

**Society for French Studies**  
(a company limited by guarantee)

**Directors' report and financial statements  
for the year ended 31 December 2020**

**Company Number: 03801778**

**Charity Number 1078038**

## **Contents**

---

	<b>Page</b>
Directors, officials and advisors	1
Report of the directors	2 – 4
Statement of directors' responsibilities	5
Independent examiner's report	6
Statement of financial activities incorporating income and expenditure account	7 - 8
Balance sheet	9
Notes to the financial statements	10 - 20

**Society for French Studies**  
**(a company limited by guarantee)**

**Company information**

---

<b>Directors</b>	Michael Syrotinski (President) Diana Holmes (Vice-President) Katie Jones (Treasurer) Thomas Baldwin Pollie Bromilow Joanne Brueton Martin Crowley Patrick Crowley Catherine Emerson David Ewing Emma Gilby Azzedine Haddour Joseph Harris Kevin Inston Sinan John-Richards Diana Knight Emmanuelle Labeau Richard Mason Siobhan Mcilvanney Fionnuala Sinclair Edward Welch Steven Wilson Martina Williams
<b>Principal office and Registered office</b>	Faculty of Modern Languages 41 Wellington Square Oxford Oxfordshire OX1 2JF
<b>Independent examiner</b>	Suzanne Kerr FCCA Henderson Loggie LLP Chartered Accountants The Vision Building 20 Greenmarket Dundee DD1 4QB
<b>Company number</b>	03801778
<b>Charity number</b>	1078038

**Report of the directors for the year ended 31 December 2020**

---

The directors, who are also the trustees of the Society for the purposes of Charity Law, submit their annual report and the financial statements for the year ended 31 December 2020.

The Society is a charitable company and is limited by guarantee, incorporated on 6 July 1999.

The Society was established by a Memorandum of Association and is governed by its Articles of Association.

**Structure, governance and management**

The directors are responsible for the overall strategy of the Society. The directors are responsible for approving policies and the direction of the Society.

**Directors**

The directors as at the date of this report are shown on page 1.

During the year and since the year end the following directors were appointed:

- Steven Wilson, Martina Williams and Azzedine Haddour - 1 July 2020
- Catherine Emerson – 1 January 2021
- Joanne Brueton, Siobhan Mcilvanney, Thomas Baldwin, David Ewing and Diana Holmes - 1 July 2021
- Richard Mason – 1 October 2021

During the year and since the year end the following directors resigned:

- Sarah Arens, David McCallam, Margaret Topping and Jennifer Rushworth - 30 June 2020
- Emma Cayley – 31 December 2020
- Judith Still, Oliver Davis, Johanna Malt and Melissa Pawelski - 30 June 2021
- Katherine Shingler – 1 July 2021
- Victoria Turner - 1 October 2021.

**Appointment, induction and training of directors**

The directors are recruited when potential new directors are identified. An informal discussion is held to discuss the position. Induction information is provided to all new directors, and ongoing training is provided to all existing directors as required.

**Key management personnel remuneration**

The directors consider the board of directors to be the key management personnel of the Society, in charge of directing and controlling the Society and running and operating the Society on a day to day basis. All directors give of their time freely and no director remuneration was paid in the year.

Directors are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

**Objectives and activities**

The Society for French Studies, the oldest and leading learned association for French studies in the UK and Ireland, exists to promote teaching and research in French studies in higher education.

### **Financial review**

The results for the year are set out on page 7 of the financial statements.

The Society for French Studies' major sources of income continue to be royalties from the journal account (the prestigious French Studies and the French Studies Bulletin published by Oxford University Press) and membership subscriptions and contributions received towards the journal costs. In 2020 royalties were £63,300 (2019 - £72,623). Membership subscription in 2020 was £14,442 (2019 - £14,650) and contributions received towards journal costs were £28,433 (2019 – nil).

