PRO BONO ECONOMICS

England & Wales · Charity number 1130567

Details

Other names	PRO BOND ECONOMICS, PBE
Status	Registered
Legal form	Charitable company
Company number	06849844
Registered	2009-07-15
Register	View on the Charity Commission register

Contact

Address	The Clarence Centre Dc G06 6 St. George's Circus SE1 6FE
Phone	02036322668
Email	info@pbe.co.uk
Website	www.pbe.co.uk

Activities

Objects: 3. THE OBJECTS OF THE CHARITY ARE TO:3.1 PROMOTE THE EFFICIENCY AND EFFECTIVENESS OF CHARITIES AND THE EFFECTIVE USE OFCHARITABLE RESOURCES FOR THE BENEFIT OF THE PUBLIC IN PARTICULAR BY PROVIDINGANALYTICAL ECONOMIC ASSISTANCE AND ADVICE TO THE CHARITABLE SECTOR; AND3.2 ADVANCE THE EDUCATION OF THE PUBLIC IN THE UNITED KINGDOM OF GREAT BRITAIN ANDNORTHERN IRELAND IN SUBJECTS RELATING TO CIVIL SOCIETY, AND FOR THAT PURPOSE TO:3.2.1 CONDUCT OR COMMISSION RESEARCH INTO CIVIL SOCIETY;3.2.2 COORDINATE, DELIVER, ORGANISE AND ASSIST IN THE PROVISION OF COURSES OFEDUCATION, CONFERENCES, SEMINARS, LECTURES AND OTHER EDUCATIONALEVENTS AND ACTIVITIES RELATED TO CIVIL SOCIETY; AND3.2.3 SUPPORT ALL FORMS OF CIVIL SOCIETY ORGANISATIONS.THE TERM “CIVIL SOCIETY” MEANS THE PEOPLE, CHARITIES, GROUPS, COMMUNITIES AND OTHERORGANISATIONS THAT FORM THE VOLUNTARY SECTOR AND OPERATE OUTSIDE OF THE PUBLIC ANDPRIVATE SECTORS AND ON A NOT-FOR-PROFIT BASIS, AND SHALL, FOR THE AVOIDANCE OF DOUBT, NOTINCLUDE POLITICAL PARTIES AND OTHER BODIES WHOSE PURPOSE IS PRIMARILY POLITICAL.

Downloaded from opencharities.uk/ew/1130567

Activities: Pro Bono Economics uses economics to empower the social sector and to increase wellbeing across the UK. We combine project work with individual charities and social enterprises with policy research that can drive systemic change. Experts and economists at PBE work on a wide range of issues related to wellbeing including mental health, education, employment, poverty, volunteering and civil society.

Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,736,973	£1,701,418	£628,756	20
2023-12-31	£1,613,829	£1,452,131	£593,201	18
2022-12-31	£982,044	£1,568,797	£431,503	18
2021-12-31	£1,483,885	£1,385,058	£1,018,256	16
2020-12-31	£1,398,596	£860,227	£919,429	9

Downloaded from opencharities.uk/ew/1130567

Trustees

Name	Role	Appointed
DAMIEN REGENT	Chair	2018-04-12
Akiko Margaret Hart		2023-09-07
BELINDA PHIPPS		2018-04-12
DAVID JOHN GREGSON		2018-07-24
Dr Rubina Ahmed		2021-09-15
Edward Humpherson		2018-07-24
Jennifer Jane Scott		2018-04-12
Jonathan Loynes		2023-09-07
Matthew James Brumsen		2014-05-20

Downloaded from opencharities.uk/ew/1130567

PRO BONO ECONOMICS

England & Wales - Charity number 1130567

Accounts

Economics to improve lives

Charity registration number 1130567 (England and Wales)
Company registration number 06849844

PRO BONO ECONOMICS - trading as PBE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Economics to improve lives

PRO BONO ECONOMICS - trading as PBE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Tera Allas - Chair	(Appointed 02 January 2025)
	Dr Rubina Ahmed	
	Matthew Brumsen - Vice Chair	
	David Gregson	
	Akiko Hart	
	Edward Humpherson CB	
	Jonathan Loynes	
	Michele Oliver	
	Belinda Phipps	
	Damien Régent - Treasurer	
	Jenny Scott	
Charity number	1130567	
Company number	06849844	
Registered office	The Factory 120 London Road London SE1 6LF	
Auditor	Alliotts LLP 3 London Square Cross Lanes Guildford GU1 1UJ	
Bankers	Barclays Bank PLC Leicester M60 4EP	

Economics to improve lives

PRO BONO ECONOMICS - trading as PBE

CONTENTS

	Page
Chair and CEO's statement	1
Trustees' report	2 - 11
Statement of Trustees' responsibilities	12
Independent auditor's report	13 - 16
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 32

PRO BONO ECONOMICS - trading as PBE

CHAIR AND CEO'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

2024 was a year of significant political change, with the general election delivering the UK's first Labour government in 14 years. Yet for millions across the country, the experience of low personal wellbeing remained stubbornly high. Our first national audit of low wellbeing revealed that 3.2 million adults are now living below the wellbeing poverty line – a figure significantly higher than before the pandemic. In parallel, the wellbeing of the UK's young people continues to cause concern, with one in four 15-year-olds reporting low life satisfaction, the worst rate across Europe.

Against this backdrop, PBE is proud of the difference we made in 2024. Further building on the foundations laid by the Law Family Commission on Civil Society, we brought civil society and policymakers closer together to support more productive working between charities and government in the years ahead.

Through our research and policy work, we believe we contributed to the government's decision to allocate an additional £250 million in preventative funding for children's social care. We raised the profile of other critical issues too, including literacy provision for disadvantaged young people, mental health challenges among expectant and new mothers, and the impact of local authority funding cuts on charities. Our ongoing campaign to grow charitable giving also gained traction with both the outgoing and incoming governments.

Alongside our policy impact, we expanded our direct support to the charity sector, working with 169 organisations – a record for PBE. We matched dozens of charities with volunteer economists, helping them to better measure, understand and communicate their impact.

Internally, 2024 marked an important period of transition. After eight hugely productive years, Lord Gus O'Donnell stepped down as Chair, having overseen PBE's growth into a highly respected and impactful organisation. We are delighted that he remains closely connected to us as Honorary President.

Entering 2025 we face capacity and funding challenges that provide for a difficult backdrop, but mitigations and actions to address the issues are well under way. We are focused on delivering against the priorities set out in our three-year strategy: to achieve more impact, deepen our influence, and work better as an organisation. We will launch new research strands on loneliness and the private rental sector, continue to build partnerships across civil society and government, and work to ensure that better data and evidence drive improvements in wellbeing across the UK.

With the continued commitment of our staff and volunteers and the generous support of our funders and partners, PBE hopes to meet the challenges ahead and to deliver even greater impact for those we seek to support.

Tera Allas

Tera Allas (Jul 10, 2025, 10:50am)

Tera Allas

Chair

Dated: 10 Jul 2025

Matthew Whittaker (Jul 8, 2025, 2:03pm)

Matt Whittaker

CEO

Dated: 08 Jul 2025

PBE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The objectives of the charity are to:

- promote the efficiency and effectiveness of charities and the effective use of charitable resources for the benefit of the public, in particular by providing analytical economic assistance and advice to the charitable sector
- advance the education of the public in the United Kingdom of Great Britain and Northern Ireland in subjects relating to civil society, and for that purpose to:
    - conduct or commission research into civil society;
    - coordinate, deliver, organise and assist in the provision of courses of education, conferences, seminars, lectures and other educational events and activities related to civil society; and
    - support all forms of civil society organisations.

When setting the objectives and planning the work of the charity for the year, the Trustees confirm that they have completed their duty under section 17 of the Charities Act 2011 with regards to Charity Commission guidance on public benefit.

About PBE

PBE's vision is an end to low personal wellbeing in the United Kingdom. To support this, we use economic analysis and our unique connection to the social sector to help charities, funders, firms and policymakers to collectively tackle the causes and consequences of low wellbeing across the country. We do this through two main routes: our impact advice & analysis and our research & policy work.

On the former, we provide impact advice and analysis to individual charities to help them to measure, understand and communicate their impact. On the latter, we produce 'bigger picture' analysis and insight that helps to inform and steer the wider policy debate surrounding wellbeing and the social sector.

How we work: Impact advice & analysis

Our in-house and associate experts work alongside our large pool of economist volunteers via three main service lines: Data First Aid; Unlocking Impact workshops; and analysis and advocacy projects.

- Data First Aid is our fast-track volunteer offer. It provides social sector organisations of any size with the opportunity to be matched with one of our volunteer economists to access support on any number of 'light touch' data tasks.
- Our Unlocking Impact workshops are half-day interactive sessions in which charities are introduced to

the principles and practicalities of economic evaluation. They allow us to build capacity across a broad range of organisations, while also preparing some to take the next step towards a full analysis or advocacy project. Having attended the workshop, charities that feel ready to go further can follow up with bespoke one-to-one sessions with one of our expert economists, developing a deeper understanding of what impact might mean in their own context.

- Our analysis and advocacy projects provide focused support designed to help charities understand their impact and their effectiveness. When undertaking an analysis project, we provide detailed evaluations of the outcomes and impacts associated with an individual charity's interventions. When undertaking an advocacy project, we focus less on the specifics of an individual charity's programme of work and more on the conditions and issues relating to sub-sectors or policy themes.

Delivering support across these three different service lines allows us to work with charities and social sector organisations of all different levels of data 'maturity', while embedding a culture and appreciation of impact evaluation across the sector more broadly. In doing so, we highlight and support effectiveness in organisations focused on delivering wellbeing improvements for individuals across the UK.

How we work: Research & policy

Our policy research function aims to uncover new insight and provide new influence that can complement and amplify our work with individual charities. It is delivered primarily by our in-house team, though we additionally commission work from external providers and experts and we work in partnership with other research and policy organisations when appropriate.

We support our policy research work through a programme of free, public events and webinars. These provide us with an opportunity to showcase our own work and open debate around issues of importance to wellbeing and the social sector. We invite a diverse range of experts and practitioners to speak on our panels and emphasise interaction with the audience by way of stimulating discussion and understanding.

How we work: our three-year strategy

In 2024, PBE entered a new three-year strategic phase. In continuing to pursue our mission of improving lives using economics, we established three priority ambitions:

i. *More impact:* We are scaling our existing service delivery work with not-for-profit organisations across the UK, developing new products and reaching new audiences within the public, private and social sectors, and continuing to grow and diversify our funding base.

ii. *Deeper impact:* We are developing expertise across more policy themes associated with low wellbeing, growing and strengthening our network of partners to amplify our influence, and supporting better policy and practice by raising the bar on data and evidence.

iii. *Better working:* We are agreeing, developing and displaying an internal culture that prioritises the wellbeing of our workforce, improving our internal processes to better support our working practices, and investing in our management expertise and personal development.

Organisational changes during the year

After eight years at the organisation's helm, Lord Gus O'Donnell stepped down as Chair of the Board in September 2024. Gus oversaw a period of significant growth and enhanced reach at PBE. He left the organisation having supported the development of a three-year strategy that provides the most explicit statement yet of our desire to better understand and tackle low wellbeing. Upon his departure, the remaining trustees agreed to establish Gus as PBE's Honorary President. In this role, he will work alongside PBE's co-founder and President, Andy Haldane, to continue to provide advice and support over the coming years.

An open and exhaustive recruitment process resulted in Tera Allas being selected as Gus's replacement as Chair of the Board, taking up the position from January 2025. Existing PBE trustee David Gregson stepped in as Interim Chair to cover the short period between Gus's departure and Tera's arrival.

Three members of PBE's senior management team moved on to new opportunities over the course of 2024, and we subsequently ended the year recruiting simultaneously for a replacement Director of Research, Policy and Communications and a replacement Director of Development. Both campaigns were successful, with the new arrivals joining in the early months of 2025. We additionally added a new position of Head of Analysis towards the end of 2024, thereby significantly boosting the organisation's quantitative research capabilities.

Achievements and performance

In developing our three-year strategy, we identified a longlist of policy themes of direct relevance to the complex wellbeing challenges facing individuals in the UK. In 2024 we focused particular attention on three of these areas: the overarching picture of low wellbeing across the country; the experience of children and young people; and challenges and opportunities facing civil society.

Leading and shaping the wellbeing debate

We published our first 'Low wellbeing in the UK' report towards the end of 2024, an essential 'audit' that sets the stage for our continued efforts to track, understand and improve wellbeing. This report will help scope further work on the triggers and interventions that make a difference. We hope that future editions of this report will unlock further insights and tell a story of progress - of a nation doing better.

Understanding the experiences of children and young people

One in four children in the UK now reports low wellbeing – the lowest in Europe. Given this backdrop, much of our research to achieve change in 2024 focused on the next generation.

In the fourth of a series of annual reports for The Children's Charities Coalition' (formerly Children's Services Funding Alliance), we examined the state of children's services funding in England. This highlighted the worrying rise in the cost of residential care and the increasing complexity of the challenges England's most vulnerable children are experiencing. The findings of this work informed subsequent campaigning efforts across a range of stakeholders, including the Children and Young People's Mental Health Coalition, the Local Government Association, and the Josh MacAlister MP. Partially as a result, the government committed an additional £250 million for children's social care in 2025-26, focusing investment on additional prevention activity through Family Help.

Our analysis for the Fostering Network also prompted positive change, with more foster carers being paid a decent allowance this financial year as a result of our work. In Camden alone, the Council agreed to provide an extra £10-25 a week for foster carers looking after children in their borough.

With growing numbers of children missing school due to exclusions, we also worked on a major programme supporting charities that work closely to support this group. Our analysis of the impact that charity Football Beyond Borders has on people's lives showed that its efforts protect the wellbeing of the children it works with, relative to the outcomes they might otherwise achieve. We estimated that overall, the charity delivered £2.20 of benefits for every £1 spent. More than 500 people tuned in to the report's launch event, and the findings were subsequently used as evidence in presentations and submissions to No. 10, the Department for Education, the Department for Culture, Media and Sport and the Home Office.

Bringing civil society and government together

We continued to build in 2024 on the important work undertaken as part of the Law Family Commission on Civil Society to unleash more of the social sector's potential, with a particular focus on using our reach into government, parliament, and the civil service to bring policymakers and the charity sector together to forge solutions.

In January 2024, we hosted the Labour and Civil Society Summit. Headlined by the Prime Minister-to-be Keir Starmer, it was attended by 18 members of the Shadow Cabinet and 140 charity leaders. This major event was the first time the Labour front bench had explicitly set out the role that it wanted to see charities and civil society playing under a Labour government. It laid the foundations for the Civil Society Covenant that Labour has been developing with charity representatives since assuming power after the General Election.

Towards the end of the year, we followed this event up by bringing together around 100 civil servants and 200 charities in a major Civil Alliance conference. Headlined by the new Minister for Civil Society Stephanie Peacock, the event provided an opportunity for members of the two sectors to forge new relationships and develop practical proposals for improving collaboration.

And we helped a large number of civil society organisations to better navigate the policymaking landscape too. Within 48 hours of the General Election, our team provided free access to a detailed database of all MPs with backgrounds in the charity sector. The tool has been accessed over 3,000 times to date, making a real difference to many smaller charities' influencing efforts.

Helping more charities than ever before

Alongside developing our strategic approach to tackling big picture challenges, we continued to provide research and economic expertise to charities across the UK that make their own contribution to supporting those with the lowest wellbeing. Over the course of 2024, we received 257 requests from charities for our support – a record-breaking number. And we helped more charities than ever before – reaching 169 organisations with our services.

Typically, the impact of PBE's services lasts well beyond the original intervention. The capacity PBE builds, the skills we confer, the research we undertake, and the relationships we establish can transform the activity of an organisation over the longer term. In 2024, we helped charities use their data better, tell more compelling stories, win funding, operate more effectively, and target their services better to those most in need.

We supported 96 charities through our flagship Unlocking Impact workshops (UIW), helping charities begin their impact journey. Charities like Leeds Older People's Forum (LOPF), an organisation dedicated to promoting the wellbeing of older people in Leeds. It represents a network of social sector organisations, working together to

ensure older people have the opportunities, freedom, and support to live the life they want, focusing on areas such as health, social care, housing, transport, and leisure. LOPF told us that attending our UIW helped it to develop a more in-depth understanding of its impact and subsequently use this knowledge to be more effective, attract further long-term funding, and support its strategic ambitions.

We helped a further 51 charities through economic analysis, advice and research projects. And we supported 29 charities through our Data First Aid (DFA) service, which matches charities with volunteer economists who undertake data analysis, research or visualisation for them.

This included Bath Cats and Dogs Home (BCDH), a charity that provides veterinary care for pets of homeless or vulnerably housed people, educates young people about responsible pet ownership, and partners with the Trussell Trust to supply pet food in local food banks. The charity knew there were some areas of Bath, Somerset and Wiltshire that it wasn't serving as well as it might and wanted to make sure it was allocating its resources to support the people who needed it the most. Through the DFA support it received from a PBE volunteer, the charity developed a template that allows it to target its resources more effectively and tailor its fundraising strategies more appropriately.

The rapid growth in charity support that we've recorded over recent years has been underpinned by a marked reduction in our turnaround time. In 2020 we received a total of 66 charity enquiries and took an average of 224 days to reach a conclusion (that is, completion of whatever activity we've undertaken); in 2024, with nearly three times as many enquiries coming in, we cut the average turnaround time to 89 days. That's been driven by continuous improvement in our processes and by the establishment of deliberately swifter-acting services. And it's come with no dilution in quality. In fact, our average recommendation score has *grown* over the same period – from 90% in 2020 to 93% in 2024.

