
THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ASSOCIATION, ITS COMMITTEE MEMBERS AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Committee Members	Dr B Burns, Chair ¹
	Professor A Fell, Honorary Secretary
	Professor A Finch, Honorary Treasurer ¹
	Professor K Astbury ^{2,3}
	Professor B Bollig ²
	Professor G Bonsaver
	Dr E Claussen
	Professor D Connon
	Dr A Counter (resigned 17 October 2020)
	Professor T Dadson (deceased 28 January 2020)
	Professor S Dixon (appointed 17 October 2020)
	Dr S Evangelista
	Professor F Finlay
	Professor S Gilson (appointed 17 October 2020)
	Dr J Goodman (resigned 19 October 2019)
	Professor A Hadfield
	Professor S Harrow
	Professor A Hiscock
	Dr D Holmes
	Dr A Lewis ¹
	Professor J Long
	Dr E Lygo
	Professor P de Medeiros ³
	Professor D Midgley ³
	Dr L O'Meara
	Professor W Ouyang
	Professor C Paver ²
	Professor M Rady (resigned 20 October 2020)
	Dr S Rodway
	Professor D Wheeler
	Dr C White
	Mr J Wong

¹ Member of Conference Grants subcommittee

² Member of Research Associateships subcommittee

³ Member of Research Scholarships subcommittee

In addition, attendance by invitation as (non-trustee/director) advisers: Mrs A Keith, Mrs A Callander, Mr G Lowe, Dr G Nelson, and as postgraduate representatives: Ms H McIntyre and Ms H O'Dell.

Company registered number 03446016

Charity registered number 1064670

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ASSOCIATION, ITS COMMITTEE MEMBERS AND
ADVISERS (CONTINUED)**
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Registered office	Salisbury House Station Road Cambridge CB1 2LA
Company secretary	Professor A Fell
Honorary treasurer	Professor A Finch
Independent auditors	Peters Elworthy & Moore Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
Bankers	Lloyds Bank Plc 3 Sidney Street Cambridge CB2 3HQ
Solicitors	Trowers & Hamlins LLP 3 Bunhill Row Southernhay Gardens London EC1Y 8YZ Keystone Law 48 Chancery Lane Holborn London WC2A 1JF
Investment managers	Brewin Dolphin Securities Limited 12 Smithfield Street London EC1A 9LA CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET Tilney 6 Chesterfield Gardens Mayfair London W1J 5BQ
Managing Editor	Mr G Nelson

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ASSOCIATION, ITS COMMITTEE MEMBERS AND
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Printers, publishers and agents	Turpin Distribution Stratton Business Park Pegasus Drive Biggleswade SG18 8TQ
	CPI Books 108-110 Beddington Lane Croydon CR0 4YY
	JSTOR 2 Rector Street, 18th Floor New York NY 10006 USA
	Lightning Source Chapter House Pitfield Kiln Farm Milton Keynes MK11 3LW
Senior Publishing Manager	Mr G M Lowe

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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

The Trustees present their annual report together with the audited financial statements of the Association for the year ended 30 September 2020. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) Second Edition October 2019 (effective 1 January 2019).

Since the Association qualifies as small under section 382 of the Companies Act 2006, the Strategic Report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The Association was founded in Cambridge in 1918 and incorporated in 1997. The Association has become an international organisation with members in all parts of the world. Its purpose is to encourage and promote advanced study and research in the field of the modern humanities, especially modern European languages and literatures (including English). It is concerned to break down the barriers between scholars working in different disciplines and to maintain the unity of humanistic scholarship in the face of increasing specialisation.

The Association fulfils this purpose primarily through the publication of journals, bibliographies, monographs and other aids to research. Increasingly, electronic publication is becoming a feature of this work, a trend expected to continue. Annually, the Association awards three Research Associateships to corporate projects of distinction such as dictionaries, textual editions, bibliographies, or related scholarly enterprises. It has a Conference Fund with up to four awards to support academic conferences held in the United Kingdom or Ireland. It offers up to four Research Scholarships to help revision of doctoral theses for publication. It also assists with the publication of original work by collaboration with other learned bodies. The Association plans to extend the scope and extent of these activities, within the resources available, as opportunities present themselves.

The Association enjoys friendly relations with similar bodies in this country and abroad. MHRA is a member of the Association of Learned or Professional Society Publishers (ALPSP).

There have been no material changes to the policy adopted by the Association in pursuit of its objectives. The Association's assets remain adequate to fulfil all the obligations arising from the above policies and a substantial reserve has been built to ensure the continuance of its charitable aims. Criteria for assessing the Association's performance, therefore, remain the extent to which it continues to disseminate scholarly research of proven quality within its subject remit, render financial support to researchers in the modern humanities through its grant schemes and generate sufficient funds to ensure its long-term commitment to its publishing and grant-giving programmes. The following reviews should be read with these criteria in mind.

The Association remains committed to the development and enhancement of its core publishing activities, and in recent years has been active in encouraging advanced research through other media, such as conferences and online postgraduate publication. Its aims of maintaining the highest standards in academic achievement, and involving as broad a constituency as practically possible, thus clearly correspond to the Association's purposes as detailed in the preceding section 'Policies and Objectives', and significantly contribute to the public benefit of advancing education and scholarship. The Association actively seeks to support early career researchers wishing to remain within the profession, and runs a funding scheme (Research Scholarships) which provides bursaries to help revision of PhD theses for publication, bridging the gap between doctoral study and full employment in a university post. Through its commitment to free online open-access publishing, in particular the MHRA Working Papers and Style Guide, the Association also seeks to disseminate its publications without extra costs to students and scholars.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

OBJECTIVES AND ACTIVITIES (CONTINUED)

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'. As such, they remain satisfied that any interested reader competent to derive benefit from its publications can readily access them free of charge through university holdings and online repositories. In the rare cases of requests from developing countries, material is always supplied without a request for remuneration.

