Vinay and Imran Rasul.

The Board of Trustees delegates the operational responsibilities of the Institute to the Director of the Institute via a 'Scheme of Delegation', and he in turn delegates various duties to senior staff.

In 2024, the Institute employed directly an average of 86 (2023: 80) full- and part-time staff usually based at its office in Ridgmount Street, London. Research staff are divided into sectors, and administrative staff provide support facilities.

The Institute also employed indirectly 12 (2023: 10) senior academic staff based at UK universities on a part-time basis. In addition, a number of other academics from both UK and overseas institutions work with the staff as Research Fellows and Research Associates on an ad hoc collaborative basis.

Statement of policy on fundraising

Section 162A of the Charities Act 2011 requires us to make a statement regarding fundraising activities. We do not undertake widespread fundraising activities with members of the public, although we do accept donations or offers from partners to contribute to work that we undertake. The legislation defines fundraising as 'soliciting or otherwise procuring money or other property for charitable purposes'. Such amounts receivable are presented in our accounts as 'donations and legacies'. We do not use professional fundraisers or 'commercial participators' or any other third parties to solicit donations. We are therefore not subject to any regulatory scheme or relevant codes of practice, nor have we received any complaints in relation to fundraising activities.

Charity Governance Code

In July 2017, the new Charity Governance Code was published setting out recommended practice. The Board of Trustees is supportive of the principles set out in the code and is keen to ensure that these are built into the governance of the organisation. To this end, during 2019, Trustees carried out a detailed review of its governance policies and procedures with reference to the code and agreed on a plan to put in place measures to comply where appropriate. The plan is now being implemented.

The Committee noted the updates made to the governance code in 2020, relating to integrity and to diversity. Integrity has always been central to the values of the Institute and a *sine qua non* for staff, Trustees and collaborators. The Trustees are satisfied that their procedures are in keeping with the revised code and are appropriate to uphold integrity to a high standard.

In the light of updated principles relating to diversity and inclusion, the Nominations Committee considers these criteria when looking at the make-up of the Board of Trustees and of the Council. In particular, the Trustees are delighted that they have been able to increase both gender and ethnic diversity on the Council, a step that was much needed and a trend that they will strive to continue.

Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*).

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

- to select suitable accounting policies and then apply them consistently;
- to observe the methods and principles in the Charities SORP;
- to make judgements and accounting estimates that are reasonable and prudent; and
- to prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in business.

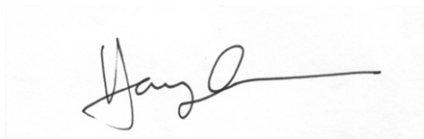
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, to disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees at the time the report is approved are aware:

- there is no relevant audit information of which the auditor is unaware; and
- they have taken all the steps 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 are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Approved and authorised for issue by the Board of Trustees and signed on their behalf by



Harry Gaskell, Chair of Trustees

19th May 2025

Company registered number: 00954616

Registered charity: 258815

Independent Auditor's Report to members of THE INSTITUTE FOR FISCAL STUDIES

Opinion

We have audited the financial statements of Institute for Fiscal Studies ('the company') for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 FRS 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 December 2024 and of its incoming resources and application of resources, including its 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 charitable company 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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 annual 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.

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 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 the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 29, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP.

.....

Date: 27/05/2025

James Saunders (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

Financial reports

Statement of financial activities

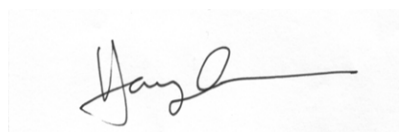
Year ended 31 December		2024	2024	2024	2023
		Unrestricted	Restricted	Total	Total
		£	£	£	£
Income from:					
Donations and legacies	2	432,912	-	432,912	349,819
Charitable activities	3	1,790,988	8,879,416	10,670,404	9,563,521
Investment income	4	188,684	-	188,684	124,215
Other income		78,473	-	78,473	129,375
Total income		2,491,057	8,879,416	11,370,473	10,166,930
Expenditure on:					
Raising funds	6	105,299	-	105,299	95,234
Charitable activities	6	1,491,378	9,363,310	10,854,688	9,566,265
Total expenditure		1,596,677	9,363,310	10,959,987	9,661,499
Net income before net gains on investment		894,380	(483,894)	410,486	505,431
Net gains on investment	11	150,666	-	150,666	208,639
Net income for the year		1,045,046	(483,894)	561,152	714,070
Transfers between funds	15	(483,894)	483,894	-	-
Net movement in funds		561,152	-	561,152	714,070
Reconciliation of funds:					
Total funds brought forward	16	4,552,680	-	4,552,680	3,838,610
Total funds carried forward	16	5,113,832	-	5,113,832	4,552,680

