

The Royal
Institute of
International
Affairs

Annual Report and Financial Statements

31 March 2025

Charity Registration Number 208223



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Reference and administrative details

Patron	His Majesty King Charles III
Status	The organization is a Royal Institute, established by Royal Charter on 16 July 1926 and registered as a charity on 22 September 1962.
Registered office and operational address	Chatham House 10 St James's Square London SW1Y 4LE
Website	www.chathamhouse.org
Charity registration number	208223
Auditor	Buzzacott Audit LLP, 130 Wood St, London EC2V 6DL
Banker	Lloyds Bank plc, 39 Piccadilly, London W1V 0AA
Solicitors	Kennedys, 20 Fenchurch St, London EC3M 3BY Mills & Reeve, 24 King William St, London EC4R 9AT
Investment managers	Cazenove Capital Management 1 London Wall Place, London EC2Y 5AU

Report of the Council

The Royal Institute of International Affairs is also known as Chatham House (the “Institute” or the “Charity”).

These financial statements consolidate the financial statements of Chatham House with those of its wholly owned subsidiary, Chatham House Enterprises Limited (together, referred to as the “group”).

Report of the Council

The members of the Council, who are trustees for the purposes of charity law, present their Report and the financial statements for the Institute for the year ended 31 March 2025 for statutory purposes.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) – Charities SORP (FRS102) 2nd Edition and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. The financial statements comply with current statutory requirements, the Charter and Bye-Laws and the requirements of a director’s report as required under company law. The Council has authorized the Chairman and Honorary Treasurer to sign the financial statements on its behalf.

Aims and Objectives

The aims and objects for which Chatham House is established are:

- a) To advance the sciences of international politics, economics, and jurisprudence and the study, classification and development of the literature of these subjects.
- b) To provide and maintain means of information upon international questions and promote the study and investigation of international questions by means of lectures and discussions and by the preparation and publication of books, records, reports or other works or otherwise as may seem desirable.
- c) Generally, to encourage and facilitate the study of international information knowledge questions and to promote the exchange of information and thought on international affairs and the understanding of the circumstances, conditions and views of nations and peoples and to do all things necessary or expedient for the proper and effective carrying out of the objects aforesaid.

We pursue this through our mission statement to help governments and societies build a sustainably secure, prosperous and just world. We pursue our mission through dialogue, analysis and solutions-based ideas and by empowering the next generation to build a better world, by convening private conversations with decision-makers about desired progress and the obstacles to it, and by testing out new policy proposals in speeches and in debates. In our deeper, long-form research, we develop our own arguments for the way through these deadlocks.

In the aftermath of the First World War, the founders of Chatham House identified a central role an institute could play: to cultivate mutual understanding between states, to promote peace and to uphold the rule of law over the rule of force. This aim persists today. We develop new ideas for solving global problems and convene at the highest level the people and organizations needed to bring change. We set out to include many views, often opposing ones, in pursuit of our goals. We position ourselves at the point where the world makes decisions about how to govern itself.

Members of the Council

Members of the Council (who are also trustees of the Royal Institute of International Affairs for the purposes of charity law) who served during the reporting period:

Sir Simon Fraser (Chair)	Appointed to Council and as Chair 10 September 2024
Sir Nigel Sheinwald (Chair)	Resigned 10 September 2024
Joanna Cound (Deputy Chair)	
John Berriman (Honorary Treasurer)	Resigned 10 September 2024
Keith Harrington (Honorary Treasurer)	<i>Appointed to Council 1 July 2024; elected as Honorary Treasurer 10 September 2024</i>
Sam Alvis	
Jessica Cecil	Appointed 10 September 2024
Irene Dorner	Resigned 31 March 2025
Juliet Dryden	
Alan Houmann	
Bridget Kendall	Appointed 28 June 2024
Anita Lowenstein Dent	
Rob Macaire	
David Nussbaum	
Dr Andrew Payne	Resigned 31 December 2024
Professor Karen Smith	Appointed 1 January 2025
Herbert Swaniker	
Dr Rhodri Williams	

Executive Leadership Team

The Senior Executives of Chatham House during the year were:

- ◆ Bronwen Maddox (Director and Chief Executive)
- ◆ Simon Flanagan (Chief Operating Officer)
- ◆ Professor Tim Benton (Research Director and Director of the Environment and Society Centre) (Resigned 31 May 2024)
- ◆ Zara Berry (Head of Individual Membership and External Relations and Head of the Queen Elizabeth II Academy for Leadership and the Next Generation)
- ◆ Peter Crowne, (Director of Finance) (Resigned 28 February 2025)
- ◆ Sophie Eggar (Director, Fundraising and Partnerships) (Resigned 31 July 2024)
- ◆ Dr Patricia Lewis (Research Director and Director of International Security Programme) (Resigned 30 November 2024)
- ◆ André Meyer (Interim Director of Finance)
- ◆ Dr Andrew Payne (Research Director, Europe, Russia and Eurasia, UK the World, US and the Americas Programmes)
- ◆ Dr Samir Puri (Director, Global Governance and Security Centre)
- ◆ Dr Alex Vines (Research Director and Director of the Africa Programme)
- ◆ David Watson (Director, Communications and Publishing)
- ◆ Ana Yang (Research Director and Director of the Environment and Society Centre)

Structure, Governance and Management

The Institute is a company incorporated by Royal Charter and a charitable company registered with the Charity Commission under charity number 208223.

Responsibilities of the Council

The Royal Charter and Bye-laws (the Charter) of Chatham House, its incorporating document, lay down the powers and authorities of the Council.

The Council is responsible for agreeing the annual Strategic Plan as well as the Financial and Business Plan and the annual budget, and for monitoring performance of Chatham House against those plans. The Council is also responsible for receiving the auditor's report and recommendations and agreeing the annual report and financial statements, on the recommendation of the Finance and Risk Committee.

The Council members, who are trustees under charity law, are required to prepare financial statements each financial year which give a true and fair view of the state of affairs of the Institute and its trading subsidiary (Chatham House Enterprises Limited) at the balance sheet date and its total income and expenditure for that period.

In preparing those financial statements Council is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements. In considering whether it is able to make this statement, in the light of the specificity of charity accounting requirements, Council takes advice from the management of Chatham House and the auditor; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the group and the Institute will continue on that basis.

The Council members are responsible for ensuring proper accounting records are kept that are sufficient to show and explain the group and the Institute's transactions and disclose with reasonable accuracy at any time the financial position of the group and the Institute and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, and the Chatham House Charter and Bye-laws. The Council is also responsible for safeguarding the assets of the group and the Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council is responsible for the maintenance and integrity of the financial information on the Institute's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The members of the Council confirm that as far as they are aware, there is no relevant audit information of which the group and the Institute's auditor is unaware. They have taken all the steps that they ought to have taken as Council members in order to make themselves aware of any relevant audit information and to establish that the group and the Institute's auditor is aware of that information.

All executive responsibilities rest with the Director and Chief Executive and the Executive Leadership Team (ELT) of Chatham House.

Appointment of Council members

The Charter prescribes that the Council is elected from the membership of Chatham House and consists of between 10 and 20 Council members. We are now aiming to maintain a total of around 12 Council members, in line with Charity Commission guidance. Nominations for election are reviewed by the Nominations Committee and if the number of nominations which the Committee agrees to put forward exceeds the number of vacancies, a ballot is held. The Council may also co-opt up to five members each year, to make up no more than a quarter of Council unless exceptionally agreed by Council. The Honorary Treasurer is a member of Council ex-officio.

Elected members of the Council retire at the third AGM after the AGM at which they were elected and can stand for a further three-year term after which they must stand down. Co-opted members of the Council initially serve until the second AGM following their co-option when they are then put forward for election or may be co-opted again by the Council for successive terms of one year.

Four members of the Council (Bridget Kendall, Sir Simon Fraser, Keith Harrington and Professor Karen Smith) were co-opted during the year. Sir Simon was elected to the post of Council Chair by members of the Council following a competitive recruitment process led by the Nominations Committee to succeed Sir Nigel Sheinwald who stepped down at the end of his term. Keith Harrington was elected to the role of Honorary Treasurer by the membership at the 10 September 2024 AGM following a short period of co-option to Council.

Induction and training of Council members

Newly appointed Council members, whether elected or co-opted, are provided with an induction programme which sets out the activities of the Institute and their responsibilities as a trustee. This includes a copy of the Charter and Bye-laws, the Charity Commission's guide to responsibilities of trustees ('The Essential Trustee (CC3)'), terms of reference and the latest minutes of the Council as well as the most recent annual report and financial statements. There are also opportunities for briefing sessions during the year, such as an in-depth briefing session on institute finances which was offered to all Council members this year. In addition, Council members also have open access to the Director and Chief Executive, the Secretary to the Council and other senior staff for advice and information.

Responsibilities of staff

The Director and Chief Executive of Chatham House is appointed by the Council and has full executive authority for the management of Chatham House and its staff, as well as devising and recommending to Council suitable strategies and policies and implementing the plans and budgets approved by the Council.

Governance arrangements

The Council has delegated specific responsibilities to five Council Committees: the Finance and Risk Committee, the Investment Committee, the Nominations Committee, the Research Committee, and the Remuneration Committee. The Council members receive copies of all committee minutes and reports from the chairs of each committee. The terms of reference for all committees are established and agreed by the Council, which also periodically reviews them.

Selected members of Council serve on each of the Committees together with any members co-opted by Council. Co-opted members are appointed principally to enhance the diversity of thought, skills and experience on Council and its Committees. The co-opted members in post at the time of signing were:

- ◆ Investment Committee - Tracey Campbell
- ◆ Research Committee – Ruth Blakeley

Report of the Council

The Finance and Risk Committee assists Council in overseeing all financial aspects of the Institute and risk management. This includes the review of management and statutory accounts; review of the Risk Register and monitoring risk management; reviewing recommendations and findings from the external audit, and for advising the Council generally on the Institute's finances to ensure its short and long-term viability.