Total expenses in the year amounted to £141,513 (2019 - £287,441), a reduction of £145,928. The decrease relates to the conference not being held in the year and a reduction in activities funded by the Society's conference support, research support and visiting international fellowship schemes, albeit some costs had already been incurred, as well as costs of £71,233 which relate to a prior year adjustment as detailed in note 14. Research fellowship and support costs for the year were £51,152 (2019 - £59,054) with an early career fellowship of £22,069 (2019 – nil).

### **Public benefit**

The directors confirm that they have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act and are confident that they have complied with their duty under the Charities Act.

### **Achievements and performance**

In 2020, the Society continued to invest in the editing of its two journals to produce high-quality research in the field of French Studies, and in the editing of its prestigious monograph collection, published by Legenda. Although the annual conference had to be cancelled, the postgraduate officer was supported to organise a highly successful online event. The Society was also able to support two early-career scholars via six- month bursaries at the Universities of Cambridge and Bristol. These fellowships are part of the Society's current goal of allocating its extensive reserves to supporting members in precarious employment situations at a difficult time for academic careers in Modern Languages.

### **Effects of Covid**

Due to the Covid-19 pandemic, many of the Society's normal activities were limited. In particular, the annual conference, due to take place at the University of Bath, was cancelled. The majority of the activities normally funded by the Society via its Research Support, Conference Support, and Visiting International Fellowship schemes were also cancelled. The Society chose to use some of the funds saved to support a second post-doctoral fellowship, rather than the one originally advertised.

**Report of the directors for the year ended 31 December 2020 (continued)**

---

**Investment policy**

The directors have the power to invest the monies of the Society, not immediately required for the furtherance of its objects, in such investments, securities or property as may be thought fit, subject to such conditions and consents as may be imposed or required by law.

As indicated the directors' reserves policy is geared around maintaining an appropriate level of working capital. Accordingly, any surplus funds are invested in liquid funds such as interest earning bank accounts.

**Reserves policy**

The directors have adopted a reserves policy whereby unrestricted funds, not committed or invested in tangible fixed assets held by the Society, equate to at least 6 months of unrestricted resources expended. This equates to £68,757 (2019 - £143,113). At present free reserves amount to £233,862 (2019 - £263,537) therefore the target has been achieved.

The directors maintain a high reserves policy due to future concerns over the loss of royalty income, as academic publishing moves towards an open access model.

**Risk management**

The principal risk faced by the Society lies in its ability to continue to secure appropriate funding to enable it to carry out its ongoing operations. The ongoing financial position is reviewed and discussed by directors at each meeting. This review process ensures that the Society only provides services where financially able to do so.

**Plans for the future**

The directors propose to continue their current activities going forward, including the annual conference.

**Small company provisions**

This report has been prepared in accordance with the provisions available in Part 15 of the Companies Act 2006 applicable to companies under the small companies regime.

Approved by the board on 29 March 2022 and signed on its behalf by:

29/03/22



**Kathryn Jones**  
Treasurer

**Statement of directors' responsibilities**

---

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

Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company and of its income and expenditure for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the governing documents. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Report of the Independent Examiner to the directors of Society for French Studies**

---

I report on the financial statements of the Society for the year ended 31 December 2020 which are set out on pages 7 to 20.

**Responsibilities and basis of report**

As the Trustees of the company (who are also the directors of the company for the purposes of company law), you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ("the 2006 Act").

Having satisfied myself that the financial statements of the Society are not required to be audited for this year under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your Society's financial statements as carried out under section 145 of the Charities Act 2011 ("the 2011 Act"). In carrying out my examination, I have followed the directions given by the Charity Commission (under section 145(5)(b) of the 2011 Act).

**Independent examiner's statement – matter of concern identified**

I have completed my examination. I have identified a matter of concern in my report as during the course of my examination of the accounting records of the charitable company, that balance sheet figures reported in the year end financial statements to 31 December 2019 were incorrect and as such, a prior year adjustment has been applied to the financial statements, where I have been able to identify the differences from the information made available to me. I have not been able to identify from the information provided, the exact year in which the errors occurred due to the lack of information held and paperwork available from earlier years as many of the Trustees were not involved in the charitable company at that time. Therefore, the error has been rectified in the year end 31 December 2020. Further information can be seen in the prior year adjustment within the financial statements.