Among the innovations we've introduced in support of increased efficiency, we're especially pleased in 2024 to develop our partnerships with economic consultancies. These have allowed us to collaborate effectively on more complex charity projects or where we don't have internal capacity, while simultaneously providing rewarding experiences for a wider number of economist volunteers.

The model worked particularly well in relation to the support we provided to Veterans Aid, a charity that helps to tackle homelessness among the ex-service community. Working with the charity, we developed a brief for two projects: a cost-benefit analysis and qualitative research with a written report. We were then able to hand over the first phase of the work to a volunteer team from Cambridge Econometrics before bringing in a FTI consulting to run the second phase. The partnership worked extremely well, with the charity and the two consultancies all benefiting, and it's an approach we hope to continue to develop in 2025.

A growing presence in public policy debate

Through both our direct support of charities across the country and our exploration of systemic change, we helped inform a range of policy debates and changes throughout 2024.

Our insights and analyses were reflected in party manifestos ahead of the General Election, and in the Buckland Review of Autism Employment. And we further raised awareness about the impact of local authority funding cuts on the charity sector, the lack of literacy support for children and young people in deprived areas of the country, the scale of the mental health challenges faced by many expectant and new mothers, and much more.

Since 2022, we've been working alongside a range of partners to bring about reform that can increase philanthropic giving in the UK. In 2024, we secured cut through on this issue with both the outgoing and the incoming governments. For example, Civil Society Minister Stephanie Peacock declared that: "I will work with

colleagues across government and with you and your sectors to make philanthropic giving as easy and compelling as possible across the country, in a renewed partnership".

Financial review

Total income for 2024 stood at £1,742,818, drawn from a combination of grants, donations, consultancy and gift aid (2023: £1,613,829). In 2024 we successfully met our ambition to continue to build our unrestricted and research funding to support our strategic goals of building and deepening our impact while diversifying our income sources and de-risking our income profile.

Restricted income received during the year stood at £527,394 (2023: £426,894), with continued funding for specific projects from Porticus, City Bridge Trust, the Law Family Charitable Foundation and CAF, alongside new funding from the Lloyds Bank Foundation, Benefact Group and the Henry Smith Charity.

Income opportunities are generated by our in-house Development team, and we are regulated by the Fundraising Regulator. We do not use a professional fundraiser or commercial participator and have received no complaints from the public in relation to our fundraising.

We are grateful for the continued support of several grant-making trusts, including CAF, City Bridge Trust, Garfield Weston, the Golden Bottle Trust, the Law Family Charitable Foundation, Mohn Westlake, and Porticus. Additionally, our thanks go to corporate funders such as FTI Consulting LLP, PA Consulting Services Ltd, Weil, Gotshal & Manges LLP, and OakNorth Bank PLC, and to all our major donors.

Expenditure in 2024 was £1,707,263 (2023: £1,452,131), a year-on-year increase driven primarily by an increase in the number and size of our public events and an increase in Economic Associate and consultancy support for our charity projects and research outputs. Additionally, we used more pro bono support from our corporate lawyers, Weil, Gotshal & Manges LLP, to support higher rates of consultancy projects, and there was an increase in staff costs relating to the second year of our salary increases following the benchmarking work conducted in 2022.

At the end of 2024, headcount had risen incrementally to 20 (2023: 18).

Reserves policy

The net result of our income and expenditure outturns was a surplus of £35,555. This comprised a £12,038 surplus in restricted activities and a £23,517 surplus in unrestricted activities.

Our policy is to maintain free reserves (unrestricted funds minus any fixed and intangible assets) that at any time cover our unrestricted operating expenses for at least three months, with an upper limit of six months. The policy is set to mitigate a key risk to PBE, namely periods of reduced income caused by our, at-times, 'lumpy' funding model.

Given the unrestricted expenditure profile at the end of 2024, the policy dictates that we hold somewhere between £298,000 and £596,000 in free reserves. At the end of 2024 our free reserves totalled £413,111.

The charity maintained restricted reserves of £207,413 at year-end, to be expended in 2025 on CAF, the Law Family CSEVO project, and Porticus. The charity maintained no designated funds.

The departure of two members of the senior management team towards the end of 2024 – including the Director of Development – and the inevitable lag in onboarding replacements meant that trustees anticipated pressure on cashflow in 2025 and the likelihood of reserves dropping below the minimum level of three months of expenditure set out in the organisation's reserves policy. The board remained satisfied however, that the

fundamentals of the organisation would support a recovery in income over the medium-term.

Longer term, we want to grow our reserves, as agreed by the board as part of the three-year strategy. This reflects both the larger size of the organisation and the increased risk of having periods of lower income given the longer lead times associated with research funding. This will be achieved as cashflow allows.

The reserves policy is reviewed annually by the Finance, Audit and Risk Committee (FARCom) and by the board.

The board carries out regular reviews of the charity's financial performance and reserves position. It considers that the charity has adequate financial reserves to continue to deliver its plans. It has a reasonable expectation that it will have adequate resources to continue to operate for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue its operations. The accounts have therefore been prepared on the basis that the charity is a going concern.

Risk management

The trustees are responsible for ensuring that the charity has an appropriate system of risk management and controls. They are also responsible for safeguarding the assets of the charity, and for taking reasonable steps to prevent fraud and other irregularities.

FARCom works closely with the executive to identify, manage and mitigate appropriate risks through a risk register, and to report progress to board meetings. Trustees have a programme of controls to manage financial risks through management account reporting and consideration of liquidity, cash flows and going concern status.

The key issues identified in the risk register in 2024 remained the potential loss of income or difficulties with reserves, as we continued to grow and diversify our funding base in support of a broader programme of work. These risks were heightened towards the end of the year with the co-incidental but simultaneous departure of two members of the senior management team, and the associated absence of any dedicated fundraising capacity within the in-house staff. Replacements have subsequently been successfully onboarded and recruitment of an enhanced Development team got underway early in 2025, but the hiatus inevitably impacted on the funding pipeline and therefore raises the risk of some slowdown in income generation throughout 2025.

Future plans

Notwithstanding this risk, the overall intention for 2025 is to support a steady rise in impact and influence while guarding against overreach and burn out. To that end, we have three clear priorities:

- To deliver the activity that keeps us on track to meet the KPIs established within our three-year strategy. That means ensuring the right flow of outputs through the year, maintaining the scale of our pro bono activity, generating new low wellbeing insights that inform future work, continuing our engagement with the economist community and supporting a raising of the evidence bar in the social sector, working with firms and funders, growing our events profile and continuing to broaden our income base.

- To develop new research strands and draw in associated funding. That means building on our existing children and young people's mental health work, embarking on a new wave of (post-Law Family Commission) civil society work, stablishing work programmes relating to loneliness and to conditions in the private rented sector housing, and laying the groundwork for future expansions into themes of personal debt and disability.

- To better disseminate all that we do in a way that increases our influence and impact. This will include a brand refresh (and a shift from summer 2025 to being called PBE), the establishment of a new Small Charities Forum, developing new social media and old media strategies as part of a wider communications strategy, and continuing to grow our networks across Whitehall and the new government.

Structure, governance and management

PBE is a registered charity and a company limited by guarantee and is governed by its memorandum and articles of association. The company was incorporated on 17 March 2009 and registered as a charity on 15 July 2009.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of the signature of the financial statements were:

Lord Gus O'Donnell - Chair	(Resigned 08 October 2024)
Tera Allas – Chair	(Appointed 02 January 2025)
Dr Rubina Ahmed	
Matthew Brumsen – Vice Chair	
David Gregson – Interim Chair	(08 October 2024 to 01 January 2025)
Akiko Hart	
Edward Humpherson CB	
Jonathan Loynes	
Michele Oliver	
Belinda Phipps	
Damien Régent – Treasurer	
Jenny Scott	

PBE is governed by a Board of Trustees which meets up to four times a year. Trustees are appointed by Board resolution. In selecting new Trustees, the Board utilises a Nominations Committee to consider the skills, knowledge and experience needed for the effective running of the charity. Since 2017, Trustees are initially appointed for a term of three years and may be reappointed at the annual retirement meeting for up to two further terms.

The Board is responsible for the strategic direction of PBE and for appointing the Chief Executive. Charity staff are accountable to the Trustees through the Chief Executive and carry out the day-to-day operations of the charity in accordance with the policies and procedures approved by the Board. The Board has five sub-committees, and all trustees sit on at least one committee:

- The Finance, Audit and Risk Committee (FARCom) has three Trustee members (Damien Régent, Chair, Ed Humpherson and Jonathan Loynes) and is an advisory committee of the Board. Its main duty is to help the Board ensure that all matters related to the statutory audit and the risk register are dealt with appropriately and to review the financial performance of the charity. FARCom leads the work of the Board on the statutory audit, reviews risk management processes including the risk register, and helps ensure that the charity complies with all aspects of the law, relevant legislation and good practice.
- The Policy, Politics and Communications Committee (PolCom) has three Trustee members (Jenny Scott, Chair, Akiko Hart and Damien Régent) and is an advisory committee of the Board. The committee provides trustee oversight of PBE's policy development, approach to working with policymakers and external communications. It reviews the risks related to communications, the principles by which the charity should undertake its communications, policy development and political engagement, and it oversees the crisis communications process.
- The Remuneration Committee (RemCom) has three Trustee members (Belinda Phipps, Chair, Jenny Scott and Jonathan Loynes) and is an advisory committee of the Board, advising the Board on all matters related to staff compensation. The committee works to ensure staff are fairly compensated, with a continued focus on high calibre recruitment and retention of current staff.
- The Development Committee (DevCom) has four Trustee members (Matthew Brumsen, Chair, Belinda Phipps, David Gregson and Rubina Ahmed). The committee considers PBE's fundraising strategy as PBE diversifies its income base. The committee is being formalised in 2025.
- The Nominations Committee (NomCom) has six Trustee members (Jenny Scott, Chair, Belinda Phipps, Ed Humpherson, Michele Oliver, Rubina Ahmed and Tera Allas) and is an advisory committee of the Board. The committee considers the diversity of skills and experience represented within the Board, conducts governance reviews and manages the subsequent Trustee recruitment.

In 2024, Trustees updated, reviewed and approved the charity's risk register, delegation of authority, investment, accounting and safeguarding policies.

Prior to their appointment, new Trustees go through an induction process and are provided with a copy of the Memorandum and Articles of Association, the Trustees' Annual Report and Financial Statements, together with other relevant information. New trustees are given a trustee mentor and are invited to spend time with the charity executive.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Indemnity insurance is held for the Trustees.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

Tera Allas

Tera Allas (Jul 10, 2025, 10:50am)

.....

Tera Allas

Chair

Dated: 10 Jul 2025

PBE Economics to improve lives

PRO BONO ECONOMICS - trading as PBE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRO BONO ECONOMICS - trading as PBE

INDEPENDENT AUDITORS' REPORT

TO THE TRUSTEES OF PBE

Opinion

We have audited the financial statements of PBE (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this

gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of Trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and

regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

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

Stephen Meredith

Stephen Meredith (Jul 10, 2025, 11:35am)

Stephen Meredith BA FCA DChA (Senior Statutory Auditor)

For and on behalf of Alliotts LLP, Statutory Auditor

Chartered Accountants

Cross Lanes

Guildford

GU1 1UJ

Date: 10 Jul 2025

Alliotts LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

PRO BONO ECONOMICS (TRADING AS PBE)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	**Unrestricted funds 2024 £**	**Restricted funds 2024 £**	**Total 2024 £**	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	**3**	1,011,388	527,394	1,538,782	1,043,016	426,894	1,469,910
Charitable activities	**4**	188,176	-	188,176	138,889	-	138,889
Investments	**5**	10,015	-	10,015	5,030	-	5,030
Total income		1,209,579	527,394	1,736,973	1,186,935	426,894	1,613,829
Expenditure on:							
Raising funds	**6**	263,106	69,300	332,406	255,924	32,326	288,250
Charitable activities	**7**	922,956	446,056	1,369,012	834,566	329,315	1,163,881
Total expenditure		1,186,062	515,356	1,701,418	1,090,490	361,641	1,452,131
Net income for the year/ Net movement in funds		23,517	12,038	35,555	96,445	65,253	161,698
Fund balances at 1 January 2024		397,826	195,375	593,201	301,381	130,122	431,503
Fund balances at 31 December 2024		421,343	207,413	628,756	397,826	195,375	593,201

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PRO BONO ECONOMICS (TRADING AS PBE)

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	**13**		8,232		8,310
Current assets					
Debtors	**14**	98,554		52,200	
Cash at bank and in hand		601,728		606,045	
		700,282		658,245	
Creditors: amounts falling due within one year	**15**	(79,758)		(73,354)	
Net current assets			620,524		584,891
Total assets less current liabilities			628,756		593,201
Income funds					
Restricted funds	**17**		207,413		195,375
Unrestricted funds			421,343		397,826
			628,756		593,201

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The members have not required the charitable company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 10 Jul 2025

Tera Allas

Tera Allas (Jul 10, 2025, 10:50am)

Tera Allas - Chair

Trustee

Company registration number 06849844

PRO BONO ECONOMICS (TRADING AS PBE)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**23**		(6,825)		249,459
Investing activities					
Purchase of tangible fixed assets		(7,507)		(3,336)	
Investment income received		10,015		5,030	
Net cash generated from investing activities			2,508		1,694
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(4,317)		251,153
Cash and cash equivalents at beginning of year			606,045		354,892
Cash and cash equivalents at end of year			601,728		606,045

1 Accounting policies

Charity information

Pro Bono Economics (trading as PBE) is a private company limited by guarantee incorporated in England and Wales. The registered office is The Factory, 120 London Road, London, SE1 6LF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees are confident the charity has the resources to meet its liabilities as they fall due for at least 12 months from date of signing the accounts. Hence, they consider the charity to be a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised on the accruals basis. Liabilities are recognised as soon as there is a legal constructive obligation to pay.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years
Computers	3 years

1 Accounting policies **(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Items are capitalised where the net expenditure value is greater than £500 and the expense is capital by nature.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1 Accounting policies **(Continued)**

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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 reviewed 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.

3 Donations and legacies

	Unrestricted funds	**Restricted funds**	**Total**	Unrestricted funds	Restricted funds	Total
	2024	**2024**	**2024**	2023	2023	2023
	£	**£**	**£**	£	£	£
Donations and gifts	424,288	10,000	434,288	384,016	-	384,016
Grants	550,300	517,394	1,067,694	659,000	426,894	1,085,894
Donated goods and services	36,800	-	36,800	-	-	-
	1,011,388	527,394	1,538,782	1,043,016	426,894	1,469,910
Donations and gifts						
Major gifts	388,500	-	388,500	365,000	-	365,000
General donations	2,889	-	2,889	5,647	-	5,647
Events income	23,506	10,000	33,506	1,926	-	1,926
Gift Aid	15,238	-	15,238	11,443	-	11,443
Other	(5,845)	-	(5,845)	-	-	-
	424,288	10,000	434,288	384,016	-	384,016
Grants receivable for core activities						
Porticus	-	110,694	110,694	-	108,694	108,694
Law Family Charitable Foundation	250,000	155,000	405,000	350,000	154,680	504,680
City Bridge	300	57,000	57,300	-	37,500	37,500
Charities Aid Foundation	-	125,000	125,000	-	125,000	125,000
Other	300,000	69,700	369,700	309,000	1,020	310,020
	550,300	517,394	1,067,694	659,000	426,894	1,085,894

4 Charitable activities

	Supporting Charities 2024	Supporting Charities 2023
	£	£
Fees for Services	188,176	138,889

Fees for services relate to consultancy income. As part of our work to diversify our funding base we have increased the amount of consultancy work we undertake and have subsequently become VAT registered.

5 Investments

	Unrestricted funds	Unrestricted funds
	2024	2023
	£	£
Interest receivable	10,015	5,030

6 Raising funds

	Unrestricted funds	**Restricted funds**	**Total**	Unrestricted funds	Restricted funds	Total
	2024	**2024**	**2024**	2023	2023	2023
	£	**£**	**£**	£	£	£
Fundraising						
Staging fundraising events	46,175	20,496	66,671	17,333	-	17,333
Staff costs	173,949	47,686	221,635	203,017	30,181	233,198
Support costs	42,982	1,118	44,100	35,574	2,145	37,719
Fundraising	263,106	69,300	332,406	255,924	32,326	288,250
	263,106	69,300	332,406	255,924	32,326	288,250

7 Charitable activities

	Supporting Charities £	External Affairs £	Research & Policy £	Total 2024 £	Total 2023 £
Staff costs	291,052	219,290	503,335	1,013,677	791,867
Consultancy	58,149	4,462	-	62,611	57,264
Economic associates	30,158	-	-	30,158	9,062
Other service delivery costs *	26,627	30,450	30,570	87,647	151,079
	405,986	254,202	533,905	1,194,093	1,009,272
Share of support costs (see note 8)	58,625	24,541	64,807	147,973	129,810
Share of governance costs (see note 8)	10,271	5,322	11,353	26,946	24,799
	474,882	284,065	610,065	1,369,012	1,163,881
Analysis by fund					
Unrestricted funds	344,115	171,653	407,188	922,956	
Restricted funds	130,767	112,412	202,877	446,056	
	474,882	284,065	610,065	1,369,012	
For the year ended 31 December 2023					
Unrestricted funds	310,331	228,753	295,482		834,566
Restricted funds	90,270	83,311	155,734		329,315
	400,601	312,064	451,216		1,163,881

* Other service delivery costs include direct spend associated with the Porticus grant of £26,627 (2023: £37,726), conference spend associated with the CAF grant of £30,570 (2023: £11,809), charity training package of £10,456, rebranding and website design & development costs of £19,488 and other one off expenses of £506.