The Investment Committee is responsible for overseeing the investment of all monetary assets of the Institute available for investment within the powers laid down in the Charter and Bye-laws and in accordance with the investment policy approved by the Council and designed to further the long-term objectives of the Institute. The Investment Committee receives advice from Cazenove Capital Management.

The Nominations Committee is responsible for considering all valid nominations put forward for election to the Council and for co-option to the Council or its committees. The Committee also makes a recommendation to Council on the reappointment, or succession, of the Chair and Deputy Chair of Council as well as the Honorary Treasurer and considers the performance of individual Council members against the Terms of Reference for Council Members.

The Research Committee is responsible for maintaining oversight of the Institute's research activities, and for advising the Council generally on the Institute's research.

The Remuneration Committee is responsible for overseeing the culture, remuneration policy and related strategies of the Institute and providing assurance to the Council that it has considered whether the organization holds required policies and meets standards, good practice and regulatory requirements in relation to remuneration and culture.

Remuneration policy for key management personnel

The Director and Chief Executive and Chief Operating Officer and other directors who comprise the Executive Leadership Team (ELT) are responsible for managing the day-to-day operations of Chatham House. The remuneration of the Director is set by the Remuneration Committee on the recommendation of the Chair. The Director and Chief Executive consult the Remuneration Committee on the remuneration of members of the Executive Leadership Team. In view of the nature of the activities of Chatham House, annual remuneration is usually benchmarked against pay levels in other equivalent organizations in the public and not-for-profit sectors, with account being taken of any special responsibilities (see note 5 for further details of key management personnel remuneration).

No Council members received any payments during the year for services provided to Chatham House.

Chatham House Enterprises Limited

Chatham House Enterprises Limited is a wholly-owned trading subsidiary of the Institute. Its results are consolidated within the group financial statements (see note 9 for further details).

Chatham House Foundation

The Chatham House Foundation (CHF) is a US 501 (c) (3) tax-exempt charity founded in the United States in 1982 with its own board of trustees. Under its Bye-laws, it is permitted to make grants to other organizations for charitable, scientific, literary, or educational purposes. The Foundation seeks to bring to a U.S. audience the type of rigorous analysis, independent speakers, and members' events developed by Chatham House (see note 10 for further details).

Auditor

Buzzacott Audit LLP was re-appointed at the last AGM. Buzzacott has expressed its willingness to continue in that capacity and will be seeking re-election at the AGM on 9 September 2025.

Public Benefit

Council keeps under consideration the Charity Commission's guidance on public benefit when overseeing the planning of the activities of the Institute. There are clear identifiable benefits from the dissemination of the Institute's research papers, books, articles and online information to Chatham House members, the media, and the general public and the associated access to knowledge. The dissemination of these outputs is measured by the collation of statistics, for example on the number of downloads of a particular report / briefing paper, as well as the number of unique page views and media coverage and engagement.

There are benefits to the general public in the UK and the broader international community from the debates that the Institute hosts on international affairs and the contribution that it makes towards setting the agenda and informing policy. These are shown by the participation in its events and conferences by national and world leaders, government officials, and representatives from civil society, academia, the media and the corporate sector. We also support students and emerging professionals through fellowships, internships and training programmes designed to build the next generation of leaders in international affairs.

All these benefits are related to the Institute's aims and objectives. The Council does not consider that there is any detriment or harm arising from the Institute's activities that would offset the benefits provided by the Institute. Care is taken to retain balance and political neutrality in relation to the Institute's activities and output, in accordance with the Charity Commission's regulatory advice to charitable think tanks, issued in December 2018.

The Institute is a membership organization open to all those with an interest in the Institute's work ranging from individuals to academic institutions, government organizations, embassies, high commissions, NGOs, the media, and national and multi-national businesses. The membership contributes to, and is an integral part of, the activities of the Institute and the dissemination of its output and hence is appropriate to the aims of the Institute. The beneficiaries of the Institute's activities are also the general public, as most of the Institute's output is freely available and in the public domain. Council considers that any private benefits that may arise for sections of the membership are incidental to the main activities of the Institute.

Fundraising

Chatham House is registered with the Fundraising Regulator and has committed to following the Code of Fundraising Practice. Chatham House employs a professional fundraising team who maintain a high standard of ethical fundraising and whose systems and practices are kept under continual review. It does not use the services of any third-party organization to help in its fundraising activities. No complaints were received about its fundraising activities during the year. In the event of a complaint being received, these are handled by a senior member of staff, usually the Director or COO.

Chatham House derives about one third of its income through central fundraising. The largest areas of income within this are corporate and philanthropic. Over the last few months of the reporting period and continuing, there is a drive to growth the amount of philanthropic income, including from the USA. The corporate fundraising teams have been restructured into one team selling all corporate products, including sponsorship, membership, briefings, round tables, research support and partnerships. The conferences programme that brings in money through delegates and sponsorship has been streamlined to focus on the most profitable products. Whilst continuing to service current corporate members there is now a large focus on £100k+ partnerships, combining multiple products and where possible over multiple years. Examples of multi-product partnerships include working with Apple, Koc Holdings, Novartis and Citi.







Achievements and Performance 2024/25 – Research and Convening

Chatham House seeks to answer the big questions in international affairs, with convening informed by evidence-based research. Our researchers tackle a range of specific topics and issues within international affairs, grouped across wider themes which cover the breadth of our expertise, undertaken to further our charitable purpose for the public's benefit. We produced analysis on the major current affairs questions from Gaza to Ukraine as well as producing publications which explore longer-term issues. Some of the key themes for our research in 2024/25 include:

- Year of elections
- Israel-Palestine conflict
- Russia-Ukraine war
- Multilateral reform
- Climate change
- Global economic trends
- Implications of new technologies

Our impact

2024/25 in numbers:

 6.7m website visits	 249 expert comments
 33 publications	 45 <i>Independent Thinking</i> podcasts
 181 videos produced	 577 pieces of content produced

The public benefit of our work can clearly be seen in the impact and reach of our work. While a lot of our impactful work can be private, some highlights which can be laid out include the following examples:

Encouraged a shift in approach towards conflict and peacebuilding in the MENA region:

Our Cross-border Conflict, Evidence, Policy and Trends (XCEPT) project explored the drivers behind cross-border conflicts in the MENA region. The UK's Foreign Commonwealth and Development Office used the research to inform policymaking in the region, including on how the UK and allies can respond to Iran and regional axis groups.

Highlighted a decline in Belarusian democracy: Our Belarus Initiative continues to run the only public opinion poll in the country; January polling results released prior to presidential elections showed a significant drop in the number of people willing to cast their vote – from 75% in 2020 to 36% in 2025.

AI Governance and AI Security: We co-hosted a three-day workshop on AI in Security at the UK parliament with the Commonwealth Parliamentary Association UK. The event discussed pressing security topics relating to artificial intelligence and saw 30 parliamentarians from 15 legislatures across the Commonwealth and Crown Dependencies take part. We also co-hosted an official side event at the Paris AI Action Summit which convened leading public AI builders. The meeting ensured alignment on early progress and on the crucial next steps needed to support the development of public AI infrastructure. This directly fed into the discourse and policy implemented by the French government, titled Current AI.

Our Digital Society Programme hosted a private roundtable to engage with the EU's development of a General-Purpose AI Code of Practice, which will be a guide for companies seeking to comply with the world's most substantive AI regulation, the EU AI Act. The roundtable platformed over 40 decision-makers and policy influencers involved in the development of the Code, zooming in on how transparency should be reflected in the final Code. Emerging from the roundtable are a set of public-facing recommendations for AI policymakers and the European AI Office specifically, which aim to make sure the Code's future text and approach is a driver of global coherence and certainty on transparency.

Governance of the Extractive Sector: As a result of our Latin America Initiative's work on natural resource extraction, global supply chains and social peace in Peru, the FCDO committed to increase its support for community, government and investor dialogues around resource extraction.

Contributed evidence for the UK government's proposed UK-EU reset of relations: Our experts provided oral evidence to the House of Lords European Affairs Committee's inquiry into the reset of UK-EU relations. We highlighted a lack of clarity in the UK's strategic vision for its relationship with the EU and what it seeks to offer and emphasized the potential for further cooperation in defence and industry.

We also gave oral evidence to the House of Commons Defence Select Committee on the UK's contribution to European security. The session explored the UK's role in European security and the UK's multilateral and bilateral relationships in Europe. The session focused on the threats facing Europe and the UK and the key capability gaps, UK's current and potential future cooperation on defence and security matters with European governments and the European Commission, the role of the Joint Expeditionary Force (JEF), and its relationship with NATO.

Convening and Events

In January our annual Director's lecture drew on global governance themes which have been informing our work and our Director shared her perspective on the prospects for global governance and international order in 2025. We were able to further explore the big international challenges with global leaders and influential thinkings at our flagship *London Conference*. Discussion ranged from the return of great power politics with journalist and CNN podcast host Fareed Zakaria to global monetary conditions with Turkish finance minister Mehmet Şimşek. The Conference also navigated a range of other topics including the Israel-Palestine conflict, Ukraine and European security and democracy in the age of AI. The UK party conference season provided a chance to build the House's profile with the new government and the opposition, delivering events on global health, UK trade policy and in-conversations with the incumbent and shadow foreign secretaries.