There were no other recognised gains or losses other than the net income for the year. All amounts relate to continuing operations.

Balance sheet

As at 31 December		2024	2023
		£	£
Fixed assets			
Tangible assets	10	47,552	62,800
Investments	11	3,185,786	2,637,421
Total fixed assets		3,233,338	2,700,221
Intangible assets	12	34,877	81,379
Total intangible assets		34,877	81,379
Current assets			
Debtors	13	2,010,402	1,809,490
Short-term deposits		2,522,571	4,047,049
Cash at bank and in hand		1,730,646	1,414,301
Total current assets		6,263,619	7,270,840
Liabilities:			
Creditors: amounts falling due within one year	14	(4,418,002)	(5,499,760)
Net current assets		1,845,617	1,771,080
Net assets		5,113,832	4,552,680
Total funds:			
Unrestricted funds			
- General Fund	15	5,031,403	4,408,501
- Fixed Asset Fund	15	47,552	62,800
- Intangible Asset Fund	15	34,877	81,379
		5,113,832	4,552,680
Restricted	15	-	-
Total		5,113,832	4,552,680

Approved and authorised for issue by the Trustees and signed on their behalf by



19th May 2025 - Harry Gaskell, Chair of Trustees

Company registered number: 00954616

Registered Charity: 258815

Statement of cash flows

Year ended 31 December	2024	2023
	£	£
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per the Statement of Financial Activities)	561,152	714,070
Adjustments for:		
Depreciation charges	34,527	38,220
Amortisation charges	46,502	46,503
Investment income	(188,684)	(124,215)
(Gains) on investments	(150,666)	(208,639)
(Increase) in debtors and accrued income	(200,912)	(126,115)
(Decrease) in creditors and accrued expenses	(573,778)	661,879
(Decrease) in grants received in advance of expenditure	(507,981)	194,743
Net cash (expended on) / generated from operating activities	(979,840)	1,196,446
Interest on investments	188,684	124,215
Purchase of intangible assets	-	-
Purchase of tangible fixed assets	(19,279)	(42,201)
Purchase of investments	(397,699)	(2,428,782)
Cash flows from investing activities	(228,294)	(2,346,768)
Change in cash and cash equivalents in the reporting period	(1,208,133)	(1,150,322)
Cash and cash equivalents at the beginning of the reporting period	5,461,350	6,611,672
Cash and cash equivalents at the end of the reporting period	4,253,217	5,461,350
Analysis of cash and cash equivalents	2024	2023
	£	£
Short-term deposits	2,522,571	4,047,049
Cash at bank and in hand	1,730,646	1,414,301
Total cash and cash equivalents	4,253,217	5,461,350

No net debt reconciliation has been presented as the Institute has no borrowings or external debt.

Notes to the accounts

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

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

The Institute for Fiscal Studies 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).

Going concern

IFS has modelled and stress-tested its cash flows and this work concluded that it will have sufficient liquid resources (cash and investments that can be converted to cash) to continue to operate for at least 12 months from the date of approval of these financial statements. The members of the Board of Trustees have reviewed this work and are happy with the methodology and conclusions. They thus remain of the view that there are no material uncertainties that call into doubt IFS's ability to continue. The financial statements have therefore been prepared on the basis that IFS is a going concern.

b) Tangible fixed assets and depreciation

All tangible fixed assets costing more than £1,000 (excluding VAT) are capitalised and depreciated. Depreciation of fixed assets is calculated to write off the cost of each asset over the term of its estimated useful life.