Grant-making policies

The Association currently disburses grants under three schemes: Conference Fund, Research Associateships and Research Scholarships. In all instances, the Trustees invite applications from suitably qualified candidates with proposals which match the specific eligibility criteria. Following discussion by the Trustees of the academic merit and suitability of the applications, all candidates are notified of their success or otherwise, or if further submission or clarification is required. It is the Association's intention, subject to peer review and availability of funds, to develop and increase its support for research projects in the modern humanities.

ACHIEVEMENTS AND PERFORMANCE

Honorary Secretary's Review of the activities of the Association for the period 1 October 2019 to 30 September 2020

The present report covers the twenty-second year of the Association's activities since its incorporation as a charitable company limited by guarantee.

The company held its twenty-second Annual General Meeting on 17 October 2020 (postponed from May 2020 due to Covid-19, and conducted via videoconferencing). The Officers for the forthcoming year were confirmed as Dr Barbara Burns (Chair), Professor Alison Finch (Honorary Treasurer), and Professor Alison Fell (Honorary Secretary). The Trustees recorded their appreciation for the work of two resigning members of the Committee: Dr Andrew Counter and Professor Martyn Rady, and noted with regret the deaths of Professors Trevor Dadson, Glanville Price, and Roy Wisbey, and Mrs Erni Wisbey. The Association welcomed two new Committee members: Professor Simon Dixon and Professor Simon Gilson, and a new Postgraduate Representative, Ms Hayley O'Dell. Professor Dixon is Editor of Slavonic and East European Review, and Professor Gilson is a member of the Legenda Editorial Board.

The consequences of Covid-19 have made it a challenging year for the Association, as has been the case for all scholarly publishers and learned societies. However, the Association has continued to publish its scholarly journals as usual, and thanks are due to authors, editors and employees for their hard work, commitment and willingness to adapt to this changing environment. The Modern Language Review, Vol. 115, 941 pp., contains 31 articles and a substantial Reviews section. Vol. 98 of the Slavonic and East European Review, 795 pp., contains 20 articles and several book reviews and review essays. Vol. 94 of The Annual Bibliography of English Language and Literature, xxxvi + 1094 pp., contains 17311 entries. The Yearbook of English Studies, Vol. 50, guest edited by Paul Poplawski, contains scholarly essays exploring literary modernism of the 1920s. Vol. 36 of Portuguese Studies consists of two issues: 36.1, 119 pp., and 36.2, a special issue on Modern Portuguese Poetry, edited by Paulo de Medeiros and Rosa Maria Martelo. Vol. 27 of Austrian Studies, edited by Judith Beniston and Andrew Webber, 298 pp., contains 15 essays on the author and dramatist Arthur Schnitzler, as well as a Reviews section. Vol. 14 of the MHRA Working Papers in the Humanities, edited by the postgraduate representatives Claudia Dellacasa and Hannah McIntyre, contains articles on the theme 'Reframing Exoticism in European Literature'. As in previous years, this volume showcases what is often the first published article of promising postgraduate researchers, a vital step on the road to future academic careers. The Association's journals continue to be hosted in the JSTOR Hosting Programme, but this is being terminated after 2021 (this does not affect Books@JSTOR). The Association is currently exploring options for a new platform for 2022 and onwards.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

This year, Legenda has published 34 new hardback titles, which completes a nearly two-year plan to meet all of our REF2021 commitments. Every major European language and cultural genre is represented, and for each traditionally mainstream topic (books on Dante and on Molière, for example) something new has also been covered: a book on the Spanish-speaking Sephardic community in the Balkans, or on concrete poetry in Holland, or on experimental Catalan fiction. Authors have ranged from Fellows of the British Academy to first-time authors, and include one or two outside traditional academia, such as the poet and translator Jamie McKendrick. Legenda has continued its policy of issuing student-priced editions at around £10, in the form of paperbacks timed 18 months after the publication of hardbacks. Spurred on by Covid-19 restrictions and by a rise in interest from University libraries, we have also made significant progress in issuing Legenda titles as ebooks: all 107 of the remaining titles to which we held e-book rights have now been published on the Books@JSTOR platform. 147 different books have seen new editions of one kind or another in the summer of 2020. Two titles received international recognition: Josephine von Zitzewitz's book on Leningrad poetry won the Antsiferov Prize for the best work about St Petersburg by a foreign author, an award for which a medal was struck; and Paula Cori's book on Leopardi won the American Association of Italian Studies prize for the best work of its year as the sole winner in the category covering everything from the Renaissance to the 19th century.

Three new volumes appeared in the 'MHRA Critical Texts' series: *La poética de Lorenzo de Zamora: una apología de la literatura secular*, edited by Ascensión Rivas Hernández (Vol. 55); *Francisco Nieva: Coronada y el toro*, edited by Komla Aggor (Vol. 64); *Louis Sébastien Mercier, Comment fonder la morale du peuple: Traité d'éducation pour l'avènement d'une société nouvelle*, edited and translated by Geneviève Boucher and Michael J. Mulryan (Vol. 69). Ten further volumes are under contract. In the 'Jewelled Tortoise' subseries, *Hubert Crackanthorpe: Selected Writings*, edited by William Greenslade and Emanuela Ettore (Vol. 71), appeared in October 2020, and five further volumes are under contract.