Throughout the year we welcomed a number of internationally renowned speakers to the House, including:

- Dr Haider Al-Abadi, Prime Minister, Iraq (2014-18)
- Anne Applebaum, Journalist and author
- Dr Ahmad Awad bin Mubarak, Prime Minister, Yemen
- Antony J Blinken, US Secretary of State
- Helen Clark, Prime Minister, New Zealand (1999-2008)
- Sir Nick Clegg, President, Global Affairs, Meta
- Annalise Dodds MP, Minister of State for Development, UK
- HRH Prince Turki Al Faisal bin Abudalazia Al Saud, Chairman, King Faisal Centre for Research and Islamic Studies
- HE Yassine Fall, Minister of Foreign Affairs, Senegal
- Dr Abdalla Hamdok, Prime Minister, Sudan (2019-21)
- Ban Ki-Moon, former United Nations Secretary General
- James Manyika, Senior Vice President of Research, Technology and Society, Google
- Theresa May MP, former Prime Minister, UK

Report of the Council

- Nancy Pelosi, Speaker Emerita, House of Representatives, USA
- Dame Karen Pierce, UK Ambassador to the United States
- HE Radosław Sikorski, Minister of Foreign Affairs, Poland
- Valerii Zaluzhnyi, Ukrainian Ambassador to the UK

Special events

In July the 2024 Chatham House Prize was awarded to Prime Minister Donald Tusk in recognition of his unwavering commitment to restoring democracy in Poland, rebuilding institutions, and rehabilitating and upholding the principles of the rule of law. We were delighted to welcome Radosław Sikorski, Minister of Foreign Affairs for Poland to award on Prime Minister Tusk's behalf.

We also hosted the exhibition *War Diaries: Unheard Voices of Ukrainian Children* following successful showings in Amsterdam, New York, Kyiv and Washington DC. The exhibition featured drawings, diary entries and personal belongings of 14 Ukrainian teenagers from the Donetsk, Kharkiv, Kherson and Kyiv regions, drawing attention to the emotional and psychological toll of war on Ukrainian youth.

Achievements and Performance – Organizational development

We have continued to review and improve the operational side of our business and strive to provide the best support to our workforce, and considerable work has taken place to improve staff engagement opportunities in the past year. Led by the HR team, developments include a focus on training and development of a competency framework to be launched in the next financial year. A staff survey was conducted and an action plan formulated based on the results with a fuller and more formal staff communication plan implemented.

We reviewed a number of our policies and our Principles of Independent Research and Convening were refreshed to ensure the House continues to effectively conduct its work in a way that is consistent with its objectives and in a way that mitigates any risk to the organization.

Chatham House research has been restructured into what is being called a 'quad' system. That is four blocks of research each led by a Research Director, who is a member of Executive Leadership Team (ELT). This has strengthened the management of both research and ELT. Our thematic programmes are now grouped in two Centres (on Environment and Global Governance/Security), bringing a deep, technical analysis of the problems and focus on the future of international cooperation. We have strengthened our regional and country programmes to give us deep knowledge of the political obstacles to making proposals into realities. In addition to the 'quads' Chatham House has a Global Economy and Finance Programme, working across all areas of research.

Other areas of development include a looking at the structure of the fundraising teams with a more target-driven, sales approach and a real drive on new business with the corporate fundraising team. Head of News and Comment was brought into the Communications team to contribute to a clearer focus on rapid reaction and alignment of our ideas and with our recommendations to the media.

Development of Chatham House's finance team and associated systems have continued throughout 2024/25. A strong interim Finance Director was brought in and groundwork started for a replacement digital finance system with the appointment in 2024/25 of a senior and experienced lead for this project.

EDI

Our EDI strategy, updated in 2024, continues to build upon work previously completed. The strategy outlines objectives and activities for the next five years which will underpin our commitment to fostering an organization that benefits from diversity, collaboration and shared purpose. The three established objectives of the strategy are to:

Create an inclusive internal environment: where all staff experience a welcoming and enriching working environment, free from mistreatment, harassment, discrimination, exploitation, and humiliation. Staff across all levels feel able to express their experiences, opinions, and concerns authentically and without fear of retaliation.

Be one Chatham House: with a cohesive organizational culture, shared values and expectations of behaviour. We will remove cultural, psychological, and structural barriers to collaboration to cultivate a sense of one House rather than many small, siloed activities.

Remove barriers: we recognise the systemic barriers marginalised communities face and will work to address these obstacles to opportunities, development, and leadership roles within the institute, particularly for minoritised groups. We will embed inclusive practices in our research and convening and role model externally.

These objectives have associated activities and KPIs and progress against the strategy is reported to Council. Some activities carried out during the reporting period include work to review and optimise HR processes and policies as well as ELT coaching. A bespoke programme of leadership training has been developed around needs of line managers and our EDI Working Group continues to provide support by leading on staff engagement initiatives and events and acting as a feedback mechanism for staff.

Looking forward: Next Year

Research and convening

Amid immense geopolitical disruption countries are turning away from the traditional institutions of cooperation. At the same time, the world is experiencing fundamental changes in the environment and from new transformative technologies. The international order which governed for much of the last 70 years is contested, leading to violence and a fraying of international law, institutions and economic stability. In this increasingly complex and volatile geopolitical landscape, the need for independent, evidence-based analysis and dialogue is greater than ever.

We continue to align our strategic priorities to our mission and ensure our work answers the questions the world is asking and proposes ambitious but achievable solutions. We have identified our thematic research priorities for 2025/26 as follows:

- New international order, middle powers and global south
- US and China
- The role of the UK
- The global economy
- Security, resilience and arms control
- Climate, energy and resources
- Geopolitics of tech

Operations

We will continue to build efficiencies into our processes and to strengthen our teams. We will welcome a new Finance Director and bring additional financial expertise in house and embed within the research teams to support our project work. The next year will also see the final phase of the implementation of a modernised finance system to deliver enhanced functionality, and which will benefit the entire organization. We intend to build upon the great strides we have made in our communications function to continue to expand our profile, reach and relevance.

We will continue our commitment to the next generation and plan to make available approximately six internships in host teams across our departments, each for a six-month period starting in September. These internships will provide direct exposure to the work of the Institute and the opportunity to be part of and attend many of Chatham House's workshops and other events and meet with internationally respected experts.

Staff development will continue in a variety of areas including our ongoing commitment to EDI; continuing to strive to improve staff communications and work with the union; a second staff survey which will start to show trends and inform improvements; launch of competency framework and associated work; review of key policies; continued investment in learning and development with a focus on leadership skills; trialling hosting PhD students and a raft of smaller initiatives.

Financial Review

Results

After taking account of the movement on unrestricted, restricted and permanently endowed funds, the consolidated statement of financial activities shows an overall deficit, before investment gains and losses, of £146,000 (2024: deficit £1,927,000 before investment gains and losses). Losses on investments of £77,000 increased the deficit to £223,000 (2024: deficit of £293,000 after investment gains of £1,634,000), of which £106,000 related to realised gains and £184,000 related to unrealised losses (2024: realised losses of £26,000 and unrealised gains of £1,161,000).

Total income decreased from £21,535,000 in 2024 to £20,177,000 in 2025. This decrease is primarily due to a decrease in income from research (under Charitable Activities) across the portfolio of programmes with the research on the Environment, Middle East, Russia and Asia Pacific showing the strongest growth.

Total expenditure decreased from £23,462,000 in 2024 to £20,323,000 in 2025. This is due to £731,000 lower support costs and £2,408,000 in lower activity costs:

- Charitable expenditure on research was lower by £2,243,000 due to lower project costs which is a direct reflection of the lower income in research for the year.
- Support costs have decreased by £730,000 due to lower staff costs, lower expenditure on IT, premises related costs and lower depreciation.
- Due to improved strength of the finance team in expertise and stability, the cost incurred in hiring expertise from PwC in 2023/24 (£288,000) was not required in 2024/25.
- IT expenditure was lower than the last financial year by £248,000 due to efficiently managing spend on licenses, consultancy, disaster recovery and telephony.

This deficit means net assets have reduced by £223,000 to £35,514,000 at 31 March 2025 (2024: £35,737,000). The decrease in net assets is reflected in higher current assets year on year, reduction in investments, offset by lower current liabilities.

The increased value of investments reflects positive equity market performance in 2024/25. Fixed income assets also contributed to returns in an environment of falling bond yields, as central banks cut interest rates in response to moderating inflation. Elsewhere commodities, especially gold, have been an important contributor to portfolio performance. Equity markets have become increasingly volatile since the US election in November, with a broadening out of market returns to other regions outside of the US, and Chinese technological advancements posing a threat to the dominance of the US technology companies.

Looking to 2025/26, the main financial risks include:

- Uncertainty around US policy remains high
- Tariffs are contributing to an increased risk of recession and the possibility of higher US inflation
- Escalating geopolitical tensions, mounting levels of government debt, and labour market weakness could all pose challenges to the global growth outlook.

The Executive Leadership Team and Council continue to carefully manage the sustainability of the cost base to mitigate the impact of inflation and continue to explore and action improvements in operational efficiency and manage liquidity in the short term while achieving investments for the long term.

The results of the wholly-owned trading company, Chatham House Enterprises Limited, are shown in note 9. The company's results were positive, with £120,000 of profit transferred as gift aid to the Institute (2024: £89,000). Income increased by 9.9% to £1,294,000 from 2024 (£1,177,000) at a consistent margin in the face of continuing above headline inflation cost pressures in the events sector.

Investment policy

The Chatham House Investment Committee manages its non-cash investments through independent investment managers Cazenove Capital Management. The policy is to invest all of its long-term permanently endowed funds, a considerable part of other funds (£8,802,000 (2024: £9,544,000 at 31 March 2024)) and the fund given by the MAVA Foundation for the Chatham House Sustainability Accelerator in equities for long term growth. The funds originally given for the Stavros Niarchos Foundation CoLab are invested in gilts with maturity dates aligned to the cash flow expected from the fund in accordance with the terms of the grant. The remaining operational cash funds are put on deposit with the Institute's bankers at money market rates.