The Trustees have determined that all costs relating to the refurbishment of the premises and any furniture be depreciated over five years and all other assets depreciated over three years. Assets are written off on a straight-line basis commencing from the quarter after the date of purchase. Where the length of any remaining lease is less than five years, then any refurbishment costs are depreciated up to the end of the year in which the lease comes to an end.

c) Listed investments

'Investments' refers to a single investment fund provided by a major fund manager in the charity sector. Purchases are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains on investments' in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

d) Intangible assets and amortisation

All intangible assets capitalised are amortised over three years from the point when they are brought into actual use.

e) Income – membership subscriptions and donations

Membership income is deferred to the extent that it relates to services to be provided in future periods. Donations are credited to the statement of financial activities at the date of receipt.

f) Income – publications

Royalty income receivable from the publisher of the IFS-owned journal, *Fiscal Studies*, is recognised on an accruals basis and in accordance with the substance of the publishing agreement.

g) Income – research activities

Income from research activities is recognised when the Institute has entitlement to the funds, when it is probable that the income will be received and the amount can be measured reliably.

The Institute is usually entitled to research income in stages over the course of a project, subject to performance-related conditions requiring a particular level of service or output, often approximating to when related expenditure is incurred. In such cases, research income is credited to the statement of financial activities when it falls due to be received to the extent that it is matched by related expenditure.

Where donations or grants are received without performance-related conditions, entitlement usually arises on receipt and research income is credited to the statement of financial activities when it falls due to be received.

h) Interest and dividends receivable

Interest on funds held on deposit and dividends on investments are included when receivable and the amount can be measured reliably.

i) Allocation of expenses

Direct and indirect expenses are included when incurred. The majority of expenses are directly attributable to specific activities. Indirect overhead costs (e.g. premises and administration) are allocated on a basis consistent with the use of the resource, usually on a per-capita basis. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Pension costs

The pension cost charge represents contributions payable by the Institute to employees' personal pension plans in respect of the year.

k) Operating leases

Leasing charges in respect of operating leases are charged to the statement of financial activities as they are incurred.

l) Current asset investments – short-term deposits

Current asset investments include cash on deposit and cash equivalents held for investment purposes rather than to meet short-term cash commitments as they fall due.

m) Foreign currency

The value of the balances in the Institute's Euro and US Dollar accounts at the end of the year was based on the exchange rate as at 31 December 2024. Transactions in foreign currencies are calculated at the exchange rate ruling at the date of the transaction and Institute-wide foreign exchange gains or losses made during the year are taken into account in arriving at the net income for the year.

n) Financial instruments

IFS only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Critical accounting estimates and areas of judgement

Preparation of the financial statements requires some judgements and estimates to be made. The items in the financial statements where judgements and estimates are made include:

- judging the progress of multi-year research projects;
- estimating the useful economic life of tangible fixed assets;
- estimating the useful economic life of intangible assets; and
- estimates relating to the allocation of support costs across expenditure categories.

p) Funds

IFS maintains three internal funds, which include restricted and unrestricted funds.

Unrestricted – General Fund: these funds are derived from any unrestricted donations and grants received by IFS as well as from contracts for research that are unrestricted in nature.

These are funds that can be used for any purpose within the charitable objectives of IFS.

Unrestricted – designated Fixed Asset Fund: this fund represents resources set aside to cover future capital expenditure. The value of this fund at the year-end represents the net book value of tangible fixed assets and intangible assets.

Restricted – research funds: these funds represent grants and donations received to cover project expenditure on research projects. The restrictions are imposed by the funder, usually with respect to the specific research project being undertaken. The nature of the portfolio of research grants and contracts is such that in most cases income and expenditure are closely matched.

2. Membership and donations

	2024	2023
	£	£
Corporate membership	227,775	206,983
Individual membership	55,637	50,336
	283,412	257,319
Other donations	149,500	92,500
	432,912	349,819

Donations in the year totalling £620 were received from Trustees and their spouses.