The download page for the free electronic version of the MHRA Style Guide continues to attract a high volume of visits, indicating that it remains a valued resource for students and academic researchers.

There were no new volumes in the 'MHRA European Translations' series; there are three forthcoming volumes in the 'MHRA New Translations' series. In the 'MHRA Tudor and Stuart Translations' series, William Barker, *Xenophon's 'Cyropaedia'*, edited by Jane Grogan (Vol. 13), and Petrarch's *Triumphs in English*, edited by Alessandra Petrini (Vol. 27), were published, with 17 further volumes under contract. Finally, in the 'Library of Medieval Welsh Literature' series, *Hystoria Gweryddon yr Almaen: The Middle Welsh Life of St Ursula and the 11,000 Virgins*, edited by Jane Cartwright, appeared, and another three volumes are forthcoming.

The Association continues to disburse grants in support of high-quality applications for research in our disciplines. However, in the light of financial uncertainty this year the Association has decided to end its annual contribution to the British Academy's Small Grants scheme. This decision will be reviewed in future years.

There were three Research Associateships awarded in 2020 and held in the academic year 2020–21: Dr Stanislava Dikova was appointed to work with Dr Rebecca Bowler (Keele) on The Edinburgh Critical Editions of the Works of May Sinclair, Professor Tim Fulford (De Montfort) is recruiting a Research Assistant to work with him on The Collected Letters of Thomas Beddoes, and Dr James Machin was appointed to work with Professor Roger Luckhurst (Birkbeck) on The Edinburgh Arthur Conan Doyle Edition. In the last round the Association made awards to the following applicants for conference funding: Professor Matthew Treherne (Leeds), 'Encountering Dante's Beatrice: Poetry, Persons, Theology and Thought' (July 2021); Dr Alberica Bazzoni (Warwick), 'Gender and Transnational Reception: Mapping the Translation, Circulation and Recognition of Women's Writings in the 20th and 21st Century' (March 2021); Professor Nicola Gardini (Oxford), 'Conglomerati: Andrea Zanzotto's Poetic Clusters' (March 2021); and Dr Claudia Rossignoli (St Andrews), 'Translating the Early Modern World: Transnational Cultures and Material Journeys Across Vernaculars' (October 2020). In the light of Covid-19, some conferences were postponed or moved online, and in such cases the Association was flexible with the timings of awards.

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ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Finally, the Association remains committed to its Research Scholarships scheme, which aims to help retain the most talented early career researchers within the discipline, as well as to fund excellent research projects, by awarding postdoctoral scholarships. In 2020 four Scholarships were awarded to be held in the academic year 2020–21: Giulia Brecciaroli (Warwick), *Perceptions of Space in Post-War Italian Literature (1956-1979). Geographies of the Boom and its Aftermath*; Thomas Clark (Oxford), *The 'príncipe dos Poetas' and the 'príncipe de la Luz y de las Tinieblas': Luís de Camões and the Poetry of Luis de Góngora*; Joanna Raisbeck (Oxford), *The Philosophical Romanticism of Karoline von Gunderrode*; and Elizabeth Vargas Holguin (Nottingham), *A Pacific Coast Ontology of Intensity and Process in the Writings of Alfredo Vanín-Romero, Antonio Preciado-Bedoya, and Gregorio Martínez-Navarro*. Because of logistical problems arising from the Covid-19 pandemic, it was agreed with Nottingham University that Dr Vargas Holguin's award would run for the calendar year 2021. The website, Twitter and Facebook accounts are helping to raise the national and international profile of the Association. The Association's Publicity Officer, Dr Emma Claussen, continues to be active on social media and works closely with Dr Graham Nelson, who manages and maintains the website, which features blogs and news of publications, such as new issues and the new £10 paperbacks. This year we have also included short reports from the recipients of our research grants.

Our new policies conforming to GDPR legislation are being followed, and new Committee members are informed of them as part of their induction. Professor Finch, in her role as Data Protection Trustee, has sent letters as usual reminding Committee members of their responsibilities under GDPR legislation. Mr Lowe has continued to update the Committee regularly on discussions with other publishers and stakeholders about Open Access publishing after attending several events. Finally, the Association is represented at relevant meetings with other learned societies, the British Academy, Arts and Humanities Research Council, Institute of Modern Languages Research and similar bodies, and responds regularly to requests for consultation and information.

FINANCIAL REVIEW

Honorary Treasurer's Report on the financial activities and standing of the Association during the period 1 October 2019 to 30 September 2020

The Association has successfully continued to maintain its publication and grant-giving activities at its customary level, despite economic and operational setbacks posed by the COVID-19 crisis. A strong balance sheet and investment growth continue to provide the necessary underpinning to allow the Trustees to undertake publishing projects for which payback could not be envisaged within normal commercial timescales.

Publications

Overall the Publications Account returned a surplus of £123,119, a 30% reduction on the outcome for 2019 (£176,245), substantially attributable to significant decreases in income from journal subscriptions.

(a) Periodicals

Annual surpluses yielded by *Modern Language Review* (£132,791 (2019: £160,288)), *Slavonic and East European Review* (£40,659 (2019: £59,823)) and *Yearbook of English Studies* (£30,378 (2019: £36,083)) have all markedly decreased, largely because of a trend towards cheaper electronic-only subscriptions but also owing to COVID-19 disruptions to the ordering process. The smaller-circulation journals have been less affected, a far greater proportion of their income deriving from JSTOR archive royalties, which has proved to be a very stable source of revenue: *Portuguese Studies* yielded a surplus of £2,821 (2019: £2,934) and *Austrian Studies*, £4,637 (2019: £3,706). *Annual Bibliography of English Language and Literature* returned £40,546 (2019: £19,091) owing to increased returns from the royalties generated by its on-line version.