The Institute received a total of £10,000,000 in grants from the MAVA Foundation to support the Chatham House Sustainability Accelerator in two equal amounts over the two accounting years of 2021 and 2022. The funds are invested by Cazenove in a Sustainable Multi-Asset Fund. Amounts continue to be drawn down from the fund by the Institute to meet the Sustainability Accelerator programme spending needs in line with the requirements of the grants as set out in Note 15.

The Institute aims to ensure that its investments do not cause any harm to the Institute's mission. The Institute has a policy that it does not directly invest in fossil fuel or tobacco companies and any indirect exposure to these sectors through funds should be less than 3% of the Institute's overall portfolio. Council's Investment Committee also work closely with Cazenove Capital Management to discuss how Cazenove are using their influence to achieve environmental, social and corporate governance goals. At 31 March 2025, £7,711,00 (£7,995,000 at 31 March 2024) of the Institute's funds were invested with Cazenove's Sustainable Multi-Asset Fund.

In respect of equity and other long-term investments, the Chatham House investment objective is to seek a total return (gain on investments plus the dividends / other income received) at least equal to CPI plus 4% over the longer term. As of 31 March 2025, Chatham House's main portfolio held with Cazenove did not achieve this objective for the 12 months to March 2025 (2.0% achieved versus CPI +4% of 6.6%) and was behind this on the longer term 3 years (4.0% achieved versus CPI +4% of 13.0%) but did achieve the target over 5 years (6.0% achieved versus CPI +4% of 5.5%). The stabilization of inflation in last 12 months has provided the environment where the growth of an equity-based portfolio can outperform the CPI based measure but the longer-term measures continue to be affected by the high levels of inflation across 2022 and 2023. Taking this into account the Council consider that Cazenove are successfully managing the funds.

A total return policy is adopted for investments and permanently endowed funds, as explained in note 16. In 2021/22, Chatham House implemented an amended total return and unapplied return policy of 8% (4% previously) to reflect the persistently high level of unapplied return. The unapplied return policy of 8% is unchanged in 2024/25.

During the financial year 2024/25, there was a total return on the main Cazenove portfolio of 2.0% as noted above. This compares with growth in the FTSE Equities All Share index over the same period of 10.4%. In 2023/24 there was a total return on the Cazenove portfolio of 10.3%. This compares with growth in the FTSE Equities All Share index over the same period of 8.4%.

Interest earned on bank deposits in 2025 was £45,000 (2024: £31,000).

Reserves policy and going concern

The reserves policy is kept under review by Council. The free reserves are calculated taking account of general fund and the Research Grants and Donations Funds held within designated funds which are unrestricted.

This designated fund represents net surpluses transferred from the Restricted Grants and Donations Fund, set aside to fund future research work, including related convening activities. This reflects the entirety of the monies at the disposal of Council rather than just the general fund. The reserves policy aims to maintain these free reserve funds at a level sufficient to cover future expenditure for six months but to also ensure that the minimum level does not fall below three months. Research expenditure is excluded because it is generally covered by its own income in each year.

At the end of the current year, the free reserves figure was £4,330,000 (2024: £3,251,000) and represented just over six months' worth of budgeted non-research expenditure for the year ended 31 March 2025. The Executive Leadership Team and Council are committed to maintaining the free reserves position over the medium-term through strong cost management and overhead recovery across the Institute, and appropriate revenue generation.

Council has reviewed the assumption that the financial statements are prepared on a going concern basis taking into account that the Institute has a sufficiency of reserves to cover expenditure for just over six months, and while this is an improvement year on year but remains below the policy target level. Council has considered cash projections for the Institute and the Group in addition to the consideration of factors set out below.

- The Institute carefully monitors its costs and will continue to carefully manage projected staff costs.
- The Group also has £8,026,000 of deferred income at 31 March 2025 (2024: £9,319,000), including £2,361,000, which relates to general funds (2024: £3,216,000) and will be recognized in full in 2025/26.
- At 31 March 2025, there was £1,066,000 of unapplied return within permanently endowed funds (2024: £1,313,000) which could potentially be reallocated to unrestricted funds if there was a pressing need.
- Chatham House would also be able to access healthy levels of cash in an emergency, with £4,096,000 of cash at 31 March 2025 (2024: £4,227,000), the ability to raise cash from banks by negotiating an overdraft or secured loan, and the ability to sell fixed asset investments in an emergency.

Following this review, Council is satisfied that the financial statements should be produced on a going concern basis.

Designated funds (Note 15)

The designated funds totaling £21,577,000 (2024: £20,985,000) comprise the Property and Equipment Fund (£16,957,000), the Director's Research Innovation Fund, the unrestricted Research Grants and Donations Fund, the Second Century Fund, the Library Storage Fund and Life Membership Legacy Fund. The balance on the Research Grants and Donations Fund (£4,146,000) is used to help fund the future work of the Institute including unfunded research work and related convening activities, mainly in the form of 'seed' monies or to provide matching funds, or to cover future core research costs whilst funding is sought for new projects. Further details on each designated fund are set out in note 15.

Restricted funds (Note 15)

The restricted funds total £9,933,000 (2024: £10,561,000) and details of each fund are set out in note 15. Of this total, £9,755,000 (2024: £10,383,000) relating to the Chatham House Sustainability Accelerator fund and the Stavros Niarchos Foundation CoLab Fund have been identified and classified as "Long-term restricted funds" and shown separately from the other restricted funds in the financial statements and notes. This is on the basis that the funds were sought from donors in anticipation that the related expenditure incurred would be over a longer time frame of ten to fifteen years.

Managing Risk

The Members of the Council as trustees have given consideration to the major risks to which the Institute is exposed and satisfied themselves that that systems or procedures are established in order to manage those risks. The Council regularly reviews and assesses the risks faced by the Institute through a risk management framework, which incorporates Charity Commission guidance and the Institute of Risk Management best practice and using the institute risk register. These risks are subdivided into operational areas, and elements within each are assessed and categorized as to their severity, according to their likelihood and impact level. Systems and procedures are in place to mitigate each of these perceived risks which are then reassessed as to their likelihood and impact in the light of the mitigations.

The Institute's risk assessment process is led by the Chief Operating Officer and overseen by the Executive Leadership Team and the internal Risk and Ethics group. The group meet regularly to review and identify those risks which could affect Chatham House, with key, strategic risks identified for and discussed at the Finance and Risk Committee and Council. Identified risks are regularly reviewed to ensure that the measures in place are still appropriate.

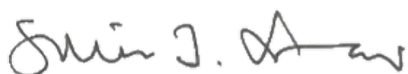
The principal risks facing the Institute relate to financial stability and underperformance. Extensive work has been undertaken to support teams across the Institute with financial reporting, insight and decision making and work is underway to introduce a more modern digitized finance system. Trustees have undertaken deep dives on the business model and the executive team continue to look at building a more flexible cost base and derisking income streams to increase the availability of unrestricted funds.

The Finance and Risk Committee held a deep dive on the methods employed to manage cyber incidents, examining the work of the Cyber Incident Group and the processes followed in the event of a serious cyber-attack as well as steps taken to prevent such attacks including staff training, phishing simulations and monthly meetings with external organizations to share intelligence on threats. The Research Committee and full Council also held ongoing discussions on the question of independence and balance in relation to the Institute's research and convening and the associated risks around reputation and public perception.

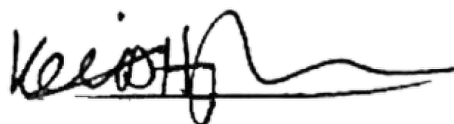
Reporting serious incidents

The Charity Commission requires charities to report serious incidents. If a serious incident occurs then a full, frank and prompt disclosure to the Commission is made including what happened and how it is being dealt with. The responsibility for reporting serious incidents rests with the trustees but this is delegated to the Director and her Executive Leadership Team to handle in the first instance. There were no reports to the Charity Commission during this financial year.

Approved by the Council on 9 July 2025 and signed on its behalf by:



Sir Simon Fraser
Chair



Keith Harrington
Honorary Treasurer

Independent auditor's report to the Members of the Council as trustees of The Royal Institute of International Affairs

Opinion

We have audited the accounts of The Royal Institute of International Affairs (the 'parent charity') and its subsidiary Chatham House Enterprises Limited (together the 'group') for the year ended 31 March 2025 which comprise the group and parent charity statement of financial activities, balance sheets, consolidated statement of cash flows, the principal accounting policies and the notes to the accounts. 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 accounts:

- ◆ give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2025 and of their 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 Charities Act 2011.

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 accounts section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard. 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 accounts, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the accounts is appropriate.

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

Our responsibilities and the responsibilities of the Council members as 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, including the Report of the Council, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the accounts does not cover the other information and 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 accounts 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 this gives rise to a material misstatement in the accounts 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity 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 Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- ◆ the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept by the parent charity; or
- ◆ the parent charity accounts are not in agreement with the accounting records; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Council's responsibilities statement, the Council members as trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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:

Independent Auditor's Report Year to 31 March 2025

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

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the Group and the Institute through discussions with management, and from our knowledge and experience of the sector;
- ◆ 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 Group and the Institute, including the Charities Act 2011, data protection legislation, employment and those that relate to fundraising and are overseen by the Fundraising Regulator;
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- ◆ The 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 Group 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;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- ◆ Performed substantive testing of expenditure including authorization thereof.