3. Income from charitable activities

IFS frequently collaborates with universities and other research organisations. The income classification below is based on the ultimate funder of the research.

	2024	2024	2024	2023	2023	2023
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
ESRC	0	4,951,447	4,951,447	52,869	4,389,217	4,442,086
Charitable trusts and foundations	329,631	1,564,292	1,893,923	42,670	1,901,910	1,944,580
Government (or similar)	996,183	2,363,579	3,359,762	995,412	1,850,939	2,846,351
Other organisations	364,601	98	364,699	199,710	-	199,710
Event income	31,473	-	31,473	84,272	-	84,272
Publications	69,100	-	69,100	46,521	-	46,521
	1,790,988	8,879,416	10,670,404	1,421,454	8,142,067	9,563,521

IFS receives funds in the form of project grants, directly and indirectly, from the UK and other national governments, other governmental agencies and international governmental bodies. These funds are tied to specific research-related activities in the course of the standard charitable activities of IFS. IFS does not receive any funding in the form of general government grants or assistance. Therefore, it is not felt to be necessary, useful or practical to disclose further analysis within these accounts.

4. Investment income

All investment income arises from money held in interest-bearing deposits. IFS reinvests all dividends and other income earned on its investment fund and so takes no distributions to the Statement of Financial Activities.

5. Analysis of expenditure

Total costs include payments to third parties that work together with IFS on particular projects. Where the Institute is the lead organisation, it receives funding from the grant-giving body for all participating organisations for onward transmission. Gross receipts are reflected in the Institute's revenues and, depending on the types of project undertaken, may vary significantly from year to year.

	Total charitable activities £	Raising funds £	Governance costs £	Support costs £	2024 Total £	2023 Total £
Research collaborations & subcontracts	1,581,355	-	-	-	1,581,355	1,288,098
Data costs & data collection costs	176,444	-	-	-	176,444	322,039
IFS travel, accommodation & subsistence	233,814	-	-	-	233,814	242,429
Visitor travel, accommodation & subsistence	2,149	-	-	-	2,149	1,085
Event, publication & dissemination costs	362,100	-	-	68,287	430,387	517,832
Other direct costs	197,584	-	-	-	197,584	106,080
Premises	-	-	-	676,742	676,742	834,242
IT & office costs	-	-	-	609,917	609,917	339,527
Other staff costs	-	-	-	159,551	159,551	108,342
Insurance & professional fees	-	-	55,370	313,305	368,675	159,811
Other	-	-	-	83,437	83,437	65,834
Total costs (excl. staff costs)	2,553,446	-	55,370	1,911,239	4,520,055	3,985,319
Staff costs (universities)	790,989	-	-	-	790,989	664,927
Research Fellows & Research Associates	64,583	-	-	-	64,583	72,500
	855,572	-	-	-	855,572	737,427
IFS staff costs (research)	4,326,995	31,840	24,330	-	4,383,164	3,787,977
IFS staff costs (events & dissemination)	-	46,071	-	513,476	559,547	528,734
IFS staff costs (research services)	-	8,868	-	168,499	177,367	183,990
IFS staff costs (central)	-	2,975	22,848	438,459	464,282	438,051
	4,326,995	89,753	47,178	1,120,434	5,584,360	4,938,753
Total staff costs (incl. Fellows & Associates)	5,182,567	89,753	47,178	1,120,434	6,439,932	5,676,180
Total expenditure	7,736,013	89,753	102,548	3,031,673	10,959,987	9,661,499
Allocation of support costs (including governance)	3,118,675	15,546	(102,548)	(3,031,673)	-	-
Total expenditure	10,854,688	105,299	-	-	10,959,987	9,661,499