I confirm that no other matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

- accounting records were not kept in accordance with section 386 of the Companies Act 2006; or
- the financial statements do not accord with such records; or
- except for the matter of concern noted above, the financial statements do not comply with relevant accounting requirement under section 396 of the Companies Act 2006 other than any requirement that the financial statements give a 'true and fair' view which is not a matter considered as part of an independent examination; or
- except for the matter of concern noted above, the financial statements have not been prepared with the method and principles of the Charities SORP (FRS 102).

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the financial statements to be reached.



**Suzanne Kerr FCCA**

Director

For and on behalf of Henderson Loggie LLP

Chartered Accountants

The Vision Building

20 Greenmarket

Dundee

DD1 4QB

Date 29 March 2022



**Society for French Studies**  
(a company limited by guarantee)

**Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 December 2020**

		<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>2020 Total funds</b>	<b>As restated Unrestricted funds</b>	<b>As restated Restricted funds</b>	<b>As restated 2019 Total funds</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income from:</b>							
Charitable activities	3	91,733	3,000	94,733	93,471	-	93,471
Investments		1,626	12	1,638	1,731	1,022	2,753
Other trading activities	3	14,442	-	14,442	14,650	-	14,650
<b>Total income</b>		<b>107,801</b>	<b>3,012</b>	<b>110,813</b>	<b>109,852</b>	<b>1,022</b>	<b>110,874</b>
<b>Expenditure on</b>							
Raising funds	4	1,293	-	1,293	1,215	-	1,215
Charitable activities	5	136,220	4,000	140,220	286,226	-	286,226
<b>Total expenditure</b>		<b>137,513</b>	<b>4,000</b>	<b>141,513</b>	<b>287,441</b>	<b>-</b>	<b>287,441</b>
<b>Net (expenditure)/income and movement in funds before (losses)/gains on investments</b>		<b>(29,712)</b>	<b>(988)</b>	<b>(30,700)</b>	<b>(177,589)</b>	<b>1,022</b>	<b>(176,567)</b>
(Losses)/gains on investments	8	(2,237)	-	(2,237)	14,103	-	14,103
<b>Net movement in funds</b>		<b>(31,949)</b>	<b>(988)</b>	<b>(32,937)</b>	<b>(163,486)</b>	<b>1,022</b>	<b>(162,464)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		432,506	14,866	447,372	595,992	13,844	609,836
<b>Total funds carried forward</b>	11	<b>400,557</b> =====	<b>13,878</b> =====	<b>414,435</b> =====	<b>432,506</b> =====	<b>14,866</b> =====	<b>447,372</b> =====

**Statement of financial activities (incorporating an income and expenditure account) for the year ended 31 December 2020**

---

**Notes to the statement of financial activities**

- i. For the year ended 31 December 2020, the statement of financial activities is equivalent to an income and expenditure account. A separate income and expenditure account has not therefore been prepared.
- ii. None of the Society's activities were acquired or discontinued during the above two accounting periods.
- iii. The deficit for the year for Companies Act purposes comprises the net deficit for the year adjusted for any capital grants received and released in the year and was £32,937 (2019 - £162,464 as restated).

**Society for French Studies**  
(a company limited by guarantee)

**Balance sheet at 31 December 2020**

	Note	£	2020 £	£	As restated 2019 £
<b>Fixed assets</b>					
Tangible assets	7	149		186	
Investments	8	166,546		168,783	
			<b>166,695</b>		168,969
<b>Current assets</b>					
Debtors	9	6,513		-	
Bank balances		272,250		304,254	
		<b>278,763</b>		304,254	
<b>Creditors</b>					
Amounts falling due within one year	10	(31,023)		(25,851)	
<b>Net current assets</b>			<b>247,740</b>		278,403
<b>Net assets</b>			<b>414,435</b>		447,372
			=====		=====
<b>Reserves</b>					
Restricted funds	11		13,878		14,866
Unrestricted funds	11		400,557		432,506
			<b>414,435</b>		447,372
			=====		=====

For the year ending 31 December 2020 the charitable company was entitled to exemption under Section 477 of the Companies Act 2006 relating to small companies. No members have required the charitable company to obtain an audit of its financial statements for the year in question in accordance with the Companies Act 2006.