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 Council and Finance & Risk Committee meetings; and
- ◆ Enquiring of management as to actual and potential litigation and claims, including inspecting the relevant correspondence from regulators and advisors;

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

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.

Independent Auditor's Report Year to 31 March 2025

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made solely to the Members of the Council as the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott Audit LLP
Statutory Auditor

Date: 1 August 2025

130 Wood Street London
EC2V 6DL

Buzzacott Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities Year to 31 March 2025

	Notes	Restricted funds			Permanent Endowment funds	2025 Total funds	2024 Total funds
		Unrestricted funds	Other Restricted funds	Long-term funds			
		£'000	£'000	£'000	£'000	£'000	
Income and endowments from							
Donations	1	4,363	42	-	-	4,405	4,040
Trading activities	9	1,294	-	-	-	1,294	1,177
Investments	2	171	-	348	47	566	633
Charitable activities	3	1,916	11,882	-	-	13,798	15,633
Other income		114	-	-	-	114	52
Total income		7,858	11,924	348	47	20,177	21,535
Expenditure on raising funds							
. Costs of generating donations		979	-	-	-	979	1,251
. Costs of trading activities	9	1,174	-	-	-	1,174	1,088
Charitable activities		4,761	12,639	770	-	18,170	21,123
Total expenditure	4	6,914	12,639	770	-	20,323	23,462
Net Income/(expenditure) before gains (losses) on investments & transfers							
		944	(715)	(422)	47	(146)	(1,927)
Gains (losses) on investments	11	98	-	(206)	31	(77)	1,634
Net income (expenditure) before transfers	7	1,042	(715)	(628)	78	(223)	(293)
Transfers between funds	15	(390)	715		(325)	-	-
Net (expenditure) income & net movement in funds		652	0	(628)	(247)	(223)	(293)
Reconciliation in funds							
Fund balances brought forward at 1 April		21,109	178	10,383	4,067	35,737	36,030
Fund balances carried forward at 31 March	15	21,761	178	9,755	3,820	35,514	35,737

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

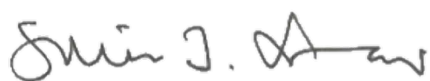
Comparative information displaying the consolidated statement of financial activities for the year ended 31 March 2024 by fund type is included at note 21.

Financial Statements: Balance sheets

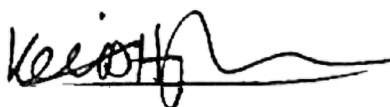
Balance sheets As at 31 March 2025

	Notes	Group		Institute	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	8	16,957	17,384	16,957	17,384
Investments	11	19,592	21,233	19,592	21,233
Total fixed assets		36,549	38,617	36,549	38,617
Current assets					
Debtors	12	5,198	4,963	4,955	5,129
Cash and cash equivalents		4,096	4,227	4,094	3,896
Total current assets		9,294	9,190	9,049	9,025
Liabilities					
Creditors: amounts falling due within one year	13	(10,329)	(12,070)	(10,085)	(11,907)
Net current liabilities		(1,035)	(2,880)	(1,036)	(2,882)
Total net assets		35,514	35,737	35,512	35,735
The funds of the charity:					
Funds and reserves					
Permanent endowment funds		3,820	4,067	3,820	4,067
Restricted funds:					
. Long-term funds		9,755	10,383	9,755	10,383
. Other restricted funds		178	178	178	178
Unrestricted funds :					
. Property and equipment fund		16,957	17,384	16,957	17,384
. Other designated funds		4,620	3,601	4,620	3,601
. General fund		184	124	182	122
Total Funds	15	35,514	35,737	35,512	35,735

Approved by the Council on 9 July 2025 and signed on its behalf by:



Sir Simon Fraser
Chair



Keith Harrington
Honorary Treasurer

Financial Statements: Consolidated statement of cash flows

Consolidated statement of cash flows Year to 31 March 2025

	Notes	2025 £'000	2024 £'000
Cash flows from operating activities:			
Net cash (used in) provided by operating activities	A	(1,786)	500
Cash flows from investing activities:			
Dividends and interest from investments	2	566	633
Purchase of tangible fixed assets	8	(474)	(333)
Proceeds from sale of investments	11	4,754	3,966
Purchase of investments	11	(3,191)	(3,535)
Net cash provided by investing activities		1,655	731
Change in cash and cash equivalents in the reporting period		(131)	1,231
Cash and cash equivalents at the beginning of the reporting period	B	4,227	2,998
Cash and cash equivalents at the end of the reporting period	B	4,096	4,227

Notes to the cash flow statement for the year to 31 March:

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

	Notes	2025 £'000	2024 £'000
Net expenditure for the reporting period		(223)	(293)
Dividends and interest from investments	2	(566)	(633)
Depreciation of tangible fixed assets	8	902	1,044
Depreciation on disposal of fixed assets		-	295
Losses / (Gains) on investments		77	(1,634)
(Increase) / decrease in debtors		(235)	1,369
(Decrease) / increase in creditors		(1,741)	350
Net cash (used in) provided by operating activities		(1,786)	498

B. Analysis of Cash and Cash equivalent

	2025 £'000	2024 £'000
Cash at bank and in hand	4,096	4,227
Total cash and cash equivalents	4,096	4,227

Principal accounting policies Year to 31 March 2025

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

Basis of preparation

These financial statements have been prepared for the year to 31 March 2025 with comparative information presented for the year ended 31 March 2024. The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

Critical accounting estimates and areas of judgement

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

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

- ◆ estimating the liability for multi-year project grant commitments, including how much income to defer or accrue and how much income to recognize from the project grant to cover overhead costs.
- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ determining the basis for allocating support costs across expenditure categories.

Assessment of going concern

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

The Council members have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the group and the charity to continue as a going concern. They are of the opinion that the Group and the Institute will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the financial statements are detailed above under *Critical accounting estimates and areas of judgement*. With regard to the next accounting period, the year ending 31 March 2026, the most significant areas that affect the carrying value of the assets held by the Group and the Institute are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Report of the Council for more information). Council has reviewed Chatham House's financial position and cash flow projections to August 2026.

Council has reviewed the assumption that the financial statements are prepared on a going concern basis taking into account that the Institute has a sufficiency of reserves to cover expenditure for just over six months, which is in line with the Institute's policy. Council has considered cash projections for the Institute and the Group in addition to the consideration of factors set out below.

Principal Accounting Policies

- The Group carefully monitors its costs and will continue to carefully manage projected staff costs.
- The Group also has £8,026,000 of deferred income at 31 March 2025 (2024: £9,319,000), including £2,361,000 which relates to general funds (2024: £3,216,000) and will be recognized in full in 2025/26.
- At 31 March 2025, there was £1,066,000 of unapplied return within permanently endowed funds (2024: £1,313,000) which could potentially be reallocated to unrestricted funds if there was a pressing need.
- Chatham House would also be able to access healthy levels of cash in an emergency, with £4,096,000 of cash at 31 March 2025 (2024: £4,227,000) on a group basis, the ability to raise cash from banks by negotiating an overdraft or secured loan, and the ability to sell fixed asset investments in an emergency.

Following this review, Council is satisfied that the financial statements should be produced on a going concern basis.

Income recognition

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

Investment income

Income receivable on deposits and investments is recognised on an accruals basis. Income from permanently endowed investments is calculated on a total return basis (see note 16).

Membership and journal subscriptions

Corporate and individual membership subscriptions, and subscriptions to journals, are each payable in respect of a twelve-month period in advance. The unearned portion of income received relating to the period after 31 March is carried forward as subscriptions in advance. With regards to life membership, sufficient monies to cover the annual subscriptions of life members is usually transferred from the Life Membership Legacy fund to the general fund each year. Any donations that remain may ultimately be transferred to the general fund by the Council.

Research income and expenditure

Research income comprises mainly grants, together with some sponsorship, contract income and other miscellaneous income. All of this income is credited to the statement of financial activities when the charity is entitled to the income unless it relates to funding for specific future periods either via explicit or implicit time conditions within the grant agreement. In this case, income is deferred and recognized in future periods.

Donations

Donations are recognised when the charity has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Charitable activities

The income and costs relating to charitable activities are analysed into the headings of research, events and dissemination in order to reflect the objectives and activities of the Institute.

Expenditure recognition

Expenditure is accounted for on an accruals basis. All salaries and other costs directly attributable to specific activities are charged against these activities and are shown accordingly within the statement of financial activities. Research programmes make a contribution to the overheads of the Institute. Expenditure includes attributable VAT which cannot be recovered.

Principal Accounting Policies

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the group and the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Support costs

Support costs are those indirect costs incurred in support of expenditure on the charitable activities of the Institute and are allocated on a per capita basis based on staff across all activities.

Leases

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

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £2,500 are capitalised and included at cost together with any incidental costs of acquisition.

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

- ◆ Building improvements - 10-20 years
- ◆ Furniture, equipment and hardware - 3-10 years
- ◆ Software - 3-10 years

Assets are depreciated when they are brought into use. Depreciation is not charged on the properties capitalised under long leasehold buildings as the Council believes the likely residual value of the properties concerned would result in an immaterial depreciation charge. Its value and condition are reviewed annually by the Council and if any impairment is identified, a provision is made. Assets under construction are not being depreciated.

Depreciation is not charged on freehold land.

Investments

Listed investments are a form of basic financial instrument and 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.

The Institute only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

As noted above, the main form of financial risk faced by the Group and the Institute is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, the relative currency strength of sterling against other currencies, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the year in which they arise.

Debtors

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

Cash and cash equivalents

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

Creditors and provisions

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

Pension costs

The Institute contributes to a number of defined contribution schemes. Contributions to the schemes are charged against the results of the year in which they occur.