8 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Depreciation	7,585	-	7,585	7,530	-	7,530
Rent	30,000	-	30,000	26,225	-	26,225
Office supplies	9,996	-	9,996	14,342	-	14,342
Computer running costs	52,640	-	52,640	57,094	-	57,094
Travelling and entertainment expenses	4,699	-	4,699	872	-	872
Insurance	7,171	-	7,171	7,840	-	7,840
Bank charges	114	-	114	105	-	105
Other staff costs	34,933	-	34,933	47,472	-	47,472
HR consultancy (Gift In Kind)	12,405	-	12,405	-	-	-
Hire of room (Gift In Kind)	1,800	-	1,800	-	-	-
Audit fees	-	9,847	9,847	-	7,788	7,788
Accountancy	-	7,044	7,044	-	6,139	6,139
Legal and professional (Gift In Kind)	30,000	16,630	46,630	-	16,921	12,381
	191,343	33,521	224,864	154,512	30,321	192,328
Analysed between						
Fundraising	37,525	6,575	44,100	31,670	6,049	37,719
Charitable activities	147,973	26,946	174,919	129,810	24,799	154,609
	185,498	33,521	219,019	161,480	30,848	192,328

Governance costs include payments to the auditors of £9,847 (2023- £7,788) for audit fees.

Other staff costs relate to staff recruitment and staff training costs for the year.

9 Net movement in funds

	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	9,847	7,788
Depreciation of owned tangible fixed assets	7,585	7,530

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or were paid expenses during the year.

11 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
	20	18

Employment costs	**2024**	2023
	£	£
Wages and salaries	1,043,514	873,659
Social security costs	118,806	92,572
Other pension costs	72,992	58,834
	1,235,312	1,025,065

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

	2024	2023
	Number	Number
£60,000 - £69,999	-	2
£70,000 - £79,999	2	1
£80,000 - £89,999	1	-
£120,000 - £129,999	-	1
£130,000 - £139,999	1	-

12 Taxation

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

13 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2024	6,841	35,315	42,156
Additions	-	7,507	7,507
At 31 December 2024	6,841	42,822	49,663
Depreciation and impairment			
At 1 January 2024	4,988	28,858	33,846
Depreciation charged in the year	1,308	6,277	7,585
At 31 December 2024	6,296	35,135	41,431
Carrying amount			
At 31 December 2024	545	7,687	8,232
At 31 December 2023	1,853	6,457	8,310

14 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	31,785	21,150
Prepayments and accrued income	66,769	31,050
	98,554	52,200

15 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	35,955	35,588
Trade creditors	11,752	3,913
Accruals and deferred income	32,051	33,853
	79,758	73,354

16 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	72,992	58,834

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

17 Restricted funds

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

	Movement in funds			**Movement in funds**			
	Balance at 1 January 2023	Incoming resources	Resources expended	**Balance at 1 January 2024**	**Incoming resources**	**Resources expended**	**Balance at 31 December 2024**
	£	£	£	**£**	**£**	**£**	**£**
Charities Aid Foundation	-	125,000	(62,140)	62,860	125,000	(160,677)	27,183
The Oak Foundation	3,600	-	(3,600)	-	-	-	-
City Bridge	4,167	37,500	(41,667)	-	57,000	(57,000)	-
The Law Family Charitable Foundation	-	130,000	(114,179)	15,821	155,000	(135,273)	35,548
The Law Family Commission	42,355	24,680	(67,035)	-	-	-	-
Porticus	80,000	108,694	(72,000)	116,694	110,694	(82,706)	144,682
Metropolitan Public Gardens Association	-	1,020	(1,020)	-	-	-	-
Lloyds Bank Foundation	-	-	-	-	10,000	(10,000)	-
Benefact Group and Henry Smith	-	-	-	-	69,700	(69,700)	-
	130,122	426,894	(361,641)	195,375	527,394	(515,356)	207,413

17 Restricted funds **(Continued)**

The Charities Aid Foundation funded a programme to put the case of civil society at the forefront of policymakers' minds before and after the General Election. Funds were spent in the year, with the balance carried forward as restricted reserves to be spent in 2025.

The Oak Foundation delivered support to a portfolio of homelessness charities. The funds were spent in 2023.

The City Bridge Trust project supports charities providing services in London. The grant received was spent within the year.

The Law Family Charitable Foundation funded a programme of research around specific recommendations from the Law Family Commission on Civil Society. The grants received in 2024 were largely spent during the year, with the balance carried forward as restricted reserves to be spent in 2025.

The Law Family Commission on Civil Society is a programme of ground-breaking research into how the potential of civil society can be unleashed. The grants carried forward from 2022 and received in 2023 were spent in that year.

Porticus granted funds to support the project, IntegratED bridge: economics of wellbeing for children in adversity. The grants received in 2023 and 2024 were largely spent during the year, with the balance carried forward as restricted reserves to be spent in 2025.

The Lloyds Bank Foundation granted funds to support the delivery of the Civil Society Conference held in January 2024. The grants received was spent within the year.

The Benefact Group granted funds to support the charity sector to become more effective through forming better connections within the private sector. The grants received was spent within the year.

The Henry Smith Charity granted funds to support the Civil society meets the Civil Service event. The grants received was spent within the year.

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
General funds	397,826	1,209,579	(1,186,062)	421,343

Previous year:	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	301,381	1,186,935	(1,090,490)	397,826

19 Analysis of net assets between funds

	Unrestricted funds 2024	Restricted funds 2024	Total 2024
	£	£	£
At 31 December 2024:			
Tangible assets	8,232	-	8,232
Current assets/(liabilities)	413,111	207,413	620,524
	421,343	207,413	628,756

	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£
At 31 December 2023:			
Tangible assets	8,310	-	8,310
Current assets/(liabilities)	389,516	195,375	584,891
	397,826	195,375	593,201

20 Operating lease commitments

Lessee

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

	2024	2023
	£	£
Within one year	15,000	15,000

21 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel (defined as Chief Executive Officer, Director of Operations and Finance, Director of Development, Director of Services and Director of Research, Policy and Communications) is as follows.

	2024	2023
	£	£
Aggregate compensation	569,529	573,596

There were no other disclosable related party transactions during the year (2023 - none).

22 Analysis of changes in net funds

The charity had no material debt during the year.

23 Cash (absorbed by)/generated from operations	**2024**	2023
	£	£
Surplus for the year	35,555	161,698
Adjustments for:		
Investment income recognised in statement of financial activities	(10,015)	(5,030)
Depreciation and impairment of tangible fixed assets	7,585	7,530
Movements in working capital:		
(Increase)/decrease in debtors	(46,354)	86,030
Increase/(decrease) in creditors	6,404	(769)
Cash (absorbed by)/generated from operations	(6,825)	249,459

Signable

Issuer	Alliotts LLP
Document generated	Tue, 8th Jul 2025 13:58:19 BST
Document fingerprint	93beecb2ee0baab7a3b3e247e0b4a87c

Parties involved with this document

Document processed	Party + Fingerprint
Tue, 8th Jul 2025 14:03:28 BST	Matthew Whittaker - Signer (257a00ea55104c41231bd431ec73447d)
Thu, 10th Jul 2025 10:50:46 BST	Tera Allas - Signer (81b1e64bfd94a521b5ab76fcf8bca802)
Thu, 10th Jul 2025 11:35:23 BST	Stephen Meredith - Signer (3ba204ffdf4b652fd1f830def0cbe2fd)
Thu, 10th Jul 2025 11:35:23 BST	Samantha Merchant - Copied In (5a224f51c0e67673f1a6519d945a2c3d)

Audit history log

Date	Action
Tue, 8th Jul 2025 13:58:19 BST	Envelope generated by Alliotts Guildford Support (94.228.44.8)
Tue, 8th Jul 2025 13:58:19 BST	Envelope duplicated from Pro Bono Ltd Updated Accounts YE 31.12.24(569a18f5b12f45273fc30a0c7895a88b) by Alliotts Guildford Support (94.228.44.8)
Tue, 8th Jul 2025 13:58:19 BST	Document generated with fingerprint 93beecb2ee0baab7a3b3e247e0b4a87c (94.228.44.8)
Tue, 8th Jul 2025 13:58:19 BST	Document generated with fingerprint 24590fb2012a053979ea94fb207ec19c (94.228.44.8)
Tue, 8th Jul 2025 13:58:58 BST	Sent the envelope to Matthew Whittaker (Matt.whittaker@pbe.co.uk) for signing (94.228.44.8)
Tue, 8th Jul 2025 13:59:00 BST	Document emailed to matt.whittaker@pbe.co.uk
Tue, 8th Jul 2025 14:03:10 BST	Matthew Whittaker viewed the envelope (82.9.38.6)
Tue, 8th Jul 2025 14:03:28 BST	Matthew Whittaker signed the envelope (82.9.38.6)
Tue, 8th Jul 2025 14:03:28 BST	Sent the envelope to Tera Allas (tera.allas@gmail.com) for signing (82.9.38.6)
Tue, 8th Jul 2025 14:03:28 BST	Document emailed to tera.allas@gmail.com
Tue, 8th Jul 2025 22:55:40 BST	Tera Allas opened the document email. (172.224.226.28)
Wed, 9th Jul 2025 9:19:43 BST	Tera Allas opened the document email. (66.249.93.102)
Thu, 10th Jul 2025 10:46:48 BST	Tera Allas opened the document email. (66.249.93.96)
Thu, 10th Jul 2025 10:47:18 BST	Tera Allas opened the document email. (66.249.93.99)

Thu, 10th Jul 2025 10:48:48 BST	Tera Allas opened the document email. (66.249.93.99)
Thu, 10th Jul 2025 10:49:39 BST	Tera Allas opened the document email. (66.249.93.102)
Thu, 10th Jul 2025 10:49:42 BST	Tera Allas viewed the envelope (86.142.239.202)
Thu, 10th Jul 2025 10:49:52 BST	Tera Allas viewed the envelope (62.252.169.135)
Thu, 10th Jul 2025 10:50:46 BST	Tera Allas signed the envelope (86.142.239.202)
Thu, 10th Jul 2025 10:50:46 BST	Sent the envelope to Stephen Meredith (stephen.meredith@alliotts.com) for signing (86.142.239.202)
Thu, 10th Jul 2025 10:50:47 BST	Document emailed to stephen.meredith@alliotts.com
Thu, 10th Jul 2025 11:28:34 BST	Stephen Meredith viewed the envelope (94.228.44.8)
Thu, 10th Jul 2025 11:35:23 BST	Stephen Meredith signed the envelope (94.228.44.8)
Thu, 10th Jul 2025 11:35:24 BST	Sent the envelope to Samantha Merchant (Samantha.Merchant@alliotts.com) for signing (94.228.44.8)
Thu, 10th Jul 2025 11:35:24 BST	This envelope has been signed by all parties (94.228.44.8)
Thu, 10th Jul 2025 11:35:24 BST	Document emailed to Samantha.Merchant@alliotts.com

PRO BONO ECONOMICS

England & Wales - Charity number 1130567

Accounts

Charity registration number 1130567

Company registration number 06849844 (England and Wales)

PRO BONO ECONOMICS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

PRO BONO ECONOMICS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lord Gus O'Donnell - Chair	
	Matthew Brumsen - Vice Chair	
	Dr Rubina Ahmed	
	David Gregson	
	Akiko Hart	(Appointed 7 September 2023)
	Edward Humpherson	
	Jonathon Loynes	(Appointed 7 September 2023)
	Michele Oliver	(Appointed 13 March 2023)
	Belinda Phipps	
	Damien Régent - Treasurer	
	Jenny Scott	
Charity number	1130567	
Company number	06849844	
Registered office	The Factory 120 London Road London SE1 6LF	
Auditor	Alliotts LLP Friary Court 13-21 High Street Guildford Surrey GU1 3DL	
Bankers	Barclays Bank PLC Leicester M60 4EP	
Solicitors	Weil, Gotshal & Manges LLP 110 Fetter Lane London EC4A 1AY	

PRO BONO ECONOMICS

CHAIR AND CEO'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

2023 marked an official end to the two-year pay squeeze that had afflicted millions across the country, as inflation fell faster than expected. But in practice, the cost-of-living challenge remained all too real for all too many households over the course of the year and the wellbeing of the nation's citizens remained in a precarious condition. Some 3.1 million adults reported low levels of satisfaction with their lives, an increase of 750,000 over just three years. The number of adults recording high anxiety scores stood at 12.8 million, some 3 million higher than the low recorded a decade earlier. And the UK languished fourth bottom in the OECD league table of life satisfaction among teens.

Given the scale and urgency of the wellbeing challenge, we are proud of the contribution that Pro Bono Economics (PBE) was able to make over the course of 2023.

This includes delivering a total of nine major policy wins that will better equip civil society to fulfil its potential. We secured changes designed to enable and encourage more philanthropy in the UK; to improve charity data, which is key to a more impactful sector; and to improve links between civil society and the civil service.

Through our work with coalitions of children's charities, poverty organisations, and those supporting disabled children, we published hard-hitting research on some of the most pressing issues affecting people with low wellbeing. This research is now being used by hundreds of charities to make the case for policy change.

Through our partnerships with the Bank of England, Nottingham Trent University and charity membership organisations, we provided insights to almost 2,000 individuals across civil society in attendance at sector events. We also provided important detail on the challenges facing charities at the highest levels of government, prompting the Chancellor to announce a £100 million fund for the sector in his Spring Budget.

And we helped 137 organisations from a huge range of areas – including women's refuges, LGBT+ community centres, black creative networks and rare disease charities – to measure, improve and communicate their impact and make better use of their data. In doing so, we matched our 500th economist volunteer in 2023, as part of our ongoing determination to help the profession to deliver impact.

In support of all of this, we have made some significant internal changes over 2023 too. We have widened the organisations we work with to include grant-makers, local authorities and public sector bodies, like integrated care systems, in order to have impact at scale and at source. And we have invested in our team, improved our culture, refreshed our strategy, and expanded our board to be stronger, more inclusive and ultimately more impactful.

Against the backdrop of another challenging year for the country– and with continued thanks to our staff, volunteers, partners and supporters – we will be working hard to deliver still more and deeper impact in 2024.

.....

Lord Gus O'Donnell
Chair
Dated: 04.09.2024

.....

Matt Whittaker
CEO
Dated: 05.09.2024

PRO BONO ECONOMICS

CONTENTS

	Page
Chair and CEO's Statement	1
Trustees' report	2 - 9
Statement of Trustees' responsibilities	10
Independent auditor's report	11 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 28

PRO BONO ECONOMICS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The objectives of the charity are to:

- promote the efficiency and effectiveness of charities and the effective use of charitable resources for the benefit of the public, in particular by providing analytical economic assistance and advice to the charitable sector
- advance the education of the public in the United Kingdom of Great Britain and Northern Ireland in subjects relating to civil society, and for that purpose to:
    - conduct or commission research into civil society;
    - coordinate, deliver, organise and assist in the provision of courses of education, conferences, seminars, lectures and other educational events and activities related to civil society; and
    - support all forms of civil society organisations.

When setting the objectives and planning the work of the charity for the year, the Trustees confirm that they have completed their duty under section 17 of the Charities Act 2011 with regards to Charity Commission guidance on public benefit.

About Pro Bono Economics

Pro Bono Economics' (PBE's) vision is an end to low personal wellbeing in the United Kingdom. To support this, we use economic analysis and our unique connection to the social sector to help charities, funders, firms and policymakers to collectively tackle the causes and consequences of low wellbeing across the country. We do this through two main routes: our impact advice & analysis and our research & policy work.

On the former, we provide impact advice and analysis to individual charities to help them to measure, understand and communicate their impact. On the latter, we produce 'bigger picture' analysis and insight that helps to inform and steer the wider policy debate surrounding wellbeing and the social sector.

How we work: Impact advice & analysis

Our in-house and associate experts work alongside our large pool of economist volunteers via three main service lines: Data First Aid; Unlocking Impact workshops; and analysis and advocacy projects.

- Data First Aid is our fast-track volunteer offer. It provides social sector organisations of any size with the opportunity to be matched with one of our volunteer economists to access support on any number of 'light touch' data tasks.
- Our Unlocking Impact workshops are half-day interactive sessions in which charities are introduced to the principles and practicalities of economic evaluation. They allow us to build capacity across a broad range of organisations, while also preparing some to take the next step towards a full analysis or advocacy project. Having attended the workshop, charities that feel ready to go further can follow up with bespoke one-to-one sessions with one of our expert economists, developing a deeper understanding of what impact might mean in their own context.
- Our analysis and advocacy projects provide focused support designed to help charities understand their impact and their effectiveness. When undertaking an analysis project, we provide detailed evaluations of the outcomes and impacts associated with an individual charity's interventions. When undertaking an advocacy project, we focus less on the specifics of an individual charity's programme of work and more on the conditions and issues relating to sub-sectors or policy themes.

Delivering support across these three different service lines allows us to work with charities and social sector organisations of all different levels of data 'maturity', while embedding a culture and appreciation of impact evaluation across the sector more broadly. In doing so, we highlight and support effectiveness in organisations focused on delivering wellbeing improvements for individuals across the UK.

How we work: Research & policy

Our policy research function aims to uncover new insight and new influence that can complement and amplify our work with individual charities. It is delivered primarily by our in-house team, though we additionally commission work from external providers and experts and work in partnership with other research and policy organisations when appropriate.

Our work in 2023 was largely shaped by the conclusion of the Law Family Commission on Civil Society, our ambitious cross-sector two-year programme designed to explore the ways in which the UK might unleash the charity sector's full potential. We published the final report at the start of 2023, pulling together 180 people over the course of a morning in central London to discuss how civil society effectiveness, data, funding, business connections and relationships with government could all be improved.