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

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

The financial statements were approved by the board on 29 March 2022 and signed on its behalf by:

29/03/22

K. Jones

**Kathryn Jones**  
Treasurer

The notes on pages 10 to 20 form part of these financial statements.

**1 Accounting policies**

**Legal status of the Society**

Society for French Studies is a company limited by guarantee by its members and does not have a share capital. In the event of the company being wound up, the liability of each member is limited to £1.

**Basis of preparation and assessment of going concern**

The financial statements are prepared under the historical cost convention as modified to include the revaluation of investments and include the results of the Society's operations in the year, as indicated in the report of the directors. All activities are continuing.

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

No statement of cash flows has been produced as the directors have adopted the provisions of the Charities SORP (FRS 102) update bulletin 1, which exempts the Society from the requirement to produce a statement of cash flows on the basis it is not a large charity.

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

At the time of approving the financial statements, the directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Covid-19 has interrupted the operations of the Society but the directors are taking the appropriate steps to secure the future of the Society.

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

The following is a summary of the significant accounting policies adopted by the directors in the presentation of the financial statements.

**Income**

All income is recognised once the Society has entitlement to the income, it is certain that the resources will be received and the monetary value of income can be measured with sufficient reliability. The following specific policies are applied to particular categories of income:

Investment income is accounted for when receivable.

Voluntary income is received by way of membership subscriptions and is included in the Statement of Financial Activities when receivable and in the period to which it relates.

Income from charitable activities held in the year and is included in the Statement of Financial Activities when receivable and in the period to which it relates.

**1 Accounting policies (continued)**

**Resources expended**

Resources expended are included in the Statement of Financial Activities on an accruals basis inclusive of any VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in those cost categories.

Charitable expenditure comprises those costs incurred by the Society in the delivery of its activities and services. It includes both direct costs and those of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting constitutional and statutory requirements of the Society and include independent examination fees and costs linked to the strategic management of the Society, and are included within expenditure on charitable activities.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Certain costs, which are attributable to more than one activity are apportioned across cost categories on an appropriate basis as set out in note 5.

**Tangible fixed assets**

Tangible assets are carried at cost, net of depreciation and any provision for impairment.

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

Office equipment	20% per annum reducing balance method
------------------	---------------------------------------

The Society has a policy of writing off all expenditure on fixed assets up to a value of £1,000. Expenditure over £1,000 is capitalised.

**Debtors**

Trade and other debtors are recognised at the settlement amount due.

**Cash at bank and in hand**

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

**Creditors and provisions**

Creditors and provisions are recognised where the Society has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discount.

**Financial instruments**

The Society 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.

**Notes to the financial statements (continued)**

**1 Accounting policies (continued)**

**Critical accounting estimates and judgements**

In the application of the Society's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in statement of financial activities.

**Funds**

With the adoption of the Statement of Recommended Practice all income and expenditure is dealt with through the statement of financial activities. In the Statement of Financial Activities funds are classified as either restricted funds or unrestricted funds, defined as follows:

**Restricted funds** are funds subject to specific purposes, which may be declared by the donor or with their authority.

**Unrestricted funds** are expendable at the discretion of the board in furtherance of the objectives of Society for French Studies.