Foreign exchange

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

General Fund

This is a fund which can be used for any purpose within the charitable objects of the group.

Designated Funds

These funds are funds set aside by the Council within unrestricted funds for specific future purposes.

Restricted Funds

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions. Of the total restricted funds, some funds have been sought with a longer horizon for anticipated expenditure as noted in note 15. Given their significance, they have been shown separately within the financial statements and the notes from other restricted funds and classified as long-term restricted funds.

Permanent Endowment Funds

These are funds received which are held permanently by the Institute as a capital fund. Income received on these may be spent on the charitable objects. Capital gains/(losses) derived from these assets are credited/(charged) to these funds. The charity operates a total return approach to its endowment funds. All income, gains and losses are taken to the part of the fund representing accumulated unapplied returns in the first instance. An amount reflecting the deemed investment return for the year is released to be spent as income (see note 16).

Financial instruments

The Institute only has financial assets and liabilities of a kind that qualify as basic financial instruments and are not considered to be of a financing nature. Such financial instruments, except for investments classified at fair value through profit or loss, are initially recognised at the transaction value and subsequently measured at their settlement value

1 Donations

	Restricted funds				2025 Total £'000
	Unrestricted	Other	Longterm	Permanent	
	funds	restricted	funds	endowment	
	£'000	£'000	£'000	£'000	
Donations	1,132	42	-	-	1,174
Membership subscriptions	3,231	-	-	-	3,231
	4,363	42	-	-	4,405

	Restricted funds				2024 Total £'000
	Unrestricted	Other	Longterm	Permanent	
	funds	restricted	funds	endowment	
	£'000	£'000	£'000	£'000	
Donations	826	40	-	-	866
Membership subscriptions	3,174	-	-	-	3,174
	4,000	40	-	-	4,040

2 Income from investments

	Restricted funds				2025 Total £'000
	Unrestricted	Other	Longterm	Permanent	
	funds	restricted	funds	endowment	
	£'000	£'000	£'000	£'000	
Interest on bank accounts & short-term deposits	45	-	-	-	45
Dividends and interest on investments	126	-	348	47	521
	171	-	348	47	566

	Restricted funds				2024 Total £'000
	Unrestricted	Other	Longterm	Permanent	
	funds	restricted	funds	endowment	
	£'000	£'000	£'000	£'000	
Interest on bank accounts & short-term deposits	31	-	-	-	31
Dividends and interest on investments	158	-	380	64	602
	189	-	380	64	633

3. Income from charitable activities

	Restricted funds				2025 Total £'000
	Unrestricted	Other	Longterm	Permanent	
	funds	restricted	funds	endowment	
	£'000	£'000	£'000	£'000	
Research	1,196	11,882	-	-	13,078
Events	24	-	-	-	24
Dissemination	696	-	-	-	696
	1,916	11,882	-	-	13,798

	Restricted funds				2024 Total £'000
	Unrestricted	Other	Longterm	Permanent	
	funds	restricted	funds	endowment	
	£'000	£'000	£'000	£'000	
Research	759	14,049	-	-	14,808
Events	73	-	-	-	73
Dissemination	752	-	-	-	752
	1,584	14,049	-	-	15,633

Chatham House 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 Chatham House. Chatham House 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 financial statements.

4. Total expenditure

	Cost of generating donations £'000	Cost of trading activities(note 9) £'000	Charitable activities			2025 Total £'000
			Research	Events	Dissemination	
			£'000	£'000	£'000	
Activities undertaken	480	1,174	9,117	484	3,045	14,300
Support costs **	499	-	3,782	255	1,487	6,023
	979	1,174	12,899	739	4,532	20,323

	Cost of generating donations £'000	Cost of trading activities(note 9) £'000	Charitable activities			2024 Total £'000
			Research	Events	Dissemination	
			£'000	£'000	£'000	
Activities undertaken	717	1,088	11,360	286	3,257	16,708
Support costs **	534	-	4,364	237	1,619	6,754
	1,251	1,088	15,724	523	4,876	23,462

Notes to the financial statements

The analysis of expenditure by fund was as follows:

	Cost of generating donations £'000	Cost of trading activities(note 9) £'000	Charitable activities £'000	2025 Total £'000
Unrestricted funds	979	1,174	4,761	6,914
Restricted funds				
Long-term funds	-	-	769	769
Other restricted funds	-	-	12,640	12,640
Total funds	979	1,174	18,170	20,323

	Cost of generating donations £'000	Cost of trading activities(note 9) £'000	Charitable activities £'000	2024 Total £'000
Unrestricted funds	1,194	1,145	6,967	9,306
Restricted funds				
Long-term funds	-	-	662	662
Other restricted funds	-	-	13,494	13,494
Total funds	1,194	1,145	21,123	23,462

** Support costs breakdown by activity:

	Cost of generating donations £'000	Charitable activities			Total 2025 £'000
		Research £'000	Events £'000	Dissemination £'000	
Management	63	507	34	199	803
Administration	173	1,149	78	452	1,852
IT	100	807	55	317	1,279
Premises	81	659	44	259	1,043
Depreciation (note 8)	70	570	38	224	902
Governance	12	90	6	36	144
Total funds	499	3,782	255	1,487	6,023

	Cost of generating donations £'000	Charitable activities			2024 Total £'000
		Research £'000	Events £'000	Dissemination £'000	
Management	55	422	23	157	657
Administration	153	1,463	80	543	2,239
IT	130	980	53	364	1,527
Premises	95	726	39	269	1,129
Depreciation (note 8)	88	671	36	249	1,044
Governance	13	101	6	38	158
Total funds	534	4,363	237	1,619	6,754

Basis of allocation

Support costs above have been allocated on a per capita allocation based on staff across all activities.

5. Staff costs and numbers

Staff costs were as follows:

	2025	2024
	£'000	£'000
Wages and salaries	9,627	10,102
Redundancy	87	120
Social security costs	1,064	1,064
Pension contributions (note 19)	647	656
	11,425	11,942

The number of employees whose total remuneration was over £60,000 in the year were as follows:

	2025	2024
	No.	No.
£60,001 - £70,000	20	19
£70,001 - £80,000	11	9
£80,001 - £90,000	8	5
£90,001 - £100,000	6	5
£100,001 - £110,000	1	3
£110,001 - £120,000	3	5
£120,001 - £130,000	1	-
£160,001 - £170,000	1	-
£260,001 - £270,000	1	1
	52	47

The average monthly number of employees during the year was as follows:

	Average		FTE	
	2025	2024	2025	2024
	No.	No.	No.	No.
Research	90	99	87	92
Library	2	3	2	3
Publications	20	20	20	19
Membership and meetings	11	13	11	13
Conferences	6	5	6	5
Fundraising and public relations	15	16	15	16
General administration and support	38	41	36	40
	182	197	177	188

The above staff costs and numbers exclude consultants who are not employees of the Institute.

The key management personnel of the Institute responsible for directing and controlling the charity comprise of the Council members, the Director and other directors who comprise the Executive Leadership Team of the Institute. Total emoluments paid to key management personnel (defined as salary, and employer's pension and NI contributions) were £1,194,000 (2024: £1,222,000).

Redundancy payments totaling £87,000 were made to 5 employees during the year (2024: £120,000 to 8 employees). In line with Chatham House's accounting policy, these payments were fully recognised at the date they were made.

No Council members received emoluments during the year for services provided to Chatham House (2024: £nil). Further transactions with Council members are disclosed within note 17.

6. Taxation

The Institute has no corporation tax liability as all its income is charitable and is applied for charitable purposes and is therefore exempt, as are its capital gains.

The trading subsidiary, Chatham House Enterprises Limited, donates all its otherwise taxable profits to the Institute. Accordingly, no provision for current or deferred tax is required.

7. Net (expenditure)/income before transfers

This is stated after charging:

	2025	2024
	Total	Total
	£'000	£'000
Staff costs (note 5)	11,425	11,942
Auditor's remuneration:		
- Statutory audit	58	61
- Other services	2	31
Depreciation (note 8)	902	1,045
Rental payments under operating leases:		
- Land and buildings	-	-
- Equipment	3	3

8. Tangible fixed assets (Group and Institute)

	Freehold land & building £'000	Long-leasehold buildings £'000	Building improvements £'000	Software £'000	Asset under construction £'000	Furniture equipment and hardware £'000	Total £'000
Cost or valuation							
At 1 April 2024	94	13,119	5,463	1,817	89	2,600	23,182
Additions in the year	-	-	42	106	113	214	475
Disposals in the year	-	-	-	-	-	-	-
At 31 March 2025	94	13,119	5,505	1,923	202	2,814	23,657
Depreciation							
At 1 April 2024	-	-	2,570	1,078	-	2,150	5,798
Charge for the year	-	-	349	329	-	224	902
Depreciation on disposal	-	-	-	-	-	-	-
At 31 March 2025	-	-	2,919	1,407	-	2,374	6,700
Net book values							
At 31 March 2025	94	13,119	2,586	516	202	440	16,957
At 31 March 2024	94	13,119	2,893	739	89	450	17,384

The freehold land and building of Chatham House was gifted to the Institute in 1923 and is included in these financial statements at £nil cost. The property was last valued professionally in 1996/97 on an open market basis at £4,800,000 but is believed to be worth considerably more now.

The Institute holds a collection of paintings which have been acquired over many years. All items in the collection represent individuals who have either lived in the building or are significant in the history of Chatham House and, therefore, relate to the objects of the Institute. The Institute has commissioned a professional valuation of these paintings and sculptures for insurance purposes. The wide range of potential values suggested by the valuation highlight the difficulty of attaching an accurate financial value to such assets. For this reason, these assets have not been included in the financial statements.