Over its lifetime, the Commission helped advance a number of causes and arguments and elevated the position of civil society in political thinking. The launching of the final report was a moment to reflect and to celebrate, but it did not mark an end of PBE's work in this area. Instead, over the remainder of 2023, we both delivered policy change informed by the Commission and provided rich data and insights about civil society that helped charities better serve people with low wellbeing during a deeply challenging year.

Throughout 2023, PBE raised the volume on the state of volunteering, charity income, employee burnout, women in the charity sector, and recruitment challenges. As a result of our survey partnership with Nottingham Trent University and eight sector membership organisations, as well as data sharing with the Bank of England, we were able to amplify the voices of charities and their users, bring charity sector issues to national attention, and stimulate debate on neglected issues.

We support our policy research work through a programme of free, public events. These provide us with an opportunity to showcase our own work and open debate around issues of importance to wellbeing and the social sector. We invite a diverse range of experts and practitioners to speak on our panels and emphasise interaction with the audience by way of stimulating discussion and understanding.

Organisational changes during the year

In 2023, after a review of trustee skills, experiences and perspectives gaps, we undertook an open recruitment process for new trustees, with an emphasis on trustee diversity. We were delighted to welcome Michele (Mitch) Oliver, Akiko Hart and Jonathan Loynes as new board members, each bringing unique and valuable insights to PBE. Mitch has since been nominated as the board diversity champion and is working closely with the executive to further develop and implement PBE's EDI strategy.

Early in 2023 we completed an internal restructure to merge our research and economist resources. We also recruited a further two researchers and an economist to develop our post-Law Family Commission research agenda and to increase the numbers of charities and consortium groups we work with. The Development team expanded in support of the organisation's ambitions for income diversification, with an additional fundraiser focused on grant and programmatic funding.

We maintained our focus on diversity and inclusion by taking a holistic view of our organisational culture, holding staff feedback sessions and an EDI audit, and engaging with the results. These were very positive exercises, and resulted in several actions to move forwards, including the development of our EDI strategy and the identification and implementation of internal values and behaviours.

At the end of 2023 our chair of trustees, Lord Gus O'Donnell, signalled his intention to step down. Gus has overseen a period of significant growth and enhanced impact at PBE and will remain a strong supporter of the organisation over the coming years. The trustees are working with an external agency to recruit someone with the right skills to bring to this phase of PBE's development as well as continuing to broaden the diversity of the PBE Board. We expect an appointment to be made in 2024, but Gus has been clear about his preparedness to continue as a fully committed chair until that time comes.

Achievements and performance

Armed with the evidence provided by both the Law Family Commission and our wider research, PBE had its most successful year ever in driving reform in 2023. Policy successes included:

- *Cash for charities*: PBE's evidence was the critical data that persuaded the Chancellor to commit to £100 million in grants to support charities struggling with high demand and high energy costs.
- *Growing giving*: Thanks to PBE and our partners, government started to actively look at ways to expand, enable and encourage more philanthropy in the UK. Action included establishing a diplomatic concierge service to support philanthropic flows into the UK, and a minister taking on the role of 'Philanthropy Champion'. Together, they supported a £35 million philanthropic investment in the UK BioBank and a £1 billion philanthropic investment in a technology institute.
- *Drawing in data*: In response to PBE's argument that more charity sector data is needed, the government commissioned a study to explore the potential of a civil society 'satellite account', commissioned a major research project on improving local charity infrastructure, and expanded significant surveys.
- *Closer civil service relations*: PBE's work prompted senior civil servants to act to increase civil service volunteering and trustee uptake, and brought senior civil servants and civil society leaders together to make cross-sector, cross-departmental plans for change.

Together, the nine policy changes we secured over the course of 2023 set the foundations for a stronger civil society that is better able to support people with low wellbeing and to prevent people experiencing very low wellbeing in the first place.

Alongside our big picture, sector-wide research and policy work, we made a conscious effort in 2023 to seek out and support coalitions of civil society organisations in need of analytical help to build the evidence base on key issues affecting people with low wellbeing.

By putting our economic and research skills at the disposal of multiple partners, we were able to inform the campaigning efforts of hundreds of charities at once. Our efforts supported collaboration in the sector and drove coalescence around key, evidence-led, policy positions. In doing so, we increased the likelihood of making a difference in the lives of people with the lowest wellbeing.

Evidencing the urgent need for better support for disabled children

The Disabled Children's Partnership (DCP) is a coalition of over 100 organisations, bringing together large charities like Mencap and Scope with smaller specialist organisations. One of the issues which unites them is that of education, health and care plans (EHCPs) – the single document which consolidates a young person's support.

PBE's research for the DCP showed that demand for these vital plans has doubled but that the support being offered is increasingly found by families to be insufficient or inappropriate.

In 2021-22, over 11,000 EHCPs were challenged at tribunal, meaning one tribunal was registered for every six new EHCPs issued. Of these tribunals, 96% were ruled in favour of the parent, carer or young person challenging the local authority's decisions. That means over £60 million was wasted, and the economy loses far more as parents give up work, children miss out on the support they need for their development, and the NHS likely takes on more emergency care.

This story had a major media impact, being covered by *The Financial Times*, *Daily Mail*, *Evening Standard*, *The Independent*, *The Sun* and on BBC Radio 4's Woman's Hour.

Highlighting the plight of people in poverty

Benevolent charities and charities that make grants to individuals are brought together under an umbrella organisation called the Association of Charitable Organisations (ACO). Collectively, these organisations noted an increasing demand for grants for white goods over the course of cost-of-living crisis, with repairs out of reach for those struggling the most and an increasing number of people finding themselves with no recourse to public funds. They therefore turned to PBE for more formal analysis.

Our work showed that 480,000 households, or 1.2 million adults and children, in the UK are missing at least one essential large appliance. Further, having a large appliance could improve wellbeing by a value of £7,200 per adult per year lived with an appliance – or by as much as £6.7 billion a year across 940,000 adults.

The analysis headlined ITV News, and the ACO has used the report to bring together 14 grant-makers to collaborate on ending appliance poverty.

Shining a light on the inadequacy of looked-after children funding

A coalition of the UK's leading children's charities turned to PBE for analytical support for a third year running in 2023, reflecting the impact that our previous work had made in helping to reverse a decade of decline in funding for children's services.

PBE's 2023 analysis for the NSPCC, The Children's Society, Action for Children, Barnardo's and the National Children's Bureau showed that £4 in £5 of the additional £800 million of children's services spending in 2021-22 went into late intervention services. Relative to 2010-11, the number of children entering residential care has increased by almost four-fifths (79%), but spending on those children has only risen by just under two-thirds (63%). Meanwhile spending on early intervention services, such as Sure Start children's centres and services for young people, fell by more than 45% over the same period.

Multiple local authorities have referenced the report at full council meetings while discussing budgets, and it was used by the Local Government Association (LGA) as a key piece of evidence for their influencing of the Autumn Statement. The children's charities continue to use this analysis to highlight the importance of delivering a children's services system which enables a greater number of children to stay with their families, more young people to grow up in stable and loving homes, and fewer children to experience abuse, neglect, harm, or exploitation. The charities tell us they are seeing more recognition for the issue as a result of the work.

Working with charities across the UK

In terms of our wider support for the charity sector, in 2023 we supported more charities than ever before.. We delivered 159 services to provide 137 charities and other purposeful organisations with ways to better understand, measure and communicate their impact, and to make the best possible use of their data. This was a 71% year-on-year increase in the number of organisations provided with support and took PBE's all-time total above the 500 mark. As our activity level has scaled however, the high quality of our services has been maintained. On average, the organisations we worked with in 2023 rated their likelihood to recommend our services at 9.5 out of 10.

Typically, the impact of PBE's services last well beyond the original intervention. The capacity PBE builds, the skills we confer, the research we undertake, and the relationships we establish can transform the activity of an organisation over the longer term. In 2023, charities told us they had used what they gained accessing PBE's services to:

- *Improve how they understand and demonstrate their impact over the long term*. The Youth Sport Trust is now using what it learned from a PBE Unlocking Impact Workshop and follow-up sessions with PBE's economists to enhance its evaluation measures to better support children and young people.
- *Redefine their strategy*. Action Cerebral Palsy has used the logic chain developed at one of PBE's Unlocking Impact Workshops to redefine its strategic approach and set a more impactful long-term direction for the organisation.
- *Secure funding*. stem4 has used PBE's report to secure an NHS grant to expand its services to support young people with eating disorders, as well as a research grant to test the effectiveness of its apps to reduce NHS waiting lists.
- *Use data to make impactful interventions*. The Public Law Project has utilised the volunteer PBE matched it with to train its whole team in data visualisation, now that the organisation understands the potential of it.
- *Enhance their governance*. The volunteer PBE originally matched to Energise Barnsley to improve its financial modelling has joined its board. He continues to help the organisation with its finances and approaches to councils and housing associations.

In PBE's pursuit of greater impact in 2023, we trialled new approaches, models and services with organisations that have substantial reach. For example, we helped funders to establish an approach that works for them to measure the impact they are having through the charities they fund. This includes supporting grant-making trusts and foundations, but also local authorities. By working with East Sussex County Council, for example, we were able to support a substantial organisation to develop a logic model and evaluation methods for homelessness prevention, which has the potential to affect hundreds of people with very low wellbeing.

Financial review

Total income for 2023 stood at £1,613,829, drawn from a combination of grants, donations, consultancy and gift aid (2022: £982,044 – NB income was artificially low in 2022 as the 2022 Law Family Commission on Civil Society funds were received in 2021 and carried over into 2022 as restricted reserves to be fully expended). In 2023 we successfully met our strategy to build the pipeline of research funding, largely thanks to several new multi-year programmatic grants. This also contributed to the diversification of our income sources, thereby continuing to de-risk our income profile.

Restricted income for the year stood at £426,894 (2022: £301,600), with continued funding for specific projects from Porticus, City Bridge Trust and the Law Family Charitable Foundation and new multi-year funding from CAF.

Income opportunities are generated by our in-house Development team, and we are regulated by the Fundraising Regulator. We do not use a professional fundraiser or commercial participator and have received no complaints from the public in relation to our fundraising.

We are grateful for the continued support of several grant making trusts, including CAF, City Bridge Trust, Garfield Weston, the Golden Bottle Trust, the Law Family Charitable Foundation, Mohn Westlake, and Porticus. Additionally, our thanks go to corporate funders such as Weil, Gotshal & Manges LLP, and OakNorth Bank PLC, and to all our major donors.

Expenditure in 2023 was £1,452,131 (2022: £1,568,797), a slight year-on-year reduction due to the completion of the Law Family Commission on Civil Society and a corresponding reduction in external commissioning and polling. At the end of the year, headcount remained at the steady state of 18 (2022: 18).

Reserves policy

The net result of our income and expenditure outturns was a surplus of £161,698. This comprised a £65,253 surplus in restricted activities and a £96,445 surplus in unrestricted activities (reflecting our financial strategy in 2023 to build our reserves to reflect the larger cost base of the organisation).

Our policy is to maintain free reserves (unrestricted funds minus any fixed and intangible assets) that at any time cover our unrestricted operating expenses for at least three months, with an upper limit of six months. The policy is set to mitigate a key risk to PBE, namely periods of reduced income caused by our, at-times, 'lumpy' funding model.

Given the unrestricted expenditure profile at the end of 2023, the policy dictates that we hold somewhere between £271,000 and £543,000 in free reserves. At the end of 2023 our free reserves totalled £389,516.

The charity maintained restricted reserves of £195,375 at year-end, to be expended in 2024 on CAF, the Law Family research projects, and Porticus. The charity maintained no designated funds.

In agreeing the organisation's budget for 2024, the board was satisfied that the funding pipeline ensures that the organisation remains within the reserves policy. The board has approved a financial strategy for 2024-2026 to further grow our reserves incrementally to reflect both the larger size of the organisation and the increased risk of having periods of lower income given the longer lead times associated with research funding.

The reserves policy is reviewed annually by the Finance, Audit and Risk Committee (FARCom) and by the board.

The board carries out regular reviews of the charity's financial performance and reserves position. It considers that the charity has adequate financial reserves to continue to deliver its plans. It has a reasonable expectation that it will have adequate resources to continue to operate for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue its operations. The accounts have therefore been prepared on the basis that the charity is a going concern.

Risk management

The trustees are responsible for ensuring that the charity has an appropriate system of risk management and controls. They are also responsible for safeguarding the assets of the charity, and for taking reasonable steps to prevent fraud and other irregularities.

FARCom works closely with the executive to identify, manage and mitigate appropriate risks through a risk register, and to report progress to board meetings. Trustees have a programme of controls to manage financial risks through management account reporting and consideration of liquidity, cash flows and going concern status.

The key issues identified in the risk register in 2023 remained the potential loss of income or difficulties with reserves, as we moved away from the Law Family Commission work and built the pipeline of research funding. Mitigants included recruiting a dedicated grant and programmatic fundraiser and increasing the number of researchers and economists to enable the executive to focus on funding applications.

Future plans

Alongside the help of our partners and supporters, PBE's success in 2023 was built on three solid foundations: the work of the Law Family Commission on Civil Society, our long track record of supporting charities in ever-improving ways, and our relationships with the economist profession.

The Law Family Commission enabled us to apply our research skills to major issues affecting society in the UK, to grow our networks, and to deliver meaningful policy change. Our services ground all we do in the organisations which are making a difference day after day. And for nearly 15 years, we have operated at the intersection of economists and the charitable sector, serving as a pivotal link that facilitates collaboration between these two sectors.

In 2024, we enter a new three-year strategic phase. In continuing to pursue our mission of using economic analysis and the unique insight provided by our connection to the social sector to help charities, funders, firms and policymakers to collectively tackle the causes and consequences of low personal wellbeing in the UK, we have established three priority ambitions:

i. *More impact:* We will be scaling our existing service delivery work with not-for-profit organisations across the UK, developing new products and reaching new audiences within the public, private and social sectors, and continuing to grow and diversify our funding base.

ii. *Deeper impact:* We will develop expertise across more policy themes associated with low wellbeing, grow and strengthen our network of partners to amplify our influence, and support better policy and practice by raising the bar on data and evidence.

iii. *Better working:* We will agree, develop and display an internal culture that prioritises the wellbeing of our workforce, improve our internal processes to better support our working practices, and invest in our management expertise and personal development.

Structure, governance and management

PBE is a registered charity and a company limited by guarantee and is governed by its memorandum and articles of association. The company was incorporated on 17 March 2009 and registered as a charity on 15 July 2009.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Lord Gus O'Donnell - Chair	
Matthew Brumsen - Vice Chair	
Dr Rubina Ahmed	
David Gregson	
Akiko Hart	(Appointed 7 September 2023)
Edward Humpherson	
Jonathon Loynes	(Appointed 7 September 2023)
Michele Oliver	(Appointed 13 March 2023)
Belinda Phipps	
Sir David Ramsden	(Resigned 17 January 2023)
Damien Régent - Treasurer	
Jenny Scott	

PBE is governed by a Board of Trustees which meets up to four times a year. Trustees are appointed by Board resolution. In selecting new Trustees, the Board utilises a Nominations Committee to consider the skills, knowledge and experience needed for the effective running of the charity. Since 2017, Trustees are initially appointed for a term of three years and may be reappointed at the annual retirement meeting for up to two further terms.

The Board is responsible for the strategic direction of PBE and for appointing the Chief Executive. Charity staff are accountable to the Trustees through the Chief Executive and carry out the day-to-day operations of the charity in accordance with the policies and procedures approved by the Board.

The Board has five sub-committees:

- The Finance, Audit and Risk Committee (FARCom) has two Trustee members (Damien Régent, Chair, and Ed Humpherson) and is an advisory committee of the Board. Its main duty is to help the Board ensure that all matters related to the statutory audit and the risk register are dealt with appropriately and to review the financial performance of the charity. FARCom leads the work of the Board on the statutory audit, reviews risk management processes including the risk register, and helps ensure that the charity complies with all aspects of the law, relevant legislation and good practice.
- The Policy, Politics and Communications Committee (PolCom) has three Trustee members (Jenny Scott, Chair, Akiko Hart and Damien Régent) and is an advisory committee of the Board. The committee provides greater trustee oversight of PBE's policy development, approach to policymakers and external communications. It reviews the risks related to communications, the principles by which the charity should undertake its communications, policy development and political engagement, and it oversees the crisis communications process.
- The Remuneration Committee (RemCom) has two Trustee members (Belinda Phipps, Chair, and Jenny Scott) and is an advisory committee of the Board, advising the Board on all matters related to staff compensation. The executive undertook a salary benchmarking exercise in 2022, with a payroll specialist, to ensure staff were being fairly compensated. The committee approved a three-year staged approach to salary increases to ensure continued focus on high calibre recruitment and retention of current staff.

- The Development Committee (DevCom) has four Trustee members (Matthew Brumsen, Damien Régent, Belinda Phipps and David Gregson). The committee was set up as an advisory panel to consider PBE's fundraising strategy as PBE diversifies its income base.
- The Nominations Committee (NomCom) has five Trustee members (Lord Gus O'Donnell, Chair, Belinda Phipps, Jenny Scott, Rubina Ahmed and Ed Humpherson). The committee considers the diversity of skills and experience represented within the Board and manages subsequent Trustee recruitment.

In 2023, Trustees updated, reviewed and approved the charity's risk register, delegation of authority, investment, accounting and safeguarding policies.

Prior to their appointment, new Trustees go through an induction process, and are provided with a copy of the Memorandum and Articles of Association, the Trustees' Annual Report and Financial Statements, together with other relevant information, and are invited to spend time with the charity executive.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Indemnity insurance is held for the Trustees.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

.....