<b>2 Operating deficit</b>	<b>2020</b>	<b>As restated 2019</b>
Operating deficit is stated after charging:	<b>£</b>	<b>£</b>
Depreciation of tangible assets	<b>37</b>	47
Independent examiner's fees	<b>3,000</b>	2,500
	<b>=====</b>	<b>=====</b>
<b>3 Income</b>		
<b>Charitable activities</b>		
Royalties on sales	<b>63,300</b>	72,623
Contributions to journal costs from Oxford University Press	<b>28,433</b>	-
Contribution to the Gapper Foundation prize	<b>3,000</b>	-
Conference income	-	20,848
	<b>=====</b>	<b>=====</b>
	<b>94,733</b>	93,471
	<b>=====</b>	<b>=====</b>
<b>Other trading activities</b>		
Membership subscriptions	<b>14,442</b>	14,650
	<b>=====</b>	<b>=====</b>

**Society for French Studies**  
(a company limited by guarantee)

**Notes to the financial statements (continued)**

**4 Expenditure on raising funds**

	2020 £	As restated 2019 £
Investment managers costs (note 14)	1,215	1,215
Stripe fees	78	-
	<u>1,293</u>	<u>1,215</u>
	=====	=====

**5 Expenditure on charitable activities**

	2020 Unrestricted £	2020 Restricted £	2020 Total £	As restated 2019 Total £
FS and FSB costs for members	6,230	-	6,230	6,525
Conference costs	4,035	-	4,035	66,236
Secretarial costs	26,516	-	26,516	18,020
Office, postage and insurance	1,588	-	1,588	8,455
Rent	5,383	-	5,383	3,800
Editorial expenses	3,283	-	3,283	4,308
Editorial research	3,056	-	3,056	7,868
Editorial board meetings	-	-	-	700
Bulletin copy editing	1,515	-	1,515	1,444
Legenda subsidy	-	-	-	7,330
Subsidy	-	-	-	1,210
Conference support	729	-	729	5,692
Research fellowship support	3,644	-	3,644	14,495
Research fellowships	69,577	-	69,577	44,559
Committee expenses	3,373	-	3,373	11,885
President's costs	-	-	-	3,277
Membership officers costs	301	-	301	214
IT officers costs	1,000	-	1,000	1,382
Secretary costs	48	-	48	474
Treasurers costs	54	-	54	1,232
Contingencies	-	-	-	133
Company secretarial fees	720	-	720	515
Gapper Prize	-	3,000	3,000	2,692
Malcolm Bowie award	-	1,000	1,000	-
Sundry expenses	51	-	51	-
Professional subscriptions	534	-	534	-
Depreciation	37	-	37	47
Bank charges	106	-	106	-
Book keeping fees	1,440	-	1,440	-
Prior year adjustment (note 14)	-	-	-	71,233
	<u>133,220</u>	<u>4,000</u>	<u>137,220</u>	<u>283,726</u>
<b>Governance costs</b>				
Independent examiner's fee	3,000	-	3,000	2,500
	<u>136,220</u>	<u>4,000</u>	<u>140,220</u>	<u>286,226</u>
	=====	=====	=====	=====

All expenditure in 2019 was unrestricted.

**Notes to the financial statements (continued)**

---

**6 Employees**

The Society has no employees and no director received remuneration in either year.

The Society considers its key management personnel to be the directors.

**7 Fixed assets**

	<b>2020</b>	2019
	<b>Total</b>	Total
	<b>£</b>	£
<b>Office equipment</b>		
<b>Cost</b>		
At 31 December 2019 and at 31 December 2020	<b>7,075</b>	7,075
	<hr/>	<hr/>
<b>Depreciation</b>		
At 31 December 2019	6,889	6,842
Charge for year	37	47
	<hr/>	<hr/>
<b>At 31 December 2020</b>	<b>6,926</b>	6,889
	<hr/>	<hr/>
<b>Net book value</b>		
At 31 December 2020	<b>149</b>	186
	=====	=====



Notes to the financial statements (continued)