Assets under construction of £202,000 (2024: £89,000) relate to the installation of a new finance system. No depreciation is charged until the asset comes into use.

9 Subsidiary undertaking: Chatham House Enterprises Limited

The Institute has one wholly-owned trading subsidiary, Chatham House Enterprises Limited, incorporated in England and Wales (Company Number 02979061). Its operations include conferences, consultancy, sponsorship and room letting. The company transfers its taxable profits to The Royal Institute of International Affairs via a Gift Aid compliant deed of covenant. A summary of the trading results is shown below.

	2025 Total	2024 Total
	£'000	£'000
Turnover	1,294	1,177
Cost of sales	(1,160)	(1,078)
Gross profit	134	99
Operating expenses	(14)	(10)
Profit on ordinary activities	120	89
Retained earnings at 1 April	2	2
Donation payable to parent undertaking under deed of covenant	(120)	(89)
Retained earnings at 31 March	2	2

Investments comprise of a holding of the entire 100 ordinary £1 shares in Chatham House Enterprises Limited. Of the total turnover of £1,294,000, £1,293,000 was attributable to unrestricted income with the balance of £1,000 to restricted income (2024: £1,177,000; £1,176,000 was attributable to unrestricted income and £1,000 was restricted income).

10 Chatham House Foundation

Chatham House Foundation (CHF) is a 501 (c) (3) tax-exempt charity founded in the United States in 1982 with its own board of trustees and completely independent of the Institute. As a result, the Foundation's activities and assets are not consolidated within the financial statements of Chatham House. The purpose of the Foundation is to promote the study of international affairs. It helps to raise the profile of Chatham House in the US and it supports work at Chatham House that is of relevance to the US foreign policy debate. Chatham House received an amount of £501,000 from the Foundation during the year ended 31 March 2025 (2024: £222,000) in donations and towards research projects.

11 Investments (Group and Institute)

	2025	2024
	£'000	£'000
Market value at beginning of the year	21,233	20,029
Acquisition at cost	3,191	3,535
Disposals at book value (proceeds: £4,754,000; realised gains: £106,000)	(4,648)	(3,992)
Net unrealised investment gains (losses) in the year	(184)	1,661
Market value at end of the year	19,592	21,233
Historical cost of investments	17,360	17,790

The total accumulated unrealised gains as at 31 March constitute movements on fair value through income and expenditure and are as follows:

	2025	2024
	£'000	£'000
Accumulated net unrealised gains included above:		
On investments	2,232	1,472
Total accumulated net unrealised gains at 31 March	2,232	1,472

Reconciliation of movements in unrealised gains (losses)

Unrealised gains at 1 April	3,443	1,682
Less: accumulated gains in respect of disposals in the year	(1,027)	100
	2,416	1,782
Add: net gains arising on revaluation arising in the year	(184)	1,661
Total accumulated net unrealised gains at 31 March	2,232	3,443

Listed investment assets in the UK at the year-end were as follows:

	2025	2024
	£'000	£'000
Held by Cazenove Capital Management		
. Equities	4,031	2,425
. Bonds	1,112	1,273
. Multi-asset	7,441	7,881
. Property	443	532
. Private Equity	47	43
. Other	-	3

Listed investment assets outside the UK at the year-end were as follows:

Held by Cazenove Capital Management		
. Equities	5,103	7,154
. Bonds	584	1,172
. Private Equity	126	135
. Other	705	615
	19,592	21,233

12 Debtors

	Group		Institute	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade debtors	2,223	2,887	1,980	2,652
Prepayments	534	159	534	159
Accrued income	2,160	1,471	2,160	1,455
Gift aid recoverable	270	248	270	248
Due from subsidiary	-	-	-	494
VAT Receivable	-	182	-	106
Other Debtors	11	16	11	16
	5,198	4,963	4,955	5,129

13 Creditors

	Group		Institute	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Subscriptions received in advance	1,382	1,828	1,382	1,829
Research income received in advance	5,665	6,103	5,665	6,104
Charitable events and services income received in advance	979	1,388	519	1,255
Accruals	680	1,286	637	1,264
Trade creditors	1,015	677	1,013	675
Tax and social security	249	250	248	250
VAT Payable	50	-	35	-
Other creditors	309	538	301	530
Amount to subsidiary undertaking	-	-	285	-
	10,329	12,070	10,085	11,907

Deferred income comprises annual subscriptions, income on research projects, income for publications and funds for capital expenditure, which were all received in advance.

	Group		Institute	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Balance as at 1 April	9,319	9,774	9,188	9,784
Amount released to income	(14,326)	(13,488)	(13,161)	(12,136)
Amount deferred in year	13,033	13,033	11,540	11,540
Balance as at 31 March	8,026	9,319	7,566	9,188

14 Analysis of net assets between funds

	Unrestricted funds	Other restricted	Restricted Long-term funds	Permanent endowment	Total funds
Group	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	16,957	-	-	-	16,957
Investments	7,626	-	8,146	3,820	19,592
Net current (liabilities) assets	(3,418)	23	2,360	-	(1,035)
Net assets at 31 March 2025	21,165	23	10,506	3,820	35,514

	Unrestricted funds	Other restricted	Restricted Long-term funds	Permanent endowment	Total funds
Group	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	17,384	-	-	-	17,384
Investments	8,594	-	8,572	4,067	21,233
Net current (liabilities) assets	(4,869)	178	1,811	-	(2,880)
Net assets at 31 March 2024	21,109	178	10,383	4,067	35,737

15 Movements in funds

	01-Apr-24	Income	Expenditure	Net gains on investments	Transfers	31-Mar-25
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
General fund	124	7,858	(6,914)	98	(982)	184
Designated funds:						
Property and Equipment Fund	17,384	-	-	-	(427)	16,957
Second Century Fund	136	-	-	-	-	136
Life Membership Legacy Fund	16	-	-	-	-	16
Library Storage Fund	112	-	-	-	-	112
Director's Research Innovation Fund	210	-	-	-	-	210
Research Grants and Donations Fund	3,127	-	-	-	1,019	4,146
	20,985	-	-	-	592	21,577
Total unrestricted funds	21,109	7,858	(6,914)	98	(390)	21,761
Restricted funds:						
Long term restricted funds						
Sustainability Accelerator Fund	9,019	324	(608)	(223)	-	8,512
Stavros Niarchos Foundation CoLab Fund	1,364	24	(162)	17	-	1,243
	10,383	348	(770)	(206)	-	9,755
Other restricted funds						
Library Fund	26	-	-	-	-	26
Internships Fund	104	42	(42)	-	-	104
Stavros Niarchos Foundation Building fund	48	-	-	-	-	48
Research Grants and Donations Fund	-	11,882	(12,597)	-	715	-
	178	11,924	(12,639)	-	715	178
Total restricted funds	10,561	12,272	(13,409)	(206)	715	9,933
Permanent endowment funds** (note 16)	4,067	47	-	31	(325)	3,820
Total funds	35,737	20,177	(20,323)	(77)	-	35,514

****Permanent endowment funds breakdown:**

	01-Apr-24	Income	Expenditure	Net investment Gain	Transfers	31-Mar-25
	£'000	£'000	£'000	£'000	£'000	£'000
Library funds	422	6	-	3	(41)	390
Lectureships	425	6	-	3	(41)	393
Hewlett Foundation	721	9	-	6	(70)	666
The Beryl Le Poer Power Fund	166	8	-	5	(48)	131
Stavros Niarchos Academy Fund	837	3	-	2	(20)	822
Asfari Centre Academy Fund	589	4	-	5	(25)	573
Asfari Centre Maintenance Fund	245	9	-	2	(66)	190
Other restricted funds	662	2	-	5	(14)	655
	4,067	47	-	31	(325)	3,820
Permanent endowment funds:						
Original value of endowments	2,754					2,754
Unapplied return	1,313	47		31	(325)	1,066
	4,067	47	-	31	(325)	3,820

The transfer of £715,000 from the restricted Research Grants and Donations funds is in relation to net deficit generated on completion of individual contracts and is transferred to funds designated for purposes in line with the original contract restrictions. Where restricted research activities generate deficits and no appropriate designated funds are available these deficits are transferred to the General Fund,

Notes to the financial statements

15 Movements in funds (continued)

	01-Apr-23 £'000	Income £'000	Expenditure £'000	Net gains on investments £'000	Transfers £'000	31-Mar-24 £'000
Unrestricted funds:						
General fund	135	7,001	(9,132)	843	1,277	124
Designated funds:						
Property and Equipment Fund	18,391	-	-	-	(1,007)	17,384
Second Century Fund	156	-	(20)	-	-	136
Life Membership Legacy Fund	16	-	-	-	-	16
Library Storage Fund	115	-	(3)	-	-	112
Director's Research Innovation Fund	360	-	(150)	-	-	210
Research Grants and Donations Fund	2,487	-	-	-	640	3,127
	<u>21,526</u>	<u>-</u>	<u>(173)</u>	<u>-</u>	<u>(367)</u>	<u>20,985</u>
Total unrestricted funds	<u>21,661</u>	<u>7,001</u>	<u>(9,305)</u>	<u>843</u>	<u>910</u>	<u>21,109</u>
Restricted funds:						
Long-term restricted funds						
Sustainability Accelerator Fund	8,727	332	(437)	397	-	9,019
Stavros Niarchos Foundation CoLab Fund	1,552	48	(226)	(10)	-	1,364
	<u>10,278</u>	<u>380</u>	<u>(663)</u>	<u>387</u>	<u>-</u>	<u>10,383</u>
Other restricted funds						
Library Fund	26	-	-	-	-	26
Internships Fund	104	40	(40)	-	-	104
Stavros Niarchos Foundation Building Fund	48	-	-	-	-	48
Research Grants and Donations Fund	-	14,049	(13,453)	-	(596)	-
	<u>178</u>	<u>14,090</u>	<u>(13,493)</u>	<u>-</u>	<u>(596)</u>	<u>178</u>
Total restricted funds	<u>10,456</u>	<u>14,470</u>	<u>(14,157)</u>	<u>387</u>	<u>(596)</u>	<u>10,562</u>
Permanent endowment funds** (note 16)	<u>3,913</u>	<u>64</u>	<u>-</u>	<u>404</u>	<u>(314)</u>	<u>4,067</u>
Total funds	<u>36,030</u>	<u>21,535</u>	<u>(23,462)</u>	<u>1,634</u>	<u>-</u>	<u>35,737</u>