Analysis of expenditure 2023	Total charitable activities £	Raising funds £	Governance costs £	Support costs £	2023 total £
Research collaborations and subcontracts	1,288,098	-	-	-	1,288,098
Data costs and data collection costs	322,039	-	-	-	322,039
IFS travel, accommodation and subsistence	242,429	-	-	-	242,429
Visitor travel, accommodation and subsistence	1,085	-	-	-	1,085
Event, publication and dissemination costs	465,303	-	-	52,529	517,832
Other direct costs	106,080	-	-	-	106,080
Premises	-	-	-	834,242	834,242
IT and office costs	-	-	-	339,527	339,527
Other staff costs	-	-	-	108,342	108,342
Insurance and professional fees	-	-	36,771	123,040	159,811
Other	-	-	-	65,834	65,834
Total costs (excluding staff costs)	2,425,035	-	36,771	1,523,513	3,985,319
Staff costs (universities)	664,927	-	-	-	664,927
Research Fellows and Research Associates	72,500	-	-	-	72,500
	737,427	-	-	-	737,427
IFS staff costs (research)	3,736,949	28,169	22,859	-	3,787,977
IFS staff costs (events and dissemination)	-	42,312	-	486,422	528,734
IFS staff costs (research services)	-	9,200	-	174,790	183,990
IFS staff costs (central)	-	2,703	20,563	414,786	438,051
	3,736,949	82,384	43,422	1,075,998	4,938,753
Total staff costs (including Fellows and Associates)	4,474,376	82,384	43,422	1,075,998	5,676,180
Total expenditure	6,899,411	82,384	80,193	2,599,511	9,661,499
Allocation of support costs (including governance)	2,666,853	12,850	(80,193)	(2,599,511)	-
Total expenditure	9,566,265	95,234	-	-	9,661,499

6. Expenditure

2024	Unrestricted £	Restricted £	2024 total £	2023 total £
Cost of raising funds				
Direct costs (membership programme)	-	-	-	-
Staff costs (direct)	89,753	-	89,753	82,384
Support and governance costs (allocation)	15,546	-	15,546	12,850
	105,299	-	105,299	95,234
Charitable activities				
Project costs	163,973	2,389,473	2,553,446	2,425,035
Staff costs (total)	1,015,422	5,334,757	6,350,179	5,593,796
Support and governance costs (allocation)	311,984	1,639,080	1,951,063	1,547,434
	1,491,378	9,363,310	10,854,688	9,566,265
Total expenditure	1,596,677	9,363,310	10,959,987	9,661,499

2023	Unrestricted £	Restricted £	2023 total £
Cost of raising funds			
Direct costs (membership programme)	-	-	-
Staff costs (direct)	82,384	-	82,384
Support and governance costs (allocation)	12,850	-	12,850
	95,234	-	95,234
Charitable activities			
Project costs	119,607	2,305,428	2,425,035
Staff costs (total)	764,865	4,828,931	5,593,796
Support and governance costs (allocation)	211,588	1,335,846	1,547,434
	1,096,061	8,470,204	9,566,265
Total expenditure	1,191,295	8,470,204	9,661,499

IFS initially identifies the costs of its support functions. It then identifies the costs that relate to governance. The remaining support costs together with the governance costs are apportioned between charitable activities and the cost of raising funds.

The cost of raising funds includes costs related to the IFS membership programme and costs related to activities focused on seeking funding. These include some direct costs and direct staff time, as well as an allocation of support costs. Support costs are allocated on the basis of staff time.

Governance costs include the costs of external audit. Other governance costs relate primarily to costs associated with the AGM and Annual Lecture and dinner. No expenses were claimed by the Trustees during the year (2023: £0).

7. Net income

Net income is stated after charging:

	2024	2023
	£	£
Depreciation	34,527	38,220
Amortisation	46,502	46,503
Auditor's remuneration		
- Audit fees	25,950	24,750
Operating lease rentals – property	409,453	409,453

Audit fees are stated net of VAT and disbursements.

8. Analysis of staff costs and key management personnel

	2024	2023
	£	£
Wages and salaries	4,794,853	4,237,900
Social security costs	508,577	447,781
Pension costs	280,930	253,072
	5,584,360	4,938,753
Comprising:		
Researchers	4,383,164	3,787,977
Support staff	1,201,196	1,150,776
IFS payroll staff	5,584,360	4,938,753
Staff costs (universities)	790,989	664,927
Research Fellow and Research Associate payments	64,583	72,500
	6,439,932	5,676,180

The IFS has agreements in place with several universities/institutions for the provision of an agreed proportion of the working time (typically 5-50%) of, during 2024, on average 12 (2023:10) named, highly skilled individuals to carry out specific research duties at IFS in their areas of academic excellence. In 2024, £60,00 (2023: £50,000) of the amount for Research Fellows and Research Associates relates to these individuals.