Lord Gus O'Donnell - Chair
Chair of Trustees
Dated: 04.09.2024

PRO BONO ECONOMICS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRO BONO ECONOMICS

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PRO BONO ECONOMICS

Opinion

We have audited the financial statements of Pro Bono Economics (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF PRO BONO ECONOMICS

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of Trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

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

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

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

Use of our report
This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Meredith

Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Alliotts LLP

19/9/2024

Chartered Accountants
Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Alliotts LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

PRO BONO ECONOMICS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	1,043,016	426,894	1,469,910	638,624	301,600	940,224
Charitable activities	4	138,889	-	138,889	41,500	-	41,500
Investments	5	5,030	-	5,030	320	-	320
Total income		1,186,935	426,894	1,613,829	680,444	301,600	982,044
Expenditure on:							
Raising funds	6	255,924	32,326	288,250	171,398	17,194	188,592
Charitable activities	7	834,566	329,315	1,163,881	673,774	706,431	1,380,205
Total expenditure		1,090,490	361,641	1,452,131	845,172	723,625	1,568,797
Net income/(expenditure) for the year/ Net movement in funds		96,445	65,253	161,698	(164,728)	(422,025)	(586,753)
Fund balances at 1 January 2023		301,381	130,122	431,503	466,109	552,147	1,018,256
Fund balances at 31 December 2023		397,826	195,375	593,201	301,381	130,122	431,503

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PRO BONO ECONOMICS

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	£	2022 £
Fixed assets					
Tangible assets	**12**		8,310		12,504
Current assets					
Debtors	**13**	52,200		138,230	
Cash at bank and in hand		606,045		354,892	
		658,245		493,122	
Creditors: amounts falling due within one year	**14**	(73,354)		(74,123)	
Net current assets			584,891		418,999
Total assets less current liabilities			593,201		431,503
Income funds					
Restricted funds	**16**		195,375		130,122
Unrestricted funds			397,826		301,381
			593,201		431,503

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The members have not required the charitable company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 04.09.2024

Lord Gus O'Donnell - Chair
Trustee

Company registration number 06849844

PRO BONO ECONOMICS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**22**		249,459		(644,680)
Investing activities					
Purchase of tangible fixed assets		(3,336)		(11,354)	
Investment income received		5,030		320	
Net cash generated from/(used in) investing activities			1,694		(11,034)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			251,153		(655,714)
Cash and cash equivalents at beginning of year			354,892		1,010,606
Cash and cash equivalents at end of year			606,045		354,892

1 Accounting policies

Charity information

Pro Bono Economics is a private company limited by guarantee incorporated in England and Wales. The registered office is The Factory, 120 London Road, London, SE1 6LF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees are confident the charity has the resources to meet its liabilities as they fall due for at least 12 months from date of signing the accounts. Hence, they consider the charity to be a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised on the accruals basis. Liabilities are recognised as soon as there is a legal constructive obligation to pay.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years
Computers	3 years

1 Accounting policies **(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Items are capitalised where the net expenditure value is greater than £500 and the expense is capital by nature.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1 Accounting policies **(Continued)**

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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 reviewed 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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	**2023**	**2023**	2022	2022	2022
	£	**£**	**£**	£	£	£
Donations and gifts	384,016	-	384,016	379,132	-	379,132
Grants	659,000	426,894	1,085,894	250,050	301,600	551,650
Donated goods and services	-	-	-	9,442	-	9,442
	1,043,016	426,894	1,469,910	638,624	301,600	940,224
Donations and gifts						
Major gifts	365,000	-	365,000	361,000	-	361,000
General donations	5,647	-	5,647	6,125	-	6,125
Events income	1,926	-	1,926	373	-	373
Gift Aid	11,443	-	11,443	11,635	-	11,635
	384,016	-	384,016	379,132	-	379,132
Grants receivable for core activities						
Porticus	-	108,694	108,694	-	80,000	80,000
Law Family Charitable Foundation	350,000	154,680	504,680	250,000	94,300	344,300
Oak Foundation	-	-	-	-	72,800	72,800
City Bridge	-	37,500	37,500	50	54,500	54,550
Charities Aid Foundation	-	125,000	125,000	-	-	-
Other	309,000	1,020	310,020	-	-	-
	659,000	426,894	1,085,894	250,050	301,600	551,650

4 Charitable activities

	Supporting Charities 2023	Supporting Charities 2022
	£	£
Fees for Services	138,889	41,500

Fees for services relates to consultancy income. As part of our work to diversify our funding base we have increased the amount of consultancy work we undertake and have subsequently become VAT registered.

5 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	5,030	320

6 Raising funds

	Unrestricted funds	**Restricted funds**	**Total**	Unrestricted funds	Restricted funds	Total
	2023	**2023**	**2023**	2022	2022	2022
	£	**£**	**£**	£	£	£
Fundraising						
Staging fundraising events	17,333	-	17,333	7,349	-	7,349
Staff costs	203,017	30,181	233,198	137,422	15,259	152,681
Support costs	35,574	2,145	37,719	26,627	1,935	28,562
Fundraising	255,924	32,326	288,250	171,398	17,194	188,592
	255,924	32,326	288,250	171,398	17,194	188,592

7 Charitable activities

	Supporting Charities	External Affairs	Research & Policy	Total 2023	Total 2022
	£	£	£	£	£
Staff costs	286,406	184,321	321,140	791,867	835,365
Consultancy	-	4,136	53,128	57,264	104,513
Economic associates	9,062	-	-	9,062	21,704
Other service delivery costs *	46,205	93,065	11,809	151,079	262,352
	341,673	281,522	386,077	1,009,272	1,223,934
Share of support costs (see note 8)	49,476	25,643	54,691	129,810	133,120
Share of governance costs (see note 8)	9,452	4,899	10,448	24,799	23,151
	400,601	312,064	451,216	1,163,881	1,380,205
Analysis by fund					
Unrestricted funds	310,331	228,753	295,482	834,566	
Restricted funds	90,270	83,311	155,734	329,315	
	400,601	312,064	451,216	1,163,881	
For the year ended 31 December 2022					
Unrestricted funds	341,513	144,277	187,984		673,774
Restricted funds	186,125	54,071	466,235		706,431
	527,638	198,348	654,219		1,380,205

* Other Service Delivery costs include direct spend associated with the Porticus grant of £37,726 and conference spend associated with the CAF grant of £11,809. In 2022, it included direct spend associated with the Oak Foundation grant of £13,111 and Research & Policy spend on commissioning and polling of £85,187.

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Depreciation	7,530	-	7,530	7,399	-	7,399
Rent	26,225	-	26,225	44,677	-	44,677
Office supplies	14,342	-	14,342	22,969	-	22,969
Computer running costs	57,094	-	57,094	32,458	-	32,458
Travelling expenses	872	-	872	3,463	-	3,463
Insurance	7,840	-	7,840	3,363	-	3,363
Bank charges	105	-	105	112	-	112
Other staff costs	47,472	-	47,472	31,597	-	31,597
HR consultancy	-	-	-	8,474	-	8,474
Audit fees	-	7,788	7,788	-	6,600	6,600
Accountancy	-	6,139	6,139	-	11,340	11,340
Legal and professional	-	16,921	16,921	-	12,381	12,381
	161,480	30,848	192,328	154,512	30,321	184,833
Analysed between						
Fundraising	31,670	6,049	37,719	21,392	7,170	28,562
Charitable activities	129,810	24,799	154,609	133,120	23,151	156,271
	161,480	30,848	192,328	154,512	30,321	184,833

Governance costs include payments to the auditors of £7,788 (2022- £6,600) for audit fees.

Other staff costs relate to staff recruitment and staff training costs for the year.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or were paid expenses during the year.

10 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
18	18

10 Employees (Continued)

Employment costs	2023	2022
	£	£
Wages and salaries	873,659	847,329
Social security costs	92,572	87,173
Other pension costs	58,834	53,544
	1,025,065	988,046

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

	2023	2022
	Number	Number
£60,000 - £69,999	2	-
£70,000 - £79,999	1	-
£120,000 - £129,999	1	1

Remuneration of key management personnel

The remuneration of key management personnel (defined as Chief Executive Officer, Operations and Finance Director, Director of Development, Director of Services, Research and Policy Director and Policy and Communications Director) is as follows.

11 Taxation

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

12 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2023	6,841	31,979	38,820
Additions	-	3,336	3,336
At 31 December 2023	6,841	35,315	42,156
Depreciation and impairment			
At 1 January 2023	3,681	22,635	26,316
Depreciation charged in the year	1,307	6,223	7,530
At 31 December 2023	4,988	28,858	33,846
Carrying amount			
At 31 December 2023	1,853	6,457	8,310
At 31 December 2022	3,160	9,344	12,504

13 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	21,150	2,250
Other debtors	-	6,650
Prepayments and accrued income	31,050	129,330
	52,200	138,230

14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	35,588	26,027
Trade creditors	3,913	13,018
Accruals and deferred income	33,853	35,078
	73,354	74,123

15 Retirement benefit schemes

Defined contribution schemes

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

The charge to the SOFA in respect of defined contribution schemes was £58,834 (2022 - £53,544).

16 Restricted funds

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

	Movement in funds				Movement in funds		
	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	£	£	£	£	£	£	£
Charities Aid Foundation	-	-	-	-	125,000	(62,140)	62,860
The Oak Foundation	22,336	72,800	(91,536)	3,600	-	(3,600)	-
City Bridge	4,167	54,500	(54,500)	4,167	37,500	(41,667)	-
The Law Family Charitable Foundation	-	-	-	-	130,000	(114,179)	15,821
The Law Family Commission	468,597	94,300	(520,542)	42,355	24,680	(67,035)	-
Porticus	57,047	80,000	(57,047)	80,000	108,694	(72,000)	116,694
Metropolitan Public Gardens Association	-	-	-	-	1,020	(1,020)	-
	552,147	301,600	(723,625)	130,122	426,894	(361,641)	195,375

The Charities Aid Foundation funded a programme to put the case of civil society at the forefront of policymakers' minds before and after the General Election. Funds were spent in the year, with the balance carried forward as restricted reserves to be spent in 2024.

The Oak Foundation delivered support to a portfolio of homelessness charities. The grants received have been spent during 2023.

The City Bridge Trust project supports charities providing services in London. The grant received was spent within the year.

The Law Family Charitable Foundation funded a programme of research around specific recommendations from the Law Family Commission on Civil Society. The grants received in 2023 were largely spent during the year.

The Law Family Commission on Civil Society is a programme of ground-breaking research into how the potential of civil society can be unleashed. The grants carried forward from 2022 and received in 2023 have been spent during the year.

Porticus granted funds to support the project, IntegratED bridge: economics of wellbeing for children in adversity. The grant received in 2022 was largely spent in 2023 and the grant received in 2023 was carried forward into 2024 as restricted reserves to be spent in 2024.

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	301,381	1,186,935	(1,090,490)	397,826

Previous year:	At 1 January 2022	Incoming resources	Resources expended	At 31 December 2022
	£	£	£	£
General funds	466,109	680,444	(845,172)	301,381

18 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023
	£	£	£
Fund balances at 31 December 2023 are represented by:			
Tangible assets	8,310	-	8,310
Current assets/(liabilities)	389,516	195,375	584,891
	397,826	195,375	593,201

	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£
Fund balances at 31 December 2022 are represented by:			
Tangible assets	12,504	-	12,504
Current assets/(liabilities)	288,877	130,122	418,999
	301,381	130,122	431,503

19 Operating lease commitments

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

	2023	2022
	£	£
Within one year	15,000	14,622

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel (defined as Chief Executive Officer, Operations and Finance Director, Director of Development, Director of Services, Research and Policy Director and Policy and Communications Director) is as follows.

	2023	2022
	£	£
Aggregate compensation	573,596	460,709

There were no other disclosable related party transactions during the year (2022 - none).

21 Analysis of changes in net funds

The charity had no material debt during the year.

22 Cash generated from operations

	2023	2022
	£	£
Surplus/(deficit) for the year	161,698	(586,753)
Adjustments for:		
Investment income recognised in statement of financial activities	(5,030)	(320)
Depreciation and impairment of tangible fixed assets	7,530	7,399
Movements in working capital:		
Decrease/(increase) in debtors	86,030	(77,358)
(Decrease)/increase in creditors	(769)	12,352
Cash generated from/(absorbed by) operations	249,459	(644,680)

PRO BONO ECONOMICS

England & Wales - Charity number 1130567

Accounts

Charity registration number 1130567

Company registration number 06849844 (England and Wales)

PRO BONO ECONOMICS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

PRO BONO ECONOMICS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lord Gus O'Donnell - Chair Dr Rubina Ahmed Matthew Brumsen David Gregson Edward Humpherson Belinda Phipps Damien Régent Jenny Scott Michele Oliver	 (Appointed 13 March 2023)
Charity number	1130567	
Company number	06849844	
Registered office	The Factory 120 London Road London SE1 6LF	
Auditor	Alliotts LLP Friary Court 13-21 High Street Guildford Surrey GU1 3DL	
Bankers	Barclays Bank PLC Leicester M60 4EP	
Solicitors	Weil, Gotshal & Manges LLP 110 Fetter Lane London EC4A 1AY	

PRO BONO ECONOMICS

CONTENTS

	Page
Chair and CEO's Statement	1
Trustees' report	2 - 10
Statement of Trustees' responsibilities	11
Independent auditor's report	12 - 15
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 29

PRO BONO ECONOMICS

CHAIR AND CEO'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

2022 began with the dialling down of pandemic restrictions and hope that more of our lives might be returning to normal, but the outbreak of war in Europe quickly changed that view and prompted a cost of living crisis that has affected millions across the UK. Against the backdrop of another difficult year for the country, charities and community groups were once again there at every turn. PBE likewise stepped up, both by helping more of the social sector to understand and improve its effectiveness and – to an increasing degree – by advising those policymakers and practitioners focused on supporting the nation's wellbeing.

To meet as much charity demand for PBE services as possible – from our deep-dive impact evaluation to our light-touch volunteer economist support – we continued to roll out the service delivery improvement programme started in 2020. As a result, we're proud to say that PBE delivered four times as many services for charities in 2022 as it did in 2019 – a quadrupling that has been achieved without any meaningful change in the underlying budget.

Alongside the very direct need presented by individual organisations, we saw growing urgency for an ambitious vision for the changes that the social sector requires to fully meet its potential. Through both our research into the state of the social sector and our work in support of the Law Family Commission on Civil Society's ambitious programme of policy development, we helped to elevate critical issues – like donor trends, energy costs and workforce burnout – to national debate.

Among PBE's key achievements in 2022 was the securing of a government pledge to develop a new 'civil society satellite account' – in line with the recommendation made by the Law Family Commission – to improve understanding of the size and shape of the social sector in the UK. Our work with Nottingham Trent University on establishing a major new quarterly 'barometer' survey marked a further big step forward in our attempts to build the sector's evidence base and contributed directly to the government's decision to allocate £130 million to support the sector in meeting demand and improving its energy efficiency.

Our collaboration with Nottingham Trent formed part a growing suite of partnerships, a shift which we hope to sustain in the coming years. From research bodies like UCL and the Economics Statistics Centre of Excellence and the Anna Freud Centre, through to other charities like Pilotlight and funders like Impact100 London, the breadth and depth of the partnerships we've established this year stand us in great stead to accelerate our impact in 2023.

We'd like to extend our sincere thanks to the partners we worked with in 2022, and to the many generous supporters who helped us further develop and continue to secure positive change across so many areas. Thanks also go to the PBE staff and board of trustees for their dedication and hard work. Above all, we're grateful to the hundreds of organisations and individuals across the social sector that engaged with PBE last year and delivered brilliant impact up and down the country on a daily basis.

.....

Lord Gus O'Donnell
Chair
Dated: 14/6/23

.....

Matt Whittaker
CEO
Dated: 14/6/23

PRO BONO ECONOMICS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities
The objects of the charity are to:

- promote the efficiency and effectiveness of charities and the effective use of charitable resources for the benefit of the public, in particular by providing analytical economic assistance and advice to the charitable sector
- advance the education of the public in the United Kingdom of Great Britain and Northern Ireland in subjects relating to civil society, and for that purpose to:
    - conduct or commission research into civil society;
    - coordinate, deliver, organise and assist in the provision of courses of education, conferences, seminars, lectures and other educational events and activities related to civil society; and
    - support all forms of civil society organisations.

When setting the objectives and planning the work of the charity for the year, the Trustees confirm that they have completed their duty under section 17 of the Charities Act 2011 with regards to Charity Commission guidance on public benefit.

About Pro Bono Economics
Pro Bono Economics' (PBE's) vision is for a United Kingdom with high wellbeing for all. To support this, we use economics to empower the social sector and to increase wellbeing across the UK. We do this through two main routes: our impact advice & analysis and our research & policy work.

On the former, we provide impact advice and analysis to individual charities to help them to measure, understand and communicate their impact. On the latter, we produce 'bigger picture' analysis and insight that helps to inform and steer the wider policy debate surrounding wellbeing and the social sector.

How we work: Impact advice & analysis

Our in-house and associate experts work alongside our large pool of economist volunteers via three main service lines: Data First Aid; Unlocking Impact workshops; and analysis and advocacy projects.

- Data First Aid is our fast-track volunteer offer. It provides social sector organisations of any size with the opportunity to be matched with one of our volunteer economists to access support on any number of 'light touch' data tasks.
- Our Unlocking Impact workshops are half-day interactive sessions in which charities are introduced to the principles and practicalities of economic evaluation. They allow us to build capacity across a broad range of organisations, while also preparing some to take the next step towards a full analysis or advocacy project. Having attended the workshop, charities that feel ready to go further can follow up with bespoke one-to-one sessions with one of our expert economists, developing a deeper understanding of what impact might mean in their own context.
- Our analysis and advocacy projects provide focused support designed to help charities understand their impact and their effectiveness. When undertaking an analysis project, we provide detailed evaluations of the outcomes and impacts associated with an individual charity's interventions. When undertaking an advocacy project, we focus less on the specifics of an individual charity's programme of work and more on the conditions and issues relating to sub-sectors or policy themes.