**Permanent endowment funds breakdown:

	01-Apr-23 £'000	Income £'000	Expenditure £'000	Net gains on investments £'000	Transfers £'000	31-Mar-24 £'000
Library funds	406	7	-	42	(33)	422
Lectureships	409	7	-	42	(33)	425
Hewlett Foundation	694	11	-	72	(56)	721
The Beryl Le Poer Power Fund	141	10	-	67	(52)	166
Stavros Niarchos Academy Fund	831	2	-	15	(11)	837
Asfari Centre Academy Fund	556	14	-	86	(67)	589
Asfari Centre Maintenance Fund	224	9	-	55	(43)	245
Other restricted funds	652	4	-	26	(20)	662
	<u>3,913</u>	<u>64</u>	<u>-</u>	<u>404</u>	<u>(314)</u>	<u>4,067</u>
Permanent endowment funds:						
Original value of endowments	2,754	-	-	-	-	2,754
Unapplied return	1,159	64	-	404	(314)	1,313
	<u>3,913</u>	<u>64</u>	<u>-</u>	<u>404</u>	<u>(314)</u>	<u>4,067</u>

15 Movements in funds (continued)

For transfers from permanent endowment funds see note 16.

Purpose of unrestricted designated funds

Property and Equipment Fund	This represents the net book value of fixed assets for ongoing use by the Institute. Transfers are made between the Property and Equipment Fund and the General Fund and other restricted and designated building funds to ensure the Property and Equipment Fund equals the net book value of tangible fixed assets.
Second Century Fund	Funds raised through the Second Century Initiative to support the Institute's long term strategic objectives.
Life Membership Legacy Fund	To be used to provide the benefits of life membership to donors during their lifetime, the original donation ultimately returning to the General Fund.
Library Storage Fund	To be used to cover the ongoing costs of storing Library materials offsite
Director's Research Innovation Fund	To provide funds to support specific projects or areas of research as designated by the Director.
Research Grants and Donations Fund	This represents surpluses transferred from the restricted Research Grants and Donations Fund and set aside to fund the future work of the Institute including unfunded research work and related convening activities.

Purpose and use of Long-term restricted funds

Sustainability Accelerator Fund	To provide funding to support the Institute's efforts in accelerating innovation towards a sustainable future. This will focus on environmental sustainability. This fund will be spent down over 15 to 20 years with up to 10% withdrawn per year on the condition that no more than 50% is spent by the end of year 8.
Stavros Niarchos Foundation CoLab Fund	To provide funding to support Chatham House in experimenting with new ways of communicating and engaging with wider audiences.

Purpose and use of other restricted funds

Library Fund	To provide support for the Library.
Internships Fund	To provide support for paid internships.
Stavros Niarchos Foundation Building Fund	To provide funding for the refurbishment of the basement and ground floor of Ames House and Chatham House. Transfers are made to the Property and Equipment Fund to meet such costs.
Research Grants and Donations Fund	To provide funding for a number of specific ongoing research projects currently being undertaken by the Institute.

15 Movements in funds (continued)***Purposes and use of permanent endowment funds***

Library Funds	To provide support for the Library.
Lectureships	To provide income to support various meetings and lectures.
Hewlett Foundation	To provide income to support research at the Director's discretion.
The Beryl Le Poer Power Fund	To provide income for research into race relations.
Stavros Niarchos Academy Fund	To provide support for fellowships within Queen Elizabeth II Academy for Leadership in International Affairs.
Asfari Centre Academy Fund	To provide support for the Queen Elizabeth II Academy for Leadership in International Affairs.
Asfari Centre Maintenance Fund	To provide support for the physical maintenance of the Asfari Centre.
Other restricted funds	The funds of the Institute include funds to provide matching funds for the Hewlett Foundation Fund, and which are to be used for the specific purposes set out under that grant.

16 Total return approach to investments

In January 2005, Chatham House received permission from the Charity Commission to adopt the total return approach to the investment of permanent endowment funds. In 2022, the Institute discharged this order and adopted Charities (Total Return) Regulations 2013 based on power conferred by the Charities Act to adopt a total return approach without requiring Charity Commission permission. These regulations means that income from the permanent endowment funds listed in note 15 can be taken from capital growth as well as dividends.

For this purpose, it is necessary to identify the original and current value of permanent endowment funds held by Chatham House at 31 March 2025. The original value was established as £2,754,000 and the value at 31 March 2025 was £3,820,000 (2024: £4,067,000) (as shown in note 15). In adopting this policy, permanent endowment funds will not be permitted to fall below the original value of £2,754,000.

The total return approach to investments has been implemented with effect from 1 April 2005. From 1 April 2022 a total return of 8% was adopted and Council has continued this for the year to 31 March 2025. The value of the total return for the year to 31 March 2025 was a net gain transfer of £325,000 (2024: £314,000 net gain). This balance has been transferred from permanent endowment funds to the general funds.

For the year to 31 March 2025, permanent endowment funds generated dividend income of £47,000 (2024: £64,000) and the gain on investments for the year was £31,000 (2024: £404,000). The part of the total return transfer taken from accumulated capital growth, after taking account of dividend income for the year was £325,000 (2024: £314,000).

17 Transactions with Council members

No Council member received emoluments for services provided to Chatham House (2024: £nil). The Institute has trustee indemnity insurance for cover up to £5,000,000 in place at a cost of £22,000 to the Institute.

No expenses were incurred by the Council members during the year in undertaking their governance duties (2024: £nil). £638 was incurred by a Council member in relation to donor related activity (2024: £376). Council members made donations with a total value of £7,750 during the year (2024: £3,804). All donations were unrestricted (2024 - all donations were unrestricted).

All members of the Council are members of Chatham House, either as individuals or as corporate nominees. Membership subscriptions paid by Council members are on an arm's length basis.

Full declarations of interest are obtained from Council members, co-opted committee members and directors for their own activities outside of RIIA governance as well as those of their spouses/partners and dependents.

Keith Harrington was a co-opted member of the Finance & Risk Committee until his co-option onto the Council on 1 July 2024, when he was appointed as a Council member to that committee. On 10 September 2024 he was elected by the members as the Honorary Treasurer. Keith was a partner of PricewaterhouseCoopers LLP (PwC) until he retired on 30 June 2024 from the PwC Partnership. During the year ended 31 March 2024, the institute management team procured services from PwC for accounting services on the annual reports and accounts, management accounts and forecasts for £288,000. During the year ended 31 March 2025, there were no transactions with PwC of this nature as the work has ceased. Cyber security consultancy services were procured from PwC totaling £64,000 (2024 - £66,000).

The charity has disclosed the financial statements of the subsidiary in note 9.

18 Capital Commitments

	2025	<i>2024</i>
	£'000	<i>£'000</i>
Authorised and contracted	238	250
Authorised but not contracted	363	500

19 Pension costs

Pension costs comprised contributions to defined contribution schemes of £651,000 (2024: £656,000) including £275,000 which was paid in employer contributions for 52 employees earning over £60,000 per annum (2024: £256,000 for 47 employees).

20 Operating leases

The Institute has committed to the amounts of minimum lease payments at the balance sheet date under non-cancellable operating leases in the aggregate and for:

Group and Institute	Land and buildings		Equipment	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
The next year	-	-	10	12
Between two and five years	-	-	10	24
Between six and ten years	-	-	-	-
	-	-	20	36

In February 2023, Chatham House bought the long leasehold (999 years) of the Reception Area (South Side) No. 7, Ames House 6-7 Duke of York Street, London, SW1Y 6LA.

21 Comparative information: Consolidated statement of financial activities for the year to 31 March 2024:

	Notes	Restricted funds				Total 2024 £'000
		Unrestricted funds	Other restricted funds	Long-terms funds	Permanent endowment	
		£'000	£'000	£'000	£'000	
Income and endowments from						
Donations	1	4,000	40	-	-	4,040
Trading activities	9	1,176	1	-	-	1,177
Investments	2	189	-	380	64	633
Charitable activities	3	1,584	14,049	-	-	15,633
Other income – Coronavirus Job Retention Scheme		52	-	-	-	52
Total income		7,001	14,090	380	64	21,535
Expenditure on raising funds						
. Costs of generating donations		1,251	-	-	-	1,251
. Costs of trading activities	9	1,088	-	-	-	1,088
Charitable activities		6,967	13,494	662	-	21,123
Total expenditure	4	9,306	13,494	662	-	23,462
Net income before gains (losses) on investments and transfers	7	(2,305)	596	(282)	64	(1,927)
Gains (losses) on investments	11	843	-	387	404	1,634
Net income before transfers		(1,462)	596	105	468	(293)
Transfers between funds	15	910	(596)	-	(314)	-
Net income and net movement in funds		(552)	-	105	154	(293)
Reconciliation in funds						
Fund balances brought forward at 1 April		21,661	178	10,278	3,913	36,030
Fund balances carried forward as at 31 March		21,109	178	10,383	4,067	35,737