During 2024 the Institute's senior management team comprised: the Director, Paul Johnson, and the Research Directors, Professors Imran Rasul, Rachel Griffith and Fabien Postel-Vinay. In 2024, the total compensation for these key management personnel, including amounts due to universities under contractual arrangement for the provision of an agreed amount of the Research Directors' time was £604,836 (1.825 FTE) (2023: £571,186 (1.85 FTE)).

8. Analysis of staff costs and key management personnel (cont.)

The numbers of employees whose emoluments (excluding pension contributions) were in excess of £60,000 are shown in the ranges below. In addition, pension contributions were paid by the Institute on behalf of these employees. The total sum of these contributions was £214,505 (for 35 employees) (2023: £185,631 for 31 employees).

	2024	2023
	Number	Number
£60,001–£70,000	13	12
£70,001–£80,000	6	6
£80,001–£90,000	6	7
£90,001–£100,000	5	3
£100,001–£110,000	2	0
£110,001–£120,000	0	1
£120,001–£130,000	1	0
£130,001–£140,000	0	1
£150,001–£160,000	1	0
£250,001–£260,000	0	1
£260,001–£270,000	1	0
	35	31

9. Staff numbers

	2024 FTE	Average number	2023 FTE	Average number
Research staff				
Permanent contracts	40.8	44.4	33.9	37.8
Fixed-term contracts	12.8	17.8	12.9	6.3
Variable-hours contracts	1.5	1.8	1.6	4.5
	55.1	64.0	48.4	58.6
Central staff				
Events, publications, dissemination	9.9	11.1	9.2	10.8
Finance, HR, IT, central support	7.6	8.0	7.8	8.3
Research services	2.8	2.8	2.8	2.8
	20.2	21.8	19.8	21.9
Total	75	85.8	68	80.4
Full-time		62.8		54.3
Part-time		23.0		26.1

10. Tangible fixed assets

	Fixtures and improvements to short leasehold premises	Office equipment	Total
	£	£	£
Cost			
At 1 January 2024	781,607	409,487	1,191,094
Additions	-	19,279	19,279
Disposals and assets no longer in use	-	-	-
At 31 December 2024	781,607	428,766	1,210,373
Depreciation			
At 1 January 2024	780,653	347,641	1,128,294
Charge for the year	954	33,573	34,527
Disposals and assets no longer in use	-	-	-
At 31 December 2024	781,607	381,214	1,162,821
Net book value			
As at 31 December 2024	-	47,552	47,552
As at 31 December 2023	954	61,846	62,800

11. Investments

	2024	2023
	£	£
Fair value at the start of the year	2,637,421	-
Additions at cost	397,699	2,428,782
Disposal proceeds	-	-
Net gain in fair value	150,666	208,639
Fair value at the end of the year	3,185,786	2,637,421

At 31 December 2024 the total investment holding was in CCLA's COIF Charities Investment Fund.

12. Intangible assets

	IFS website	Total
	£	£
Cost		
At 1 January 2024	139,508	139,508
At 31 December 2024	139,508	139,508
Amortisation		
At 1 January 2024	58,129	58,129
Charge for the year	46,502	46,502
At 31 December 2024	104,631	104,631
Net book value		
As at 31 December 2024	34,877	34,877
As at 31 December 2023	81,379	81,379

All contracted costs associated with the build of IFS's new website, in line with FRS 102 requirements.