Delivering support across these three different service lines allows us to work with charities and social sector organisations of all different levels of data 'maturity', while embedding a culture and appreciation of impact evaluation across the sector more broadly. In doing so, we highlight and support effectiveness in organisations focused on delivering wellbeing improvements for individuals across the UK.

How we work: Research & policy

Our policy research function aims to uncover new insight and new influence that can complement and amplify our work with individual charities. It is delivered primarily by our in-house team, though we additionally commission work from external providers and experts and work in partnership with other research and policy organisations when appropriate.

Our primary focus in 2022 came in the form of delivering the second half of the two-year Law Family Commission on Civil Society. This major review of conditions, challenges and opportunities in the social sector uses the generous support of the Law Family Charitable Foundation to bring together leading thinkers and practitioners from the private, public and social sectors to consider how all parts of our political and economic system might work together to "unleash the potential of civil society". The Commission concluded in January 2023.

Outside of the Law Family Commission, our policy research work focuses on drawing the link between developments in the economy and conditions in the social sector. We undertake surveys to better understand the state of the social sector and its evolution over time – especially important during the turmoil prompted by the twin challenges of pandemic and cost of living crisis. And we serve as economic 'interpreters', helping charities and others understand the implications for the social sector of wider developments in economic circumstances and policy.

We support our policy research work through a programme of free, public events. These provide us with an opportunity to showcase our own work and open up debate around issues of importance to wellbeing and the social sector. We invite a diverse range of experts and practitioners to speak on our panels and emphasise interaction with the audience by way of stimulating discussion and understanding.

Organisational changes during the year

There were no trustee changes in 2022, but we laid the groundwork for a planned expansion and refresh in 2023 by reviewing potential skills, experiences and perspectives gaps within the current board, with an emphasis on trustee diversity. Following the conclusion of his time working within government in the early part of 2022, we were also delighted to appoint the organisation's co-founder Andy Haldane to a new patron position as PBE President.

After three years of substantial growth, in which PBE's executive team grew from 7 to 18 staff members, 2022 was a year of bedding in. It was an important year for recruiting the skills we need to put the organisation on a sustainable financial and operational footing and ensuring that our processes and infrastructure allow us to be as impactful as possible.

To this end, we added Alex Bennett as Development Director and Jansev Jemal as Research & Policy Director, with both being tasked with helping to establish the direction and resourcing of the organisation's work programme beyond the conclusion of the Law Family Commission.

We made further steps to improve our inclusivity, refining our recruitment processes, increasing the accessibility of our content, bringing in a paid intern to improve the pipeline of diverse talent into the think tank and charity sector, and establishing a new staff-led Diversity, Equity and Inclusion Committee.

We likewise made improvements to how we undertake project management, quality assurance, commissioning contracts, internal communications and much more, to ensure that our processes are appropriate for our increased size.

And it was a critical year for improving the productivity of our services. We ended 2022 having quadrupled our charity impact engagement relative to what we delivered in 2019, all within broadly the same core level of expenditure.

Having played a central role in many of these improvements, we were sorry to lose Director of Services Melinda Kunjasich at the end of 2022 as she moved to Australia. We were pleased however to be able to promote Will De La Cruz to Head of Project Management to take forward this important work.

Following its expansion in size over the course of the pandemic, the team moved into a new office space at the start of the year. Once settled in, we implemented a new hybrid working model, with staff having the option of working up to 60% of their time from home.

Achievements and performance

PBE activity reached new highs in 2022. We engaged with 178 charities and other social sector organisations through our services – a 74% year-on-year increase. And we delivered 38% more services than in 2021 – as the Unlocking Impact workshops and Data First Aid services which we developed over the pandemic really hit their stride.

The number of volunteer economists on our books ready to help the social sector rose to 921, as we found new ways of identifying precisely the right kind of volunteer skills charities need from their economists.

And the ways in which we make an impact for the organisations we work with and the sector as a whole on the national stage also accelerated. We undertook a step-change in our publications and commentary, with our mentions in the media reaching a new high at 268 pieces of TV, radio, paper and online news. Our relationships with policymakers also sky-rocketed so that not a week went by in 2022 without engagement with multiple policymakers in national or local government, or in parliament.

2022 was also a year of partnerships for PBE. Working alongside other social sector organisations has always been a core part of our approach, and the way we understand and value the expertise in the sector is one of the things we know many organisations appreciate us for. However, in 2022, we went further than ever before in the range of organisations we have partnerships with and the depth with which we took those relationships.

The addition of formal partnerships with universities and research institutions, has allowed us to continue increasing the rigour with which we undertake our work, so that our outputs remain of the highest quality possible. Meanwhile, our collaborations with other organisations in the sector have allowed us to deepen our networks throughout the year.

Against a challenging backdrop for the charity sector, we were especially pleased to partner with the National VCSE Data and Insights Observatory at Nottingham Trent University to produce one of the biggest social sector trackers in years. This VCSE Sector Barometer was designed in collaboration with 14 membership organisations at the Department for Culture, Media and Sport (DCMS), and we worked with 65 sector membership and network organisations in total to distribute the survey.

The first of these quarterly surveys received responses from nearly 800 organisations nationally and was published in December 2022. Among a raft of findings, the survey showed that two-fifths (40%) of charities had experienced a rise in energy bills, while half (49%) expected demand for their services in the coming months to exceed their ability to meet it. The findings made headline national news, including an exclusive television report on the BBC News at Ten.

In March 2023, these efforts paid off in a substantial way, when the UK government made £130 million available to charities in two tranches – through the Spring Budget and Dormant Assets Scheme – to help them meet demand and improve energy efficiency. The VCSE Sector Barometer provided the essential evidence base to make the case to and within government for extra support for charities.

The importance of the VCSE Sector Barometer stems in no small part from the paucity of official statistics on the social sector. To rectify that, throughout 2022 we partnered with the Economics Statistics Centre of Excellence (ESCoE) to develop new methodologies for measuring charity sector productivity and charity sector value. If progress is made towards adoption of these methodologies, it would be much easier for the social sector to prove its value, and for it to have greater impact in the long-term, as it could make evidence-based decisions.

One of the major strands of this work is the case we have been making since 2020 that a civil society satellite account – which would publish regular statistics on the state of civil society – is an essential step to ensure the sector is properly valued. In February 2022, the government committed to delivering such a satellite account in its *Levelling Up White Paper*. In the autumn, we were commissioned by DCMS to deliver a study on the feasibility of a civil society satellite account in partnership with ESCoE.

PBE has a strong record of supporting charities that work with disadvantaged children and young people. With significant pressures on schools struggling with increasing costs and the post-pandemic crisis in young people's mental health, this remained a priority for us throughout 2022.

We directly supported more than 20 individual charities and other social sector organisations focused on children and young people through our advice and analysis services, and our Data First Aid. But this year we went further, by undertaking a major piece of work focused on supporting children at risk of exclusion from school and providing vital independent economic analysis to support case building in the sector.

With the support of the Porticus Foundation, we partnered with the Evidence Based Practice Unit (EBPU) at the Anna Freud Centre and UCL, to explore and test new ways to improve the mental health and wellbeing of young people aged 10-16 – with a focus on how children and young people at risk of exclusion from school might be identified and supported. Using data from the National Lottery Community Fund's HeadStart programme, the analysis undertaken in this partnership has produced invaluable insight on the number of young people at different levels of risk of permanent school exclusion and the differences in wellbeing between those at the highest risk and those at the lowest risk.

Using data from the National Lottery Using data from the National Lottery Community Fund's HeadStart programme, the analysis undertaken in this partnership has produced invaluable insight on the number of young people at different levels of risk of permanent school exclusion and the differences in wellbeing between those at the highest risk and those at the lowest risk.

Additionally, we undertook – for the second successive year – analysis on the state of England's children's services for a coalition of NSPCC, Action for Children, Barnardo's, Save the Children and The Children's Society. Our 2021 work helped the coalition make the case for over £500 million in investment from government, and the 2022 work was again well received.

Elsewhere, PBE helped the Artis Foundation evidence the benefits of arts education in schools – and in the process secure significant new funding for trialling a new delivery model; helped Our Time and Tavistock Relations make the case for supporting parents' mental health to help children; and provided the evidence for the PTI to make the case for additional CPD for teachers.

Alongside our long-established work with charities, we spent time in 2022 developing new ways to support funders and businesses in having more social impact. We worked with several funders – including Impact 100 London – to provide customised Unlocking Impact Workshops and support their beneficiary charities to further understand their impact, and to develop their own measurement and impact frameworks.

We continued our efforts for spreading best practice within the economics profession too. HM Treasury guidance on the use of wellbeing measurement in policy appraisal and evaluation – introduced in 2021 – is a powerful tool, but one that is under-used across Whitehall. As part of the Porticus Foundation's IntegratED partnership, we worked with the What Works Centre for Wellbeing and State of Life to spread understanding and use of the approach. Specifically, we delivered four short online introductory sessions and two half-day in-depth workshops, reaching more than 250 people. Feedback was very supportive of the sessions – with 92% of participants reporting they were satisfied or very satisfied with the training – and attendees stating that they left feeling "motivated to bring more wellbeing valuations to [their] work in the future".

Financial review

We are grateful for the generous support of our funders, with the expansion of PBE's team and scope that has taken place over the course of recent years only made possible by the arrival of significant new multi-year funding.

Total income for 2022 stood at £982,044 (2021: £1,483,885), drawn from a combination of donations, grants, service fees and gift aid. Restricted income stood at £301,600 (2021: £858,150), with continued funding for specific projects from the Oak Foundation, Porticus, City Bridge Trust and the Law Family Charitable Foundation. The reduction in income reflects the nature of the Commission funding from the Law Family Charitable Foundation, which was received over two years (2020-2021), with expenditure split over three years (2020-2022).

Income opportunities are generated by our in-house Development team, and we are regulated by the Fundraising Regulator. We do not use a professional fundraiser or commercial participator and have received no complaints from the public in relation to our fundraising. We are grateful for the continued support of several grant making trusts, including the Law Family Charitable Foundation, Oak Foundation, City Bridge Trust, Porticus and the Golden Bottle Trust, as well as corporate funders such as Weil, Gotshal & Manges LLP, OakNorth Bank PLC and FTI Consulting.

Expenditure in 2022 reflected the steady state costs associated with the expansion of the team and the ongoing work of the Commission on Civil Society. Headcount reached 19 in 2022 (2021: 18), and total expenditure came in at £1,568,797 (2021: £1,385,058).

Reserves policy

The net result of our income and expenditure outturns was a deficit of £586,753. This comprised a £422,025 deficit in restricted activities (relating to a deliberate drawdown of funds received in 2021 for the Law Family Commission for Civil Society to cover continued activity throughout 2022) and a £164,728 deficit in unrestricted activities (reflecting a combination of planned reserve drawdown and slightly lower than budgeted income from trusts and foundations as we built up our fundraising capability).

Our policy is to maintain free reserves (unrestricted funds minus any fixed and intangible assets) that at any time cover our unrestricted operating expenses for at least three months, with an upper limit of six months. This is set to mitigate the risk of periods of reduced income.

Given our current expenditure profile, that means holding somewhere between £450,000 and £910,000 in free reserves. At the end of 2022 our free reserves totalled £301,381. This under-shoot relative to our reserves policy largely reflected a change in our expenditure profile from the start of 2023 following the conclusion of the Law Family Commission on Civil Society. In agreeing the organisation's budget for 2023, the board was satisfied that the funding pipeline was sufficiently well-stocked to ensure that the organisation would return within the reserves policy early in 2023.

The reserves policy is reviewed annually by the Finance, Audit and Risk Committee (FARCom) and by the Board. Our current reserves reflect the future operating expenditure profile over the course of the financial plan.

The charity maintained restricted reserves of £130,122 at year-end, to be expended in 2023 on the Law Family Commission on Civil Society, City Bridge Trust, Porticus and the Oak Foundation programme. The charity maintained no designated funds.

The Board carries out regular reviews of the charity's financial performance and reserves position. It considers that the charity has adequate financial reserves to continue to deliver its plans. It has a reasonable expectation that it will have adequate resources to continue to operate for the foreseeable future. The Trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue its operations. The accounts have therefore been prepared on the basis that the charity is a going concern.

Risk management

The Trustees are responsible for ensuring that the charity has an appropriate system of risk management and controls. They are also responsible for safeguarding the assets of the charity, and for taking reasonable steps to prevent fraud and other irregularities.
Our Finance, Audit and Risk Committee (FARCom) works closely with the executive to identify, manage and mitigate appropriate risks through a risk register, and to report progress to Board meetings. The Trustees have a programme of controls to manage financial risks through management account reporting and consideration of liquidity, cash flows and going concern status.

Reflecting the difficult economic context and the imminent conclusion of the Law Family Commission on Civil Society and the associated funding the key issues identified in the risk register related to the potential loss of income or difficulties with reserves. The potential for a loss of momentum or cohesion as the organisation transitioned from one phase to another was also considered. Mitigants included the appointment of the new Director of Development and an additional Research and Policy Director with a deliberate focus on navigating the transition and establishing post-Commission programmes of work and income.

Future plans

With the conclusion of the Law Family Commission on Civil Society at the start of 2023, PBE enters a new phase of development: one that builds on the progress we've made over recent years and takes us into exciting new territory.

The warm reception enjoyed by many of the Commission's recommendations – from policymakers, corporate leaders and those in the social sector itself – provides us with a clear set of research and policy priorities to take forward. Some we will advance ourselves; others will draw on partners old and new. And in some instances we'll be handing the momentum over entirely to those best-placed to complete the journey from report to reality.

We're likewise planning on further strengthening the direct support we provide to the social sector via our pro bono economic services. Simply by scaling the approach that we have developed over the past few years and that we know works so well, we want to help more of the organisations that seek our support with measuring, understanding and communicating their impact. But we want to broaden our audience too, developing our support for funders and, increasingly, for those private sector firms that want to make a positive social difference to the world around them – helping embed an understanding of wellbeing, social good and economic evaluation across a significantly wider stakeholder group.

In support of all of this, we'll be providing new insight and analysis on the condition of the social sector and on the unique role it can play in tackling low wellbeing across the UK. By helping the sector understand itself and the backdrop against which it operates, and by helping policymakers and practitioners know more about what works in this space and where and how strategic investment can have most impact, we hope to further our ambition of unleashing the potential of civil society for the benefit of all.

To enter this new phase and broaden our impact, we will be actively looking to strengthen our support base. Much of the growth we have secured in recent years has been achieved thanks to the increased generosity of a long-established pool of supporters. Now we want to deepen that pool: growing and diversifying our funding so that we can continue to recruit and retain the best talent, develop a practical and impactful medium-term agenda, and remain responsive to the changing economic and political context. We're aided in that context by the Law Family Charitable Foundation's generous provision of a match-funding pot, with new donations over the next three years being matched pound for pound.

Structure, governance and management

PBE is a registered charity and a company limited by guarantee and is governed by its memorandum and articles of association. The company was incorporated on 17 March 2009 and registered as a charity on 15 July 2009.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Lord Gus O'Donnell - Chair	
Dr Rubina Ahmed	
Matthew Brumsen	
David Gregson	
Edward Humpherson	
Belinda Phipps	
Sir David Ramsden	(Resigned 17 January 2023)
Damien Régent	
Jenny Scott	
Michele Oliver	(Appointed 13 March 2023)

PBE is governed by a Board of Trustees which meets up to four times a year. Trustees are appointed by Board resolution. In selecting new Trustees, the Board utilises a Nominations Committee to consider the skills, knowledge and experience needed for the effective running of the charity. Since 2017, Trustees are initially appointed for a term of three years and may be reappointed at the annual retirement meeting for up to two further terms.

The Board is responsible for the strategic direction of PBE and for appointing the Chief Executive. Charity staff are accountable to the Trustees through the Chief Executive and carry out the day-to-day operations of the charity in accordance with the policies and procedures approved by the Board.

The Board has five sub-committees:

- The Finance, Audit and Risk Committee (FARCom) has two Trustee members (Damien Régent, Chair, and Ed Humpherson) and is an advisory committee of the Board. Its main duty is to help the Board ensure that all matters related to the statutory audit and the risk register are dealt with appropriately and to review the financial performance of the charity. FARCom leads the work of the Board on the statutory audit, periodically reviews risk management processes including the risk register, and helps ensure that the charity complies with all aspects of the law, relevant legislation and good practice.
- The Policy, Politics and Communications Committee (PolComm) has two Trustee members (Jenny Scott, Chair, and Damien Régent) and is an advisory committee of the Board. The committee was established in 2021 to provide greater trustee oversight of PBE's policy development, approach to policymakers and external communications. It agreed that its most immediate priorities should be reviewing the risks related to communications, the principles by which the charity should undertake its communications, policy development and political engagement, and overseeing the establishment of a crisis communications process.
- The Remuneration Committee (RemCom) has two Trustee members (Belinda Phipps, Chair, and Jenny Scott) and is an advisory committee of the Board, advising the Board on all matters related to staff compensation. The executive undertook a salary benchmarking exercise in 2022, with a payroll specialist, to ensure staff were being fairly compensated. The executive recommended a three-year staged approach to salary increases from 2023 as a result of the benchmarking exercise to ensure continued focus on high calibre recruitment and retention of current staff. RemCom reviewed the proposal and recommended approval by the Board.
- The Fundraising Committee has four Trustee members (Matthew Brumsen, Damien Régent, Belinda Phipps and David Gregson). The committee was set up as an advisory panel to consider PBE's fundraising strategy as PBE seeks to diversify its income base.
- The Nominations Committee (NomCom) has five Trustee members (Lord Gus O'Donnell, Chair, Belinda Phipps, Jenny Scott, Rubina Ahmed and Ed Humpherson). The committee considers the diversity of skills and experience represented within the Board and manages subsequent Trustee recruitment.