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(b) MHRA books

Physical book sales have, inevitably, been depressed for several months during the COVID-19 crisis. Also, some potential income has been foregone, owing to the Association's temporary participation in JSTOR's Free E-book Collection (an initiative designed to help users during the COVID 19 crisis and entirely consistent with the Association's charitable aims). The deficit on *Legenda* increased significantly in 2020 (£39,675 (2019: £14,979)), with a diminution in income (£61,796 (2019: £77,903)) and some increase in costs related to the production timetable. It is hoped that the launch of a number of e-book titles in this series will have a favourable impact on financial outcomes for 2021. Income from the *Critical Texts* series reduced to £2,897 (2019: £3,992) although the deficit (£1,429 (2019: £10,194)) was much reduced, there being fewer production costs arising from new titles in 2020. Income from the *Jewelled Tortoise* series also decreased in 2020 (£469 (2019: £918)) realising a decreased surplus of £431 in 2020 (2019: £914). Against the trend, the *Library of Medieval Welsh* increased its income in 2020 (£1,079 (2019: £449)) but returned a deficit of £314 (2019: £2,568) after costs. The *Translations* series yielded £3,497 in income, similar to 2019 (£3,418) and an overall surplus of £1,071 (2019: deficit of £2,358). Despite the continuing popularity of the free, searchable on-line version, sales of the *Style Guide* contributed a consistent surplus of £2,340 (2019: £2,176). Back-sales from discontinued series continue to contribute small net inflows: *Texts and Dissertations* £1,239 (2019: £971), *Publications of the MHRA* £362 (2019: £258) and *MHRA Bibliographies* £137 (2019: £158).

Funding schemes

The Association has maintained its commitment to supporting research by scholars, from their early career stage onwards, through its funding schemes as set out in the Honorary Secretary's Report. The Committee awarded 4 Conference Fund grants, 3 Research Associateships and 4 Research Scholarships in Modern European Languages to take effect in 2021. A contribution of £27,500 was made to the British Academy Small Research Grants in the Humanities (Modern Languages).

Membership

Income from membership subscriptions realised £988 in 2020 (2019: £1,190).

Thanks

I should like to thank the academic editors of our publications, whose dedicated and generous outlay of time in a range of activities provides a vast financial benefit to the Association; and to thank our Chair, Dr Barbara Burns, and our Honorary Secretary, Professor Alison Fell, whose support, together with that of the other members of the Committee in their capacity as Trustees, has been essential. Also deserving of the Association's gratitude are the many paid editorial and administrative assistants by whom most of our publishing projects are supported, and our management team of Mr Jeremy Wong, Associate Treasurer, and Mr Gerard Lowe, Senior Publishing Manager both of whom have assisted greatly in compiling this report; as well as Dr Graham Nelson, MHRA Managing Editor.

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Reserves policy

Since 2005 the Association has maintained a designated Investment Fund, income from which is used to support the Association's current work, in particular its monograph-publishing programme and other relevant academic charitable disbursements, and to provide resources for new publishing ventures as suitable proposals arise. There being no decrease in the demands on the Investment Fund, the Committee intends to continue the designation and, in addition, to maintain a free reserve equivalent to two years' total annual expenditure to meet short-term contingencies. The reserves are subject to periodic review by the Committee to ensure that financial strategy reflects changing economic circumstances and new undertakings.

Total accumulated funds at 30 September 2020 stood at £7,674,197 (2019: £7,084,477), an increase substantially explained by unrealised gains of £790,726 (2019: £300,560) on the Association's fixed asset investments, an unexpected (and welcome) outcome, considering global market turbulence for at least six months of the period under review. The total valuation of investments at the same date was £6,994,441 (2019: £6,188,602). Of these, portfolios totalling £6,236,550 (2019: £5,434,434) make up the designated Investment Fund.

Therefore, free reserves (the General Fund) stood at £1,437,647 (2019: £1,650,043). With annual expenditure currently running at £758,609, the value of these reserves at 30 September 2020 is approximately equivalent to two years' total annual expenditure and thus consistent with the Trustees' reserves policy.

Going concern

The 2020 deficit of £138,871 (2019: deficit of £35,296; 2018: deficit of £20,507), net of losses from disposal of investments, shows a marked increase on the previous year and is mostly attributable to decreases in income from publications and a decline in investment returns during the year. Losses notwithstanding, the Association continues to maintain a substantial free reserve and this, together with a continued increase in value of the fixed asset investments, provides the necessary reassurance and stability to ensure the continuity of the MHRA's publishing and grant-giving programmes.

The Trustees have prepared forecasts for 2021/22, considering the impact of the global pandemic occurring in 2020/21 and considering the trading period beyond this. After making appropriate enquiries, the Trustees have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Risk management

Major financial decisions, in common with all matters of policy, are taken by the Committee (the membership of which includes all the Directors) and duly minuted. The Honorary Treasurer and the Associate Treasurer (Trustees) attend to daily accounting matters and are in constant discussion about issues affecting the Association's financial well being and the minimising of risk. The Senior Publishing Manager and the MHRA Managing Editor advise the Honorary Treasurer, the Associate Treasurer and the Committee about current compliance issues relating to the rapidly expanding field of electronic publishing and communications. In the course of its periodic review of all the Association's activities, the Committee, drawing on the advice of its specialist editors, administrators, accountants and investment managers, identifies risk, giving due regard to the likelihood of occurrence and severity, and considers the most appropriate and cost effective measures. Various potential risks and associated mitigations have been discussed by the Committee in 2019-20, including: financial, operational and resilience issues arising from the COVID-19 coronavirus pandemic; developments in policy discussions on open access, in respect of both journal and monographic content, and implications for the Association's publishing model; and the potential effects of changes to journal subscription and hosting agencies in 2022.