13. Debtors

	Unrestricted	Restricted	2024	2023
	£	£	£	£
Accrued income	184,503	1,067,427	1,251,930	1,086,622
Trade debtors	262,093	129,233	391,326	315,647
Other debtors	2	-	2	4,292
Prepayments	325,317	41,827	367,144	402,929
	771,915	1,238,487	2,010,402	1,809,490

14. Creditors

	Unrestricted	Restricted	2024	2023
	£	£	£	£
Amounts falling due within one year				
Trade payables	122,606	19,801	142,407	447,279
Taxation and social security	145,806	-	145,806	129,598
VAT	15,883	-	15,883	41,942
Accruals	529,004	546,659	1,075,663	1,334,718
	813,299	566,460	1,379,759	1,953,537
Deferred income				
Balance at 1 January 2024	422,810	3,123,413	3,546,223	3,351,480
Amount released to income	(292,852)	(2,831,001)	(3,123,853)	(3,077,842)
Amount deferred in the year	386,579	2,229,294	2,615,873	3,272,585
Balance at 31 December 2024	516,537	2,521,706	3,038,243	3,546,223
Total creditors: amounts falling due within one year	1,329,836	3,088,166	4,418,002	5,499,760

As at 31 December 2024, total deferred income was £3,038,243 (2023: £3,546,223). This includes amounts received on multi-year projects, where the timing of the related expenditure may be more than 12 months from the balance sheet date. A proportion of this deferred income will therefore not be released to income until 2025.

Included in accruals is a provision for dilapidations of £233,113 (2023: £333,414). The estimated future costs of dilapidations is reviewed annually and adjusted as appropriate.

15. Analysis of movement in funds

2024	At 1 Jan 2024	Income	Expenditure	Net gains on investment	Transfers	At 31 Dec 2024
	£	£	£	£	£	£
Unrestricted funds						
General Fund	4,408,501	2,491,056	(1,596,677)	150,666	(422,143)	5,031,403
Fixed Asset Fund	62,800	-	-	-	(15,248)	47,552
Intangible Asset Fund	81,379	-	-	-	(46,502)	34,877
	4,552,680	2,491,056	(1,596,677)	150,666	(483,894)	5,113,832
Restricted funds						
Research funds	-	8,879,416	(9,363,310)	-	483,894	-
Total funds	4,552,680	11,370,472	(10,959,987)	150,666	-	5,113,832

2023	At 1 Jan 2023	Income	Expenditure	Net gains on investment	Transfers	At 31 Dec 2023
	£	£	£	£	£	£
Unrestricted funds						
General Fund	3,651,909	2,024,863	(1,191,295)	208,639	(285,616)	4,408,501
Fixed Asset Fund	58,819	-	-	-	3,981	62,800
Intangible Asset Fund	127,882	-	-	-	(46,503)	81,379
	3,838,610	2,024,863	(1,191,295)	208,639	(328,137)	4,552,680
Restricted funds						
Research funds	-	8,142,067	(8,470,204)	-	328,137	-
Total funds	3,838,610	10,166,930	(9,661,499)	208,639	-	4,552,680

Amounts have been transferred from the General Fund to restricted research funds to cover the overall deficit arising on the restricted research grants that completed during the year. This deficit was driven primarily by the effects of inflation on projects with multi-year budgets, and the lack of full overhead recovery on many of these projects.

Within restricted-research funds are funds relating to projects where the agreement with the funder requests that the project funding is separately disclosed in the financial statements. During 2024, the income and expenditure on these grants was as set out below.

2024

Project name	Funder	Start date	End date	2024 income £	Accrued/(Deferred) income as at 31 Dec 2024 £
The Centre for Tax Analysis in Developing Countries – Phase 3 (TAXDEV III)	Foreign, Commonwealth & Development Office	01/05/23	31/03/30	1,625,946	436,010
Effects of local government finance systems	The Health Foundation	02/09/24	31/03/26	10,296	(40,172)
Pensions Commission	abrdn Financial Fairness Trust	01/01/23	30/06/27	320,268	(46,198)
General Election policy proposal analysis	abrdn Financial Fairness Trust	01/01/24	31/12/24	113,000	-
Evaluating the Two-Child Limit	Nesta	01/12/22	31/03/24	35,010	(5,156)
UK 2040: Options – Taxation and Public Finance	Nesta	01/06/23	30/04/24	29,869	-