In 2022, Trustees updated, reviewed and approved the charity's risk register, delegation of authority, investment, accounting and safeguarding policies.

Prior to their appointment, new Trustees go through an induction process, and are provided with a copy of the Memorandum and Articles of Association, the Trustees' Annual Report and Financial Statements, together with other relevant information, and are invited to spend time with the charity executive.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Indemnity insurance is held for the Trustees.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.

.....

Lord Gus O'Donnell - Chair

Chair of Trustees

Dated: 14/6/23

PRO BONO ECONOMICS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRO BONO ECONOMICS

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PRO BONO ECONOMICS

Opinion

We have audited the financial statements of Pro Bono Economics (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF PRO BONO ECONOMICS

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of Trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF PRO BONO ECONOMICS

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Alliotts LLP

28 June 2023

.....

Chartered Accountants
Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Alliotts LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

PRO BONO ECONOMICS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	638,624	301,600	940,224	562,540	858,150	1,420,690
Charitable activities	4	41,500	-	41,500	63,136	-	63,136
Investments	5	320	-	320	59	-	59
Total income		680,444	301,600	982,044	625,735	858,150	1,483,885
Expenditure on:							
Raising funds	6	171,398	17,194	188,592	157,671	5,100	162,771
Charitable activities	7	673,774	706,431	1,380,205	591,374	630,913	1,222,287
Total expenditure		845,172	723,625	1,568,797	749,045	636,013	1,385,058
Net (expenditure)/income for the year/ Net movement in funds		(164,728)	(422,025)	(586,753)	(123,310)	222,137	98,827
Fund balances at 1 January 2022		466,109	552,147	1,018,256	589,419	330,010	919,429
Fund balances at 31 December 2022		301,381	130,122	431,503	466,109	552,147	1,018,256

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PRO BONO ECONOMICS

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	£	2021 £
Fixed assets					
Tangible assets	**12**		12,504		8,549
Current assets					
Debtors	**13**	138,230		60,872	
Cash at bank and in hand		354,892		1,010,606	
		493,122		1,071,478	
Creditors: amounts falling due within one year	**14**	(74,123)		(61,771)	
Net current assets			418,999		1,009,707
Total assets less current liabilities			431,503		1,018,256
Income funds					
Restricted funds	**16**		130,122		552,147
Unrestricted funds			301,381		466,109
			431,503		1,018,256

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The members have not required the charitable company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 14/6/23

Lord Gus O'Donnell - Chair
Trustee

Company registration number 06849844

PRO BONO ECONOMICS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	**20**		(644,680)		(134,252)
Investing activities					
Purchase of tangible fixed assets		(11,354)		(4,502)	
Investment income received		320		59	
Net cash used in investing activities			(11,034)		(4,443)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(655,714)		(138,695)
Cash and cash equivalents at beginning of year			1,010,606		1,149,301
Cash and cash equivalents at end of year			354,892		1,010,606

1 Accounting policies

Charity information

Pro Bono Economics is a private company limited by guarantee incorporated in England and Wales. The registered office is The Factory, 120 London Road, London, SE1 6LF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees are confident the charity has the resources to meet its liabilities as they fall due for at least 12 months from date of signing the accounts. Hence, they consider the charity to be a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised on the accruals basis. Liabilities are recognised as soon as there is a legal constructive obligation to pay.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years
Computers	3 years

1 Accounting policies **(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Items are capitalised where the net expenditure value is greater than £500 and the expense is capital by nature.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1 Accounting policies **(Continued)**

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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 reviewed 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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	**2022**	**2022**	2021	2021	2021
	£	**£**	**£**	£	£	£
Donations and gifts	379,132	-	379,132	293,365	-	293,365
Grants	250,050	301,600	551,650	250,350	858,150	1,108,500
Donated goods and services	9,442	-	9,442	18,825	-	18,825
	638,624	301,600	940,224	562,540	858,150	1,420,690
Donations and gifts						
Major gifts	361,000	-	361,000	270,994	-	270,994
General donations	6,125	-	6,125	4,169	-	4,169
Events income	373	-	373	7,299	-	7,299
Gift Aid	11,635	-	11,635	10,902	-	10,902
	379,132	-	379,132	293,365	-	293,365
Grants receivable for core activities						
Porticus	-	80,000	80,000	-	57,500	57,500
Law Family Charitable Foundation	250,000	94,300	344,300	250,000	542,650	792,650
Oak Foundation	-	72,800	72,800	-	210,500	210,500
City Bridge	50	54,500	54,550	-	47,500	47,500
Other	-	-	-	350	-	350
	250,050	301,600	551,650	250,350	858,150	1,108,500

4 Charitable activities

	Supporting Charities 2022	Supporting Charities 2021
	£	£
Fees for Services	41,500	63,136

5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	320	59

6 Raising funds

	Unrestricted funds	**Restricted funds**	**Total**	Unrestricted funds	Restricted funds	Total
	2022	**2022**	**2022**	2021	2021	2021
	£	**£**	**£**	£	£	£
Fundraising						
Staging fundraising events	7,349	-	7,349	12,168	-	12,168
Staff costs	137,422	15,259	152,681	121,885	5,100	126,985
Support costs	26,627	1,935	28,562	23,618	-	23,618
Fundraising	171,398	17,194	188,592	157,671	5,100	162,771
	171,398	17,194	188,592	157,671	5,100	162,771

7 Charitable activities

	Supporting Charities £	External Affairs £	Research & Policy £	Total 2022 £	Total 2021 £
Staff costs	308,850	156,525	369,990	835,365	693,845
Consultancy	34,331	2,993	67,189	104,513	81,117
Economic associates	21,704	-	-	21,704	67,017
Other service delivery costs	104,977	9,549	147,826	262,352	245,735
	469,862	169,067	585,005	1,223,934	1,087,714
Share of support costs (see note 8)	49,217	24,943	58,960	133,120	95,392
Share of governance costs (see note 8)	8,559	4,338	10,254	23,151	39,181
	527,638	198,348	654,219	1,380,205	1,222,287
Analysis by fund					
Unrestricted funds	341,513	144,277	187,984	673,774	
Restricted funds	186,125	54,071	466,235	706,431	
	527,638	198,348	654,219	1,380,205	
For the year ended 31 December 2021					
Unrestricted funds	288,919	113,567	188,888		591,374
Restricted funds	258,590	25,500	346,823		630,913
	547,509	139,067	535,711		1,222,287

Other Service Delivery Costs includes Project Delivery Oak Grants to Cranfield Trust of £19,761 (2021: £70,800) and Pilotlight of (£6,650) (2021: £54,800). Additionally, Research & Policy Other Service Delivery Costs includes new expenditure in Research Commissioning of £68,400 (2021: £24,200), and Research Polling & Focus Groups of £16,787 (2021: £53,160).

8 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Depreciation	7,399	-	7,399	5,107	-	5,107
Rent	44,677	-	44,677	27,803	-	27,803
Office supplies	22,969	-	22,969	13,631	-	13,631
Computer running costs	32,304	-	32,304	40,778	-	40,778
Travelling expenses	3,463	-	3,463	1,002	-	1,002
Insurance	3,363	-	3,363	2,762	-	2,762
Bank charges	112	-	112	88	-	88
Other staff costs	31,597	-	31,597	20,669	-	20,669
HR consultancy	8,474	-	8,474	-	-	-
Audit fees	-	6,600	6,600	-	5,820	5,820
Accountancy	-	11,339	11,339	-	4,619	4,619
Legal and professional	-	9,442	9,442	-	35,913	35,913
	157,451	27,381	184,832	111,840	46,352	158,192
Analysed between						
Fundraising	21,392	7,170	28,562	17,576	6,042	23,618
Charitable activities	133,120	23,151	156,271	95,392	39,181	134,573
	154,512	30,321	184,833	112,968	45,223	158,191

Governance costs include payments to the auditors of £6,600 (2021- £5,820) for audit fees.

Other staff costs relate to staff recruitment and staff training costs for the year.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or were paid expenses during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	18	16

Employment costs	2022 £	2021 £
Wages and salaries	847,329	702,962
Social security costs	87,173	71,467
Other pension costs	53,544	46,401
	988,046	820,830

The number of employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
£120,000 - £129,999	1	1

The headcount, as well as the wages and salary expense, increased in 2022 with the addition of a new Director of Development and building out the research and economics teams.

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxationof Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2022	2,919	24,547	27,466
Additions	3,922	7,432	11,354
At 31 December 2022	6,841	31,979	38,820
Depreciation and impairment			
At 1 January 2022	2,875	16,042	18,917
Depreciation charged in the year	806	6,593	7,399
At 31 December 2022	3,681	22,635	26,316
Carrying amount			
At 31 December 2022	3,160	9,344	12,504
At 31 December 2021	44	8,505	8,549

13 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	2,250	1,000
Other debtors	6,650	-
Prepayments and accrued income	129,330	59,872
	138,230	60,872

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	26,027	20,371
Trade creditors	13,018	16,468
Accruals	35,078	24,932
	74,123	61,771

15 Retirement benefit schemes

Defined contribution schemes

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

The charge to the SOFA in respect of defined contribution schemes was £53,544 (2021 - £46,401).

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds		
	Balance at 1 January 2021	Incoming resources	Resources expended	**Balance at 1 January 2022**	**Incoming resources**	**Resources expended**	**Balance at 31 December 2022**
	£	£	£	£	£	£	£
The Oak Foundation	32,080	210,500	(220,244)	22,336	72,800	(91,536)	3,600
City Bridge	-	47,500	(43,333)	4,167	54,500	(54,500)	4,167
The Law Family Charitable Trust	297,930	542,650	(371,983)	468,597	94,300	(520,542)	42,355
Porticus	-	57,500	(453)	57,047	80,000	(57,047)	80,000
	330,010	858,150	(636,013)	552,147	301,600	(723,625)	130,122

The Oak Foundation delivers support to a portfolio of homelessness charities. The grants received have been partially spent during 2021, with further spending in 2022. A balance is carried forward to 2023.

The City Bridge Trust project supports charities providing services in London. The grant received was largely spent within the year. Funding has been carried forward fro 2022 into 2023 as restricted reserves.

The Law Family Commission on Civil Society is a programme of ground-breaking research into how the potential of civil society can be unleashed. The grants carried forward from 2021 and received in 2022 have been largely spent during the year. The remaining funds were carried into 2023 as restricted reserves.

Porticus granted funds to support the project, IntegratED bridge: economics of wellbeing for children in adversity. The grant received in 2021 was largely spent this year and the grant received in 2022 has been carried forward into 2023 as restricted reserves to be spent in 2023.

17 Analysis of net assets between funds

	Unrestricted 2022	**Restricted 2022**	**Total 2022**	Unrestricted 2021	Restricted 2021	Total 2021
	£	**£**	**£**	£	£	£
Fund balances at 31 December 2022 are represented by:						
Tangible assets	12,504	-	12,504	8,549	-	8,549
Current assets/(liabilities)	288,877	130,122	418,999	457,560	552,147	1,009,707
	301,381	130,122	431,503	466,109	552,147	1,018,256

18 Operating lease commitments

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

	2022	2021
	£	£
Within one year	14,622	15,915

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel (defined as Chief Executive Officer, Operations and Finance Director, Director of Development, Director of Services, Research and Policy Director and Policy and Communications Director) is as follows.

	2022	2021
	£	£
Aggregate compensation	460,709	432,746

There were no other disclosable related party transactions during the year (2021 - none).

20 Cash generated from operations	2022	2021
	£	£
(Deficit)/surpus for the year	(586,753)	98,827
Adjustments for:		
Investment income recognised in statement of financial activities	(320)	(59)
Depreciation and impairment of tangible fixed assets	7,399	5,107
Movements in working capital:		
(Increase) in debtors	(77,358)	(42,177)
Increase in creditors	12,352	14,551
(Decrease) in deferred income	-	(210,500)
Cash absorbed by operations	(644,680)	(134,251)

21 Analysis of changes in net funds

The charity had no debt during the year.

PRO BONO ECONOMICS

England & Wales - Charity number 1130567

Accounts

Charity registration number 1130567

Company registration number 06849844 (England and Wales)

PRO BONO ECONOMICS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

AMENDED

PRO BONO ECONOMICS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lord Gus O'Donnell - Chair	
	Dr Rubina Ahmed	(Appointed 15 September 2021)
	Matthew Brumsen	
	David Gregson	
	Edward Humpherson	
	Belinda Phipps	
	Sir David Ramsden	
	Damien Régent	
	Jenny Scott	
Charity number	1130567	
Company number	06849844	
Registered office	The Factory 120 London Road London SE1 6LF	
Auditor	Alliotts LLP Friary Court 13-21 High Street Guildford Surrey GU1 3DL	
Bankers	Barclays Bank PLC Leicester M60 4EP	
Solicitors	Weil, Gotshal & Manges LLP 110 Fetter Lane London EC4A 1AY	

PRO BONO ECONOMICS

CONTENTS

	Page
Chair and CEO's Statement	1
Trustees' report	2 - 10
Statement of Trustees' responsibilities	11
Independent auditor's report	12 - 15
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 30

PRO BONO ECONOMICS

CHAIR AND CEO'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

Despite the backdrop of continued Covid-related uncertainty, 2021 was another strong year for Pro Bono Economics. Thanks to the generosity of our supporters and volunteers, we were able to build on the momentum of 2020 – a year in which we significantly expanded our size, reach and influence. We added more new faces to the team, welcomed a new trustee to the board and worked with over 100 charities in total.

Perhaps most visibly, we pushed into new terrain as we delivered the first year of the Law Family Commission on Civil Society. This major undertaking brought us into contact with private, public and social sector experts and practitioners from across the country (and indeed, the globe). We published our own ground-breaking work on the conditions and challenges facing civil society, and we provided a platform for many others to discuss and debate the priorities that government, business and charities should be focusing on in the coming decade. Pleasingly, the worked sparked considerable interest from both the media and policymakers at national and local level. The Commission's work has already helped to influence government policy, and we are keen to make more progress as we conclude the work in 2022.

The impact advice and analysis work we undertake directly with charities also went from strength to strength in 2021. Indeed, it was in relation to this work that we secured perhaps our most high-profile policy cut through of the year, with PBE analysis being used to help secure more than £1 billion of new funding for two different charity interventions at the Chancellor's October Budget.

The two new charity services we introduced in 2020, in part in response to the particular challenges of the pandemic, became more permanent and more streamlined in 2021. The resulting suite of services we now offer provides organisations that have varying levels of data 'maturity' with the opportunity to benefit from working with us. Our Unlocking Impact workshops were extremely well-received in 2021, helping us spread best practice on economic evaluation across a growing number of organisations. Our Data First Aid programme further broadened our reach, giving us the opportunity to support often hyper-local organisations for whom relatively light touch data help can prove transformational. It also gave us the opportunity to work with more of our large pool of expert volunteers.

The developing cost of living crisis is set to produce new challenges for both the social sector and the wider country in 2022. PBE will continue to play its part by combining direct impact advice and analysis for charities with policy-focused research and insight that covers the activities of the broader sector. We intend to work with more organisations while simultaneously deepening our relationships with existing partners, all in furtherance of our mission to empower the social sector and drive wellbeing improvements across the United Kingdom.



Lord Gus O'Donnell
Chair
Dated: 23 June 2022



Matt Whittaker
CEO
Dated: 16 June 2022

PRO BONO ECONOMICS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The objects of the charity are to:

- promote the efficiency and effectiveness of charities and the effective use of charitable resources for the benefit of the public, in particular by providing analytical economic assistance and advice to the charitable sector
- advance the education of the public in the United Kingdom of Great Britain and Northern Ireland in subjects relating to civil society, and for that purpose to:
    - conduct or commission research into civil society;
    - coordinate, deliver, organise and assist in the provision of courses of education, conferences, seminars, lectures and other educational events and activities related to civil society; and
    - support all forms of civil society organisations.

When setting the objectives and planning the work of the charity for the year, the Trustees confirm that they have completed their duty under section 17 of the Charities Act 2011 with regards to Charity Commission guidance on public benefit.

About Pro Bono Economics

Pro Bono Economics' (PBE's) vision is for a United Kingdom with high wellbeing for all. To support this, we use economics to empower the social sector and to increase wellbeing across the UK. We do this through two main routes: our impact advice & analysis and our research & policy.

On the former, we provide impact advice and analysis to individual charities to help them to measure, understand and communicate their impact. On the latter, we produce 'bigger picture' analysis and insight that helps to inform and steer the wider policy debate surrounding wellbeing and the social sector.

How we work: Impact advice & analysis

Our in-house and associate experts work alongside our large pool of economist volunteers via three main service lines: Data First Aid; Unlocking Impact workshops; and analysis and advocacy projects.

- Data First Aid is our fast-track volunteer offer. It provides social sector organisations of any size with the opportunity to be matched with one of our volunteer economists to access support on any number of 'light touch' data tasks.
- Our Unlocking Impact workshops are half-day interactive sessions in which charities are introduced to the principles and practicalities of economic evaluation. They allow us to build capacity across a broad range of organisations, while also preparing some to take the next step towards a full analysis or advocacy project. Having attended the workshop, charities that feel ready to go further can follow up with bespoke one-to-one sessions with one of our expert economists, developing a deeper understanding of what impact might mean in their own context.
- Our analysis and advocacy projects provide focused support designed to help charities understand their impact and their effectiveness. When undertaking an analysis project, we provide detailed evaluations of the outcomes and impacts associated with an individual charity's interventions. When undertaking an advocacy project, we focus less on the specifics of an individual charity's programme of work and more on the conditions and issues relating to sub-sectors or policy themes. All reports are published on our website.