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TRUSTEES' REPORT (CONTINUED)
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STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Modern Humanities Research Association is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association dated 2 October 1997.

The principal object of the Association is to encourage and promote advanced study and research in the field of modern humanities, especially modern European languages and literatures (including English).

Methods of appointment or election of Trustees

As stated in the Association's Memorandum of Association, members of the Committee act as charity Trustees. Appointments are made by the Committee from recommendations made by Committee members and, as Trustees normally have editorial responsibility for one or more of the Association's publications, reflect specific academic specialisms and editorial skills necessary to further the Association's publishing programme.

Organisational structure and decision-making policies

Control of the Association, its property and funds, is in the hands of the Committee. The Committee meets three times a year. It consists of the Officers, the Editors of each of the Association's periodical and annual publications, and at least six other members of the Association elected or re-elected for a three year period at the Annual General Meeting (one third retiring each year). Provided that it does not exceed its notional upper limit of thirty members, the Committee has the power at any time to co-opt. A co-opted Committee Member holds office only until the next AGM. The Officers (Honorary Secretary and Honorary Treasurer) are appointed or re-appointed annually by the Committee, as is the Chair. The day-to-day management and administration of the Association is carried out by the Honorary Secretary, the Honorary Treasurer, and the Associate Treasurer, in consultation with the Chair, the Editors, the Senior Publishing Manager, and other members of the Committee.

Policies adopted for the induction and training of Trustees

All new trustees are provided with documentation summarising their legal and charitable responsibilities. Wherever possible, periods of overlap with previous trustees are arranged to ensure that new recruits become familiar with their specific editorial role within the Association. New trustees are encouraged to attend Committee meetings and participate in decision-making affecting all aspects of the Association's activities and governance.

Staff remuneration policy

The Trustees appreciate the importance of developing the Association's human resources, while ensuring that remuneration is cost-effective and fair. Rates of pay on recruitment are based on rates offered by publishers or universities for comparable work; salaries are reviewed annually and increased with regard to inflation, general salary awards in higher education institutions and any changes in duties undertaken by staff in question.

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PLANS FOR THE FUTURE

The Association's objectives for 2020–21 include continuing to publish high-quality peer-reviewed journal articles across the disciplines, including minority languages, as well as the addition of further volumes to its Critical Texts series, MHRA Translations series, Library of Medieval Welsh Literature series, and new monographs in the Legenda imprint. Next year, the Association also intends to appoint a part-time salaried Company Secretary.

A working group was set up this year consisting of the Officers, Professors Connon, Harrow and Ouyang, Dr Nelson and Mr Lowe to consider the possibility of a new journal. However, it has been decided that given the current situation it is wise to focus on core business, so discussion on this has been postponed. It is hoped that next year the working group will reconvene and produce a discussion paper.

The Research Associateships scheme for 2020–21 will provide up to three Associateships for projects of the highest academic calibre. Feedback received from last year's successful candidates indicates that some host universities make deductions on their bursaries, relating principally to income tax and (where relevant) pension contributions. The Association has therefore inserted a sentence in the website description of this scheme, and in the guidance for applicants, indicating that such deductions may be made, depending on the employment status of award holders within their host institution. Applications will again be invited for the Conference Fund and Research Scholarships scheme (each offering up to four bursaries to successful candidates).

The medium and longer-term impacts of Covid-19 are, of course, currently unknown. However, the Committee discussed the risks and opportunities it presented, alongside those of the UK's exit from the EU, in its most recent meeting. This discussion included the potential issue of personnel resilience (affecting staff, officers, key contractors and voluntary editors). Although there are some potential safeguards in place to mitigate the risks of key members of staff falling ill with Covid-19, such as Mrs Callander providing support to our grant-giving operations, and regular communications between Officers and employees, this nonetheless remains our greatest current vulnerability, as would be the case for any small organisation. In addition, there is the risk of a reduction in journal subscription income as library budgets come under further pressure. Revenue from print book sales is also likely to drop. We will continue to explore possible financial mitigations in the future, including the availability of e-book versions of our titles. This year's introduction of a new agenda item of 'Strategic Issues' to our Committee meetings has been successful in sharpening our focus on matters such as book and journal pricing, grant giving, and risk management, and we will continue this practice next year. The shift from face-to-face to online Committee meetings this year was also successful, and we will continue to meet via videoconferencing until travel and other restrictions are lifted.