8 Investments

	2020 £	As restated 2019 £
<b>Listed investments</b>		
Fair value at 1 January 2020	168,783	154,680
(Decrease)/increase in unrealised appreciation	(2,237)	14,103
	<u>166,546</u>	<u>168,783</u>
<b>Fair value at 31 December 2020</b>	<b>166,546</b>	<b>168,783</b>
	<u>=====</u>	<u>=====</u>
<b>Book cost at 31 December 2020</b>	<b>144,159</b>	<b>144,159</b>
	<u>=====</u>	<u>=====</u>
The directors consider individual investments holdings in excess of 5% of the portfolio value to be material:		
	<b>Fair value at 31 December 2020 £</b>	<b>Fair value at 31 December 2020 £</b>
M&G Strategic Corporate Bond I Acc GBP	57,190	53,842
Man GLG Strategic Bond I	109,356	114,941
	<u>=====</u>	<u>=====</u>

**Investment risks**

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk interest rate risk and other price risk.

- Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.

Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currently risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Society has exposure to these risks because of the investments it makes to implement its investment strategy. The directors manage investments risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Society's strategic investment objectives. These investment objectives and risk limits are implemented through the agreements in place with the Society's investment managers where advice is received on an ad-hoc basis and monitored by the directors by regular reviews of the investment portfolios.

**Notes to the financial statements (continued)**

**8 Investments (continued)**

Further information on the directors' approach to risk management and the Society's exposure to credit and market risks are set out below.

**Credit risk**

The Society invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles.

**Analysis of direct credit risk**

Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. The directors carry out due diligence checks on the appointment of new pooled investment managers and on an ongoing basis monitor any changes to the regulatory and operating environment of the pooled manager.

Pooled investment arrangements used by the Society comprise authorised unit trusts.

Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. The risk is mitigated by only investing in pooled funds which invest in at least investment grade credit rated securities.

**Currency risk**

The Society is subject to currency risk because some of the Society's investments are held in overseas markets, via the pooled investment vehicles.

**Interest rate risk**

The Society is subject to interest rate risk through investments comprising bonds.

**Other price risk**

Other price risk arises principally in relation to equities held in pooled vehicles. The Society manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

**9 Debtors**

	2020 £	As restated 2019 £
Other debtors	6,513 =====	- =====

**10 Creditors**

	2020 £	As restated 2019 £
Other creditors and accruals	31,023 =====	25,851 =====

Notes to the financial statements (continued)

11 Reserves

2020	As restated Balance at 31 December 2019 £	Income £	Expenditure £	Balance at 31 December 2020 £
<b>Restricted funds</b>				
Malcolm Bowie Prize	14,866	12	(1,000)	<b>13,878</b>
Gapper Foundation Prize	-	3,000	(3,000)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	14,866	3,012	(4,000)	<b>13,878</b>
<b>Unrestricted funds</b>	432,506	107,801	(139,750)	<b>400,557</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total funds</b>	<b>447,372</b> =====	<b>110,813</b> =====	<b>(143,750)</b> =====	<b>414,435</b> =====
2019	As restated Balance at 31 December 2018 £	As restated Income £	As restated Expenditure £	As restated Balance at 31 December 2019 £
Restricted funds				
Malcolm Bowie Prize	13,844	1,022	-	14,866
Unrestricted funds	595,992	123,955	(287,441)	432,506
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	609,836 =====	124,977 =====	(287,441) =====	447,372 =====

**Notes to the financial statements (continued)**

**11 Reserves (continued)**

**Purposes of restricted funds**

**Malcolm Bowie Prize**

In 2008 the Society launched an annual Malcolm Bowie Prize from a bequest received. The prize is to be awarded for the best article published in the preceding year by an early-career researcher in the broader discipline of French studies.

Malcolm Bowie was not only the most eminent and inspirational Anglophone scholar of French literature and theory of his generation, he was a towering figure in the field because of his tireless devotion to the scholarly community both in the UK and abroad, his service to the Society offering but one example of this.

He was president of the Society from 1994 to 1996 as well as general editor of its journal from 1980 to 1987. The Society felt that it was particularly appropriate to honour his memory by founding a prize for which only early-career scholars will be eligible, since he was a remarkable mentor to countless younger scholars, both in the UK and abroad.