2023

Project name	Funder	Start date	End date	2023 income £	Accrued/(Deferred) income as at 31 Dec 2023 £
The Centre for Tax Analysis in Developing Countries – Phase 2 (TAXDEV II)	Foreign, Commonwealth & Development Office	11/11/18	30/04/23	433,392	-
The Centre for Tax Analysis in Developing Countries – Phase 3 (TAXDEV III)	Foreign, Commonwealth & Development Office	01/05/23	31/03/30	735,278	307,641
Taxation of Pensions	abrdn Financial Fairness Trust	01/07/21	28/02/23	47,218	-
Pensions Commission	abrdn Financial Fairness Trust	01/01/23	30/06/27	149,104	(100,466)
General Election policy proposal analysis	abrdn Financial Fairness Trust	01/01/24	31/12/24	-	(30,000)
Evaluating the Two-Child Limit	Nesta	01/12/22	31/03/24	59,834	(40,166)
UK 2040: Options – Taxation and Public Finance	Nesta	01/06/23	30/04/24	60,511	50,511

16. Analysis of net assets between funds

	2024	2024	2024	2023	2023	2023
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Tangible fixed assets	47,552	-	47,552	62,800	-	62,800
Investments	3,185,786	-	3,185,786	2,637,421	-	2,637,421
Intangible assets	34,877	-	34,877	81,379	-	81,379
Cash at bank and in hand	2,361,711	1,891,506	4,253,217	2,409,963	3,051,387	5,461,350
Net current assets/(liabilities)	(516,094)	(1,891,506)	(2,407,600)	(638,883)	(3,051,387)	(3,690,270)
Net assets at 31 December	5,113,832	-	5,113,832	4,552,680	-	4,552,680

17. Operating lease commitments

The total of future minimum lease payments under non-cancellable operating leases is set out below for each of the following periods.

	2024	2023
	£	£
One year	449,630	375,000
Two to five years	1,830,452	179,795
After five years	3,858,750	0

18. Pension scheme

The total pension cost to the IFS for contributions to employees' pension schemes under the IFS's group personal pension plans with Scottish Widows was £280,930 (2023: £253,072). In addition, two members of staff (2023: two) participated in other personal pension schemes, of their own choice, to which the Institute contributed £15,319 (2023: £15,018).

	2024	2023
	£	£
Scottish Widows	265,611	238,054
Other	15,319	15,018
	280,930	253,072

19. Related party transactions

None

20. Contingent Assets

IFS' current lease has 1954 Landlord and Tenant's Act protection, which entitles it to compensation at the end of its lease under certain circumstances. As at the balance sheet signing date, it seemed probable that the IFS would receive twice the rateable value of its demise (£1.086m) in compensation following the expiry of its lease in June 2025. In order for the IFS to receive this amount, it will need to meet the threshold of "quitting the holding" under the Act referenced above, and ensure it fulfils all relevant obligations in its lease.

21. New property committed costs

As at the Balance Sheet date IFS had committed to construction fit out costs of £803,732 in respect of getting its new office ready for use.

22. Comparative information: Statement of financial activities for the year to 31 December 2023

Year ended 31 December		2023	2023	2023
		Unrestricted	Restricted	Total
		£	£	£
Income from:				
Donations and legacies	2	349,819	-	349,819
Charitable activities	3	1,421,454	8,142,067	9,563,521
Investment income	4	124,215	-	124,215
Other income		129,375	-	129,375
Total income		2,024,863	8,142,067	10,166,930
Expenditure on:				
Raising funds	6	95,234	-	95,234
Charitable activities	6	1,096,061	8,470,204	9,566,265
Total expenditure		1,191,295	8,470,204	9,661,499
Net income before net gains on investment		833,568	(328,137)	505,431
Net gains on investment	11	208,639	-	208,639
Net income for the year		1,042,207	(328,137)	714,070
Transfers between funds	15	(328,137)	328,137	-
Net movement in funds		714,070	-	714,070
Reconciliation of funds:				
Total funds brought forward	16	3,838,610	-	3,838,610
Total funds carried forward	16	4,552,680	-	4,552,680

There were no other recognised gains or losses other than the net income for the year. All amounts relate to continuing operations.