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

The auditors, Peters Elworthy & Moore, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:


.....
Professor A Fell
Honorary Secretary
Date:


.....
Professor A Finch
Honorary Treasurer

16 February 2021

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MODERN HUMANITIES RESEARCH ASSOCIATION

Opinion

We have audited the financial statements of The Modern Humanities Research Association (the 'association') for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MODERN HUMANITIES RESEARCH ASSOCIATION (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MODERN HUMANITIES RESEARCH ASSOCIATION (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

Michael Hewett (Senior Statutory Auditor)

for and on behalf of

Peters Elworthy & Moore

Chartered Accountants

Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

5 March 2021

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

		Unrestricted funds 2020	Total funds 2020	Total funds 2019
	Note	£	£	£
INCOME FROM:				
Charitable activities	4	551,249	551,249	608,389
Investments	5	68,489	68,489	87,453
		<u>619,738</u>	<u>619,738</u>	<u>695,842</u>
TOTAL INCOME				
EXPENDITURE ON:				
Raising funds	6	42,436	42,436	62,792
Charitable activities	7	716,173	716,173	668,346
		<u>758,609</u>	<u>758,609</u>	<u>731,138</u>
TOTAL EXPENDITURE				
NET EXPENDITURE BEFORE INVESTMENT GAINS		(138,871)	(138,871)	(35,296)
Net gains on investments	11	728,591	728,591	232,885
NET INCOME AND MOVEMENT IN FUNDS		<u>589,720</u>	<u>589,720</u>	<u>197,589</u>
RECONCILIATION OF FUNDS:				
Total funds brought forward	16	7,084,477	7,084,477	6,886,888
TOTAL FUNDS CARRIED FORWARD	16	<u><u>7,674,197</u></u>	<u><u>7,674,197</u></u>	<u><u>7,084,477</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 37 form part of these financial statements.

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03446016


BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Note	2020	2019
FIXED ASSETS			
Investments	11	<u>7,122,597</u>	<u>6,435,162</u>
		7,122,597	6,435,162
CURRENT ASSETS			
Debtors	12	125,631	90,552
Cash at bank and in hand		<u>683,323</u>	<u>791,284</u>
		808,954	881,836
Creditors: amounts falling due within one year	13	<u>(171,704)</u>	<u>(183,231)</u>
NET CURRENT ASSETS		637,250	698,605
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,759,847</u>	<u>7,133,767</u>
Pension provision	15	<u>(85,650)</u>	<u>(49,290)</u>
TOTAL NET ASSETS		<u>7,674,197</u>	<u>7,084,477</u>
CHARITY FUNDS			
Unrestricted funds	16	<u>7,674,197</u>	<u>7,084,477</u>
TOTAL FUNDS		<u>7,674,197</u>	<u>7,084,477</u>

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

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


Professor A Finch

Date: 16 February 2021

The notes on pages 19 to 37 form part of these financial statements.

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	18	<u>(217,606)</u>	<u>(74,109)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interests and rents from investments		68,489	87,453
Net cash transferred from / (to) investment portfolio		<u>41,156</u>	<u>39,574</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>109,645</u>	<u>127,027</u>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(107,961)	52,918
Cash and cash equivalents at the beginning of the year		<u>791,284</u>	<u>738,366</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	19	<u><u>683,323</u></u>	<u><u>791,284</u></u>

The notes on pages 19 to 37 form part of these financial statements

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1. GENERAL INFORMATION

The Association is a company limited by guarantee. The members of the Association are the Committee named on page 1. In the event of the Association being wound up, the liability in respect of the guarantee is limited to £1 per member of the Association.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) Second Edition October 2019 (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Modern Humanities Research Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 GOING CONCERN

The Trustees have prepared forecasts for 2021/22, considering the impact of the global pandemic occurring in 2020/21 and the trading period beyond this.

Upon their review, the Trustees believe the Association will have sufficient resources to meet its liabilities as they fall due for the period until at least 30 September 2022 and therefore continue to adopt a going concern basis in preparing the financial statements.

2.3 INCOME

All income is recognised once the Association has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Publication income is recognised at the later of the publication date or receipt of a sales order.

Membership income is recognised in the period to which it relates, with subscriptions received early being deferred.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements and are allocated based on time spent.

Expenditure on raising funds includes all expenditure incurred by the Association to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Association's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Association; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 20% straight line
------------------	---------------------

2.8 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

2.9 STOCKS

No account has been taken of volumes of stock at the year end. At this point in time, all volumes published in the current period become back issues and it is impossible to predict the reliable value of these.

2.10 DEBTORS

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.12 LIABILITIES

Liabilities 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.

Liabilities are recognised at the amount that the Association anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.13 PROVISIONS

Provisions are recognised when the Association has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2.14 FINANCIAL INSTRUMENTS

The Association only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 PENSIONS

The Association participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Association is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the Association therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Since the Association has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.16 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Association and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

All income and expenditure in the current and prior year is unrestricted.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

USS Pension Deficit Provision

The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102.

The Trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and have therefore recognised a provision for the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Calculating the provision requires the use of several estimates and judgements, such as future salary inflation, interest rates and increases in headcount.

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2020	Total funds 2020	Total funds 2019
Membership	988	988	1,190
Publication sales	550,261	550,261	607,199
	<u>551,249</u>	<u>551,249</u>	<u>608,389</u>
TOTAL 2019	<u>608,389</u>	<u>608,389</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2020	Total funds 2020	Total funds 2019
Income from investments in the UK	66,650	66,650	83,651
Bank interest	1,839	1,839	3,802
	<u>68,489</u>	<u>68,489</u>	<u>87,453</u>
TOTAL 2019	<u>87,453</u>	<u>87,453</u>	

6. INVESTMENT MANAGEMENT COSTS

	Unrestricted funds 2020	Total funds 2020	Total funds 2019
Portfolio management charges	42,436	42,436	62,792
TOTAL 2019	<u>62,792</u>	<u>62,792</u>	

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020	Grant funding of activities 2020	Support costs 2020	Total funds 2020	Total funds 2019
Charitable activities	425,253	222,852	68,068	716,173	668,346
TOTAL 2019	390,441	213,807	64,098	668,346	