**Gapper Foundation Prize**

Inaugurated in 2002, the prestigious R Gapper prizes are awarded annually by the Society for the best undergraduate and postgraduate essays submitted, and the best book published, in the field during the preceding year. The prizes, generously funded by the RH Gapper Foundation, celebrate work of outstanding merit, quality and value in the field of French and Francophone Studies.

**12 Analysis of net assets between funds**

	<b>General funds £</b>	<b>Restricted funds £</b>	<b>Total £</b>
<b>2020</b>			
Fixed assets	<b>166,695</b>	-	<b>166,695</b>
Current assets	<b>264,885</b>	<b>13,878</b>	<b>278,763</b>
Current liabilities	<b>(31,023)</b>	-	<b>(31,023)</b>
<b>Net assets at 31 December 2020</b>	<b>400,557</b> =====	<b>13,878</b> =====	<b>414,435</b> =====
	As restated General funds £	As restated Restricted funds £	As restated Total £
<b>2019</b>			
Fixed assets	168,969	-	168,969
Current assets	289,388	14,866	304,254
Current liabilities	(25,851)	-	(25,851)
<b>Net assets at 31 December 2019</b>	<b>432,506</b> =====	<b>14,866</b> =====	<b>447,372</b> =====

**13 Related party transactions**

Travel and accommodation costs amounting to £8,623 (2019 – £8,164) were reimbursed to 17 (2019 – 24) directors during the year.

**Society for French Studies**  
(a company limited by guarantee)

**Notes to the financial statements (continued)**

**14 Prior year adjustment**

The financial statements have been restated as detailed below.

**Reconciliation of changes in equity**

At 1 January 2019			At 31 December 2019		
	As previously reported	Effect of prior year adjustment	Notes	As previously reported	Effect of prior year adjustment
	£	£		£	£
<b>Fixed assets</b>					
Tangible assets	233	-		186	-
Investments	-	-	a	271,375	(102,592)
<b>Current assets</b>					
Debtors	10,109	-		-	-
Investments	-	-			
Bank	473,246	-	b	258,985	45,269
Creditors due within one year	-	-		(25,851)	-
	<u>483,588</u>	<u>-</u>		<u>504,695</u>	<u>(57,323)</u>
	=====	=====		=====	=====
<b>Reserves</b>					
Restricted funds	13,844	-		14,886	(20)
Unrestricted funds	469,744	-		489,809	(57,303)
	<u>483,588</u>	<u>-</u>		<u>504,695</u>	<u>(57,323)</u>
	=====	=====		=====	=====

At 1 January 2019					
	Notes	As previously reported	Effect of prior year adjustment	As restated	
		£	£	£	
Income	c	109,852	15,125	<b>124,977</b>	
Expenditure	d	(214,993)	(72,448)	<b>(287,441)</b>	
Net movement in funds		<u>(105,141)</u>	<u>(57,323)</u>	<u><b>(162,464)</b></u>	
		=====	=====	=====	

**Notes to the financial statements (continued)**

---

**14 Prior year adjustment (continued)**

- a The adjustment of £102,592 relates to cash held in the in the investment managers account, restated to be included as cash at bank and in hand.
- b The adjustment of £45,269 relates to the reallocation as detailed in above and the difference on the opening bank balance from 31 December 2019 of £57,323 which was not previously treated as expenditure in the year end 31 December 2019.
- c The adjustment of £15,125 of income in the year end relates to bank interest received of £1,022 and unrealised gains on investments of £14,103 not shown separately in the financial statements previous reported. Investment managers costs have also been identified of £1,215.
- d The adjustment of £72,448 relates to the bank difference of £57,323 and the adjustment of income previously off set of £15,125 in the financial statements previously reported.
- e In addition to the above, income and expenditure in the statement of financial activities includes reallocations between income and expenditure categories for the year end 31 December 2019, which were identified during the independent examination process.