Analysis of direct costs

	Activities 2020	Total funds 2020	Total funds 2019
Staff costs	243,237	243,237	215,947
Publication expenditure	150,926	150,926	142,510
Stationery, postage, telephone, equipment	1,367	1,367	1,597
Bank charges	325	325	345
Miscellaneous expenses	2,982	2,982	3,752
Electronic publishing	25,615	25,615	24,939
Exchange gains/(losses)	22	22	(1)
Pension interest cost	779	779	1,352
	425,253	425,253	390,441
TOTAL 2019	390,441	390,441	

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Analysis of support costs

	Governance 2020	Total funds 2020	Total funds 2019
Supporting administrative services	9,426	9,426	6,466
Auditors' fees - Audit	7,560	7,560	7,155
Auditors' fees - Other services	6,276	6,276	5,284
Travel expenses	4,055	4,055	5,810
Wages and salaries	40,751	40,751	39,383
	<u>68,068</u>	<u>68,068</u>	<u>64,098</u>

8. GRANTS PAID

Institutional grants are detailed below:

	2020	2019
Research Associateships	75,000	73,867
Editorial expenditure	67,293	70,836
Publications and conferences	3,059	1,188
British Academy Small Research Grants	27,500	27,500
Research scholarships	50,000	40,416
	<u>222,852</u>	<u>213,807</u>

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Associateships

Associateships are awarded annually to institutions for research projects.

	2020	2019
Birkbeck College, London	25,000	-
De Montfort University	25,000	-
Keele University	25,000	-
University of Leeds	-	25,000
University of Swansea	-	50,000
University of Oxford	-	(583)
University of York	-	(550)
	75,000	73,867

Editorial expenditure

Grants are provided to defray editorial expenditure related to MHRA publications and activities.

	2020	2019
Pembroke College, Oxford (Modern Language Review)	-	2,150
School of Slavonic and East European Studies (Slavonic and East European Review)	62,647	62,752
University of Bangor (Modern Language Review and Yearbook of English Studies)	3,006	4,457
University of Oxford (Austrian Studies and Portuguese Studies)	1,640	1,477
	67,293	70,836

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Conferences

Non-repayable support for conferences

	2020	2019
National University of Ireland, Maynooth (E.M. Forster: texts, contexts, receptions)	596	-
University College, London (Medieval Barthes)	-	1,500
University of Edinburgh (Ulidia VI Fianaigeacht III)	-	(312)
University of Oxford (Crossing borders: world literature as contemporary romanticism)	1,453	-
Warburg Institute, London (Plurilingualism in Early Modern Europe)	1,010	-
	<u>3,059</u>	<u>1,188</u>

Research scholarships

Research scholarships are provided to support scholars in the early postdoctoral phase of their careers

	2020	2019
University of Cambridge (S. Delmedico)	-	12,500
University of Cambridge (P. Dickson)	-	(4,792)
University of Leeds (A. Rowson)	-	12,500
University of Nottingham (E. Vargas Holguin)	12,500	-
University of Oxford (T.Clark)	12,500	-
University of Oxford (J. Raisbeck)	12,500	-
University of Exeter (G. Barker)	-	(4,792)
University of Warwick (G. Brecciaroli)	12,500	-
University of Warwick (L.Rayfield)	-	12,500
University of Warwick (C. Paoli)	-	12,500
	<u>50,000</u>	<u>40,416</u>

9. AUDITORS' REMUNERATION

	2020	2019
Fees payable to the Association's auditor for the audit of the Association's annual accounts	7,560	7,155
Other non audit services		
All non-audit services not included above	<u>6,276</u>	<u>5,284</u>

THE MODERN HUMANITIES RESEARCH ASSOCIATION
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

10. STAFF COSTS

	2020	2019
Wages and salaries	191,146	203,602
Social security costs	16,591	17,822
Contribution to defined contribution pension schemes	76,251	33,906
	283,988	255,330

The average number of persons employed by the Association during the year was as follows:

	2020 No.	2019 No.
Publications and related expenditure	4	5
Management and administration	2	2
	6	7

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	1

Key management personnel of the charity comprises the Trustees, Company Secretary, Honorary Treasurer, Associate Treasurer and Publications Manager.

The Association employed two senior managers during 2020 at a total cost (including pension contributions and employer's national insurance) of £177,486 (2019 - £173,749). This includes one Trustee (2019 - one Trustee) who received remuneration (excluding employer's national insurance) of £83,703 (2019 - £83,078) by virtue of his employment with the Charity. This payment is allowed by the Charity's articles of association.

During the year, 15 (2019 - 18) Trustees received reimbursement of expenses amounting to £3,341 (2019 - £5,274).

During the year, no other Trustees received remuneration or benefits in kind (2019 - £nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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11. FIXED ASSET INVESTMENTS

	Listed investments	Cash held for investment	Total
COST OR VALUATION			
At 1 October 2019	6,188,602	246,560	6,435,162
Additions	2,447,541	-	2,447,541
Disposals (proceeds £2,370,293)	(2,432,428)	-	(2,432,428)
Revaluations	790,726	-	790,726
Cash movement	-	(118,404)	(118,404)
AT 30 SEPTEMBER 2020	6,994,441	128,156	7,122,597

All the fixed asset investments are held in the UK.

Valuation

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, principally the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is, their investment value).

The Association holds two major portfolios, one minor portfolio, and a separate holding in a property investment fund. The minor portfolio comprises fixed interest investments and is intended as a low-risk portfolio providing income (in conjunction with the property fund) to underpin current charitable activity.

The major portfolios are intended to support long-term objectives and comprise a diverse range of investments. Although these include a strong equity component, that equity exposure is delivered through a variety of common investment funds, in order to improve risk-adjusted returns available for the risk profile of the portfolios. The portfolios have both equity and non-equity elements. The purpose of the non-equity quotient is to lower the volatility of the portfolios.

The Association does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer-term growth and income.

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12. DEBTORS

	2020	2019
DUE WITHIN ONE YEAR		
Other debtors	42,137	11,913
Prepayments and accrued income	83,494	78,639
	<u>125,631</u>	<u>90,552</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
Trade creditors	9,268	5,993
Other taxation and social security	458	25,034
Other creditors	33,219	20,543
Accruals	307	1,572
Deferred income	3,452	5,089
Grants accrued - institutional	125,000	125,000
	<u>171,704</u>	<u>183,231</u>

Deferred income relates to advanced subscriptions.

DEFERRED INCOME

	2020	2019
Deferred income at 1 October 2019	5,089	9,032
Resources deferred during the year	3,452	5,089
Amounts released from previous periods	(5,089)	(9,032)
	<u>3,452</u>	<u>5,089</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. FINANCIAL INSTRUMENTS

	2020	2019
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	6,994,441	6,188,602

Financial assets measured at fair value through income and expenditure comprise investments in listed securities and property.

15. PROVISIONS

	Pension provision
At 1 October 2019	49,290
Interest	779
Deficit contributions	(3,855)
Remeasurement arising from change in assumptions	39,436
	85,650

Staff working for the Association have pensions with the Universities Superannuation scheme (USS). See note 21 for details about this scheme.

At the year end, the Association was party to a USS deficit recovery plan. Under the plan, the Association is obliged to pay deficit contributions amounting to 2% of total pensional pay until September 2021. After this date, the rate increases to 6% until the agreement ends in March 2028.

As the Association has a present obligation to make these contributions, it has provided for the present value of the future deficit recovery payments expected to be defrayed.

To calculate the provision (and associated entries in the Statement of Financial Activities), the Association has used the British Universities Finance Group (BUFDG) model, which was developed by USS to enable members to estimate their liabilities under the USS deficit recovery plan.

The key assumptions used in the calculation are as follows:

Discount rate: 0.73%

Annual salary inflation: 2.5%

Increase in headcount: no increase over deficit recovery period

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

16. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 October 2019	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 30 September 2020
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Investment fund	<u>5,434,434</u>	<u>-</u>	<u>-</u>	<u>76,698</u>	<u>725,418</u>	<u>6,236,550</u>
GENERAL FUNDS						
General Funds	<u>1,650,043</u>	<u>619,738</u>	<u>(758,609)</u>	<u>(76,698)</u>	<u>3,173</u>	<u>1,437,647</u>
TOTAL UNRESTRICTED FUNDS	<u><u>7,084,477</u></u>	<u><u>619,738</u></u>	<u><u>(758,609)</u></u>	<u><u>-</u></u>	<u><u>728,591</u></u>	<u><u>7,674,197</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

16. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 October 2018	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 30 September 2019
UNRESTRICTED FUNDS						
DESIGNATED FUNDS						
Investment fund	5,086,594	-	-	136,184	211,656	5,434,434
GENERAL FUNDS						
General Funds	1,800,294	695,842	(731,138)	(136,184)	21,229	1,650,043
TOTAL UNRESTRICTED FUNDS	6,886,888	695,842	(731,138)	-	232,885	7,084,477

The General Fund represents the free funds of the Association that are not designated for particular purposes.

The Investment Fund represents the market value of certain investments held by the Association for the long-term to generate income and capital growth. The transfer between funds represents the increase or decrease in funds invested.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020	Total funds 2020
Fixed asset investments	7,122,597	7,122,597
Current assets	808,954	808,954
Creditors due within one year	(171,704)	(171,704)
Provisions for liabilities and charges	(85,650)	(85,650)
TOTAL	7,674,197	7,674,197

THE MODERN HUMANITIES RESEARCH ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2019	Total funds 2019
Fixed asset investments	6,435,162	6,435,162
Current assets	881,836	881,836
Creditors due within one year	(183,231)	(183,231)
Provisions for liabilities and charges	(49,290)	(49,290)
TOTAL	7,084,477	7,084,477

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

	2020	2019
Net income for the period (as per Statement of Financial Activities)	589,720	197,589
ADJUSTMENTS FOR:		
Depreciation charges	-	1,120
Losses on investments	(728,591)	(232,885)
Dividends and interest from investments	(68,489)	(87,453)
Decrease/(increase) in debtors	(35,079)	15,019
Increase/(decrease) in creditors	(11,527)	33,302
Movement on pension provision	36,360	(801)
NET CASH USED IN OPERATING ACTIVITIES	(217,606)	(74,109)

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
Cash in hand	683,323	791,284
TOTAL CASH AND CASH EQUIVALENTS	683,323	791,284

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 October 2019	Cash flows	At 30 September 2020
Cash at bank and in hand	791,284	(107,961)	683,323
	<u>791,284</u>	<u>(107,961)</u>	<u>683,323</u>

21. PENSION COMMITMENTS (USS)

The total cost charged to the profit and loss account is £76,291 (2019 - £33,906).

Deficit recovery contributions due within one year for the Association amount to £3,951 (2019 - £3,855).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

Discount rate (forward rates)

Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73

Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21

Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base

Pre retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.

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21. PENSION COMMITMENTS (USS) (CONTINUED)

Future improvements to mortality: CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2018 valuation	2017 valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%.

The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate	0.74%	1.58%
Pensionable salary growth	2.5%	2.5%.

22. RELATED PARTY TRANSACTIONS

Except as disclosed in note 11, there were no related party transactions during the year, or prior year.