Delivering support across these three different service lines allows us to work with charities and social sector organisations of all different levels of data 'maturity', while embedding a culture and appreciation of impact evaluation across the sector more broadly.

How we work: Research & policy

Our policy research function – introduced in 2020 – aims to uncover new insight and new influence that can complement and amplify our work with individual charities. It is delivered primarily by our in-house team, though we additionally commission work from external providers and experts and work in partnership with other research and policy organisations when appropriate.

Our primary focus in 2021 came in the form of delivering the first half of the two-year Law Family Commission on Civil Society. This major review of conditions, challenges and opportunities in the social sector uses the generous support of the Law Family Charitable Foundation to bring together leading thinkers from the private, public and social sectors to consider how all parts of our political and economic system might work together to "unleash the potential of civil society". The Commission is due to conclude at the end of 2022.

Outside of the Law Family Commission, our policy research work focuses on drawing the link between developments in the economy and conditions in the social sector. We undertake surveys to better understand the state of the social sector and its evolution over time – especially important during the period of the pandemic. And we serve as economic 'interpreters', helping charities and others understand the implications for the social sector of wider developments in economic circumstances and policy.

We support our policy research work through a programme of free, public events. These provide us with an opportunity to showcase our own work and open up debate around issues of importance to wellbeing and the social sector. We invite a diverse range of experts and practitioners to speak on our panels and emphasise interaction with the audience by way of stimulating discussion and understanding.

Organisational changes during the year

Both Clare Lombardelli and Andy Haldane stepped down from the PBE board over the course of the year. Andy was appointed on a short-term basis as Head of the government's Levelling Up Taskforce, covering the period from September 2021 to March 2022. Given PBE's own work on the levelling up agenda as part of the Law Family Commission on Civil Society, the board and Andy agreed that he should relinquish his formal role within PBE while undertaking such a prominent government position. PBE would like to thank both Andy and Clare for their valuable contribution to the organisation.

Dr Rubina Ahmed joined the board in 2021, adding to our expertise and experience in relation to charity strategy and funding. We will be looking to bring in at least two additional trustees in 2022, ensuring that our board is diverse and brings a variety of skills and views to the organisation.

Within the executive team, we would like to thank our Development Director Susannah Behr, who left at the end of the year. Her replacement is due to be announced in Spring 2022. Recognising the volume of work associated with running the Law Family Commission on Civil Society, we added a second Research & Policy Director to work alongside Anoushka Kenley from the middle of 2021. Helen Barnard joined on a two-year secondment from the Joseph Rowntree Foundation and splits her time between the two organisations.

The team continued to work primarily from home over the course of 2021, though we did make a partial return to the office when regulations allowed. Following the significant expansion of the executive team over the period of the pandemic, we sought larger premises in the second half of the year. A new office space was identified during the year, allowing the move to take place early in 2022. Going forward, we will continue to operate a hybrid working model, with staff having the option of working up to 60% of their time from home.

We undertook our first-ever staff survey in 2021, designed to understand more about our culture and practices and to support improvements in employee engagement and wellbeing. The results were extremely positive, with staff recording an average overall score of 8.1 out of 10 and an average range across different elements of our work of 7.5-9.0. We intend to monitor progress against selected metrics in annual re-runs of the survey, and we are working across the organisation to embed the lessons of the findings.

Achievements and performance

Despite a backdrop of continued Covid-related challenge and uncertainty, 2021 was another year of great progress for PBE. Our impact advice and analysis work helped us engage with more than 100 unique charities, while our policy research team published 16 reports and nine shorter blogs in support of the Law Family Commission on Civil Society.

Our work increasingly garnered media coverage – with more than 260 mentions across the trade press and the national news media over the course of the year – helping to generate debate around the role of the social sector and spread the message about the importance of understanding the impact of charity activity. We also secured some very significant policy successes along the way, with the government's October Budget announcing more than £1 billion of new spending on interventions that can draw a link back to PBE's work.

Following its relaunch in Summer 2022, we engaged with 18 charities via the Data First Aid programme. It has been extremely well received, with charities and volunteers alike scoring the programme at more than 9 out of 10. We also ran eight Unlocking Impact workshops in 2021, covering 72 individuals and 28 charities (compared with six, 54 and 33 respectively in 2020). Participants scored the sessions at 9.3 out of 10 on average. We further supported 34 charities with analysis and advocacy work in 2021, up from 30 in 2020 and 28 in 2019.

Among the projects we completed, our work for Magic Breakfast was especially notable. The charity offers free breakfasts in schools across the UK that have high proportions of disadvantaged children in attendance. There is already a solid evidence base which shows that, by tackling classroom hunger and improving concentration and behaviour, such interventions can drive up academic performance, lower truancy rates and boost future earnings potentials. Magic Breakfast wanted to understand what that might mean in terms of long-term economic benefits and asked us to help. Our analysis suggested that rolling out free school breakfast provision to all Key Stage 1 pupils in disadvantaged schools across England could generate as much as £2.7 billion in long-term gains.

Our approach to advocacy working evolved over the course of 2021, such that we increasingly worked with collections or alliances of charities expressing an interest in the same thing. In doing so, we hoped to broaden the reach of our work and increase its impact and usefulness.

A particularly successful example of this is the work we undertook for the Children's Services Funding Alliance (comprising Action for Children, Barnardo's, National Children's Bureau, NSPCC and The Children's Society). Our analysis and comparison of early- and late-intervention children's services spending in local authorities across England highlighted an apparent false economy, whereby those areas recording the sharpest cuts in the former (e.g. children's centres, family support services and services for young people) found themselves facing correspondingly sharp statutory requirements for increased funding in the latter (e.g. youth justice services, looked after children and safeguarding) further down the line.

The report prompted an immediate response from a number of councils across England. We were also asked to provide some additional follow-up analysis on behalf of the House of Lords Public Services Committee, with our work featuring prominently in its subsequent review findings. And the Funding Alliance used our analysis to help persuade the government of the need for greater financial support within the sector. As a result, the Chancellor of the Exchequer included £500 million for a new 'Start for Life' programme in his October Budget.

In that same Budget speech, the Chancellor directly cited PBE advocacy work as providing the rationale for introducing a major new £560 million 'Multiply' skills and employment programme of support for adults with low levels of numeracy. Our work, undertaken on behalf of National Numeracy, highlighted the economic costs associated with failing to tackle the issue. It found that 16 million workers in the UK with low numeracy skills are earning an average of £1,600 a year less than they could if they had just 'basic' levels of numeracy.

Policy research outputs delivered for the Law Family Commission on Civil Society covered topics across three key themes of valuing the social sector, improving cross-sector working, and unleashing potential within civil society. Highlights included:

- *Purpose: on parallel tracks. An exploration of the common goals pursued by many businesses and social sector organisations across the country, the successes associated with collaboration, and the too-frequent failure to join up efforts in this way. The report was published alongside Professor Tony Chapman's deep dive into the connections between business and charities across the UK (Going the extra mile: How businesses work with the local social sector), a note that prompted detailed coverage in The Times.*
- *Why civil society is essential to levelling up. An articulation of the role civil society could and should play in the government's plans and a series of recommendations for ensuring it fulfils this role. The work drew both on lessons from past regeneration programmes and on original YouGov polling of residents in levelling up priority areas.*
- *Better data, bigger impact: A review of social sector data. A solutions-focused note drawing on in-depth interviews with policymakers in government and in the social sector to understand what data they want to have access to in order to make more informed decisions, and what action the public and social sectors might take together to practically plug the gaps. The report was endorsed by key sector leaders at launch.*
- *Mind the giving gap: unleashing the potential of UK philanthropy. A study of trends in giving across all parts of the donor population, with a particular emphasis on the high-net worth population. The report identified three giving 'gaps' (participation, generosity, and Gift Aid), and set out a long menu of policy options for further discussion – to be picked up in roundtables and interviews in early-2022. Alongside featuring on the Today Programme, the findings were written up in The Guardian, the Financial Times, The Times and The Sunday Times. And our consideration of the role that wealth advisers might play in all this was picked up by FTAdviser.*

We also published a series of summaries of responses to the Commission's 'call for evidence'. This call provided the UK's charities, community groups, social enterprises, volunteers, policymakers, business leaders and academics with the opportunity to submit their thoughts on the future of civil society by responding to a detailed questionnaire covering the Commission's key topics. To ensure smaller and more under-resourced groups could have their voices heard too, we ran a series of focus groups at which participants were compensated for their time.

The Commission will turn increasingly to developing policy solutions in 2022, but we achieved good progress in this area even in 2021. We engaged with practitioners and policymakers from across the social, public and private sectors, focusing on both national and local approaches to unleashing the potential of civil society. We established especially strong links with officials in DCMS, and worked with them and others to take practical steps towards improving the availability and usability of data that relates to the social sector.

Financial review

We are grateful for the generous support of our funders, with the expansion of PBE's team and scope that has taken place over the course of 2020 and 2021 only made possible by the arrival of significant new multi-year funding.

Total income for the 2021 stood at £1,483,885 (2020: £1,398,596), drawn from a combination of donations, grants, service fees and gift aid. Restricted income stood at £858,150 (2020: £687,675), with continued funding for specific projects from the Oak Foundation, City Bridge Trust and the Law Family Charitable Foundation.

Income opportunities are generated by our in-house Development team, and we are regulated by the Fundraising Regulator. We do not use a professional fundraiser or commercial participator and have received no complaints from the public in relation to our fundraising. We are grateful for the continued support of several grant making trusts, including the Law Family Charitable Foundation, Oak Foundation, City Bridge Trust, Porticus, and the Golden Bottle Trust, as well as corporate funders such as Weil and FTI Consulting.

Expenditure in 2021 reflected the steady state costs associated with the expansion of the team in 2020 and within the year. Headcount reached 18 by the end of 2021 (2020: 14), and total expenditure came in at £1,385,058 (2020: £860,227).

Reserves policy

The net result of our income and expenditure outturns was a net surplus of £98,827 (2020 £538,369). This comprised a £222,137 surplus in restricted funds related to expenditure earmarked for 2022, and a £123,310 deficit in unrestricted funds which was as a result of planned expenditure. The overall picture was in line with our financial strategy for 2021.

Our policy is to maintain free reserves (unrestricted funds minus any fixed and intangible assets) that at any time cover our unrestricted operating expenses for at least three months, with an upper limit of six months. This is set to mitigate the risk of periods of reduced income.

Given our current expenditure profile, that means holding somewhere between £252,000 and £504,000 in free reserves. At the end of 2021 our unrestricted funds stood at £466,109 (2020 £589,419) and free reserves totalled £457,560.

The reserves policy is reviewed annually by the Finance, Audit and Risk Committee (FARCom) and by the Board. Our current reserves reflect the future operating expenditure profile over the course of the financial plan.

The charity maintained restricted reserves of £552,147 (2020 £330,010) at year-end, to be expended in 2022 on the Law Family Commission on Civil Society, Porticus and the Oak Foundation programme. The charity maintained no designated funds.

The Board carries out regular reviews of the charity's financial performance and reserves position. It considers that the charity has adequate financial reserves to continue to deliver its plans. It has a reasonable expectation that it will have adequate resources to continue to operate for the foreseeable future. The Trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue its operations. The accounts have therefore been prepared on the basis that the charity is a going concern.

Risk management

The Trustees are responsible for ensuring that the charity has an appropriate system of risk management and controls. They are also responsible for safeguarding the assets of the charity, and for taking reasonable steps to prevent fraud and other irregularities.

Our Finance, Audit and Risk Committee (FARCom) works closely with the executive to identify, manage and mitigate appropriate risks through a risk register, and to report progress to Board meetings. The Trustees have a programme of controls to manage financial risks through management account reporting and consideration of liquidity, cash flows and going concern status.

Reflecting the expansion in our team and PBE's broadened remit and reach, we continued to strengthen our governance procedures in 2021. The Trustees established a new Policy, Politics and Communications Committee (PolComm) to understand and mitigate any risks that might fall out of our enhanced focus on policy change. The organisation's risk register was updated to reflect the conclusions of the first PolComm meeting.

The updated risk register was reviewed by FARCom and the Board, with continued special consideration given to the risks associated with Covid-19. The most significant risks related to loss of income, a failure to maintain the run rate required to sustain the larger organisation, a failure to sustain funding for the Research & Policy function beyond the lifetime of the Law Family Commission on Civil Society, and problems with the organisational structure related to the rapid expansion of the charity. Mitigants included a focus on developing new funding networks, an enhanced fundraising role for the CEO and trustees, and the early establishment of a Research & Policy workstream for 2023 against which new funding could be sought.

Future plans

Having achieved so much in 2021, we are keen to build on the obvious momentum within the organisation in 2022. It is, however, likely to be a more challenging year for different reasons. Alongside ongoing pressures associated with Covid-19 and the growing difficulties prompted across the social sector by surging inflation, we need to renew or replace existing sources of funding. Several of our multi-year programmes and donations conclude in 2022, and we have started focusing our attention on renewing or replacing those funding sources to sustain the elevated level of output we have delivered over the past two years.

We are confident in our ability to do that, aided by the recruitment of two key roles early in 2022: a new Director of Development who will oversee an update of our fundraising strategy; and a new Research & Policy Director who will focus on developing and resourcing the policy research programme we intend to deliver in 2023.

Nevertheless, we recognise that we need to be pragmatic in setting out our ambitions for the coming year. Accordingly, our 2022 strategy is underpinned by an assumption of very modest core income growth. Within this steady funding envelope however, we believe there is scope for continued development of the range of ways in which we use economics to empower the social sector and drive wellbeing improvements in the UK.

That means building on the suite of products – Data First Aid, Unlocking Impact workshops, analysis and advocacy, policy research and public events – that we have established over recent years. We want to deepen existing relationships and approaches and explore new opportunities for funding, partnership and activity.

More specifically, we want to run more projects that explicitly help charities to improve their effectiveness: going beyond a cost benefit analysis of a single intervention to better compare the impacts of different approaches. And we want to work more closely with funders too: supporting them to drive better evaluation practices with their grantees. Finally, we'll also be looking to grow our capacity for being *creators* of evidence rather than just users of it: exploring new datasets to establish and improve the evidence base that allows us to connect charity *outcomes* to economic *impact*.

Structure, governance and management

PBE is a registered charity and a company limited by guarantee and is governed by its memorandum and articles of association. The company was incorporated on 17 March 2009 and registered as a charity on 15 July 2009.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Lord Gus O'Donnell - Chair	
Dr Rubina Ahmed	(Appointed 15 September 2021)
Matthew Brumsen	
David Gregson	
Andrew Haldane	(Resigned 21 October 2021)
Edward Humpherson	
Ms C Lombardelli	(Resigned 15 September 2021)
Belinda Phipps	
Sir David Ramsden	
Damien Régent	
Jenny Scott	

PBE is governed by a Board of Trustees which meets up to four times a year. Trustees are appointed by Board resolution. In selecting new Trustees, the Board utilises a Nominations Committee to consider the skills, knowledge and experience needed for the effective running of the charity. Since 2017, Trustees are initially appointed for a term of three years and may be reappointed at the annual retirement meeting for up to two further terms. One new Trustee was recruited in 2020, with the Nominations Committee playing a full role in this process.

The Board is responsible for the strategic direction of PBE and for appointing the Chief Executive. Charity staff are accountable to the Trustees through the Chief Executive and carry out the day-to-day operations of the charity in accordance with the policies and procedures approved by the Board.

The Board has five sub-committees:

- The Finance, Audit and Risk Committee (FARCom) has two Trustee members (Damien Régent, Chair, and Ed Humpherson) and is an advisory committee of the Board. Its main duty is to help the Board ensure that all matters related to the statutory audit and the risk register are dealt with appropriately and to review the financial performance of the charity. FARCom leads the work of the Board on the statutory audit, periodically reviews risk management processes including the risk register, and helps ensure that the charity complies with all aspects of the law, relevant legislation and good practice.
- The Policy, Politics and Communications Committee (PolComm) has two Trustee members (Jenny Scott, Chair, and Damien Régent) and is an advisory committee of the Board. The committee was established in 2021 to provide greater trustee oversight of PBE's policy development, approach to policymakers and external communications. It agreed that its most immediate priorities should be reviewing the risks related to communications, the principles by which the charity should undertake its communications, policy development and political engagement, and overseeing the establishment of a crisis communications process.
- The Remuneration Committee (RemCom) has two Trustee members (Belinda Phipps, Chair, and Jenny Scott) and is an advisory committee of the Board, advising the Board on all matters related to staff compensation. The executive undertook a salary benchmarking exercise in 2020, with a payroll specialist, to ensure staff were being fairly compensated. The executive recommended a baseline salary uprating in line with inflation in 2021. RemCom reviewed the proposal and recommended approval by the Board.
- The Fundraising Committee has four Trustee members (Matthew Brumsen, Damien Régent, Belinda Phipps and David Gregson). The committee was set up as an advisory panel to consider PBE's fundraising strategy as PBE seeks to diversify its income base.
- The Nominations Committee (NomCom) has four Trustee members (Lord Gus O'Donnell, Chair, Belinda Phipps, Jenny Scott and Ed Humpherson). The committee considers the diversity of skills and experience represented within the Board and manages subsequent Trustee recruitment.

In 2021, Trustees updated, reviewed and approved the charity's risk register, delegation of authority, investment, accounting and safeguarding policies.

Prior to their appointment, new Trustees go through an induction process, and are provided with a copy of the Memorandum and Articles of Association, the Trustees' Annual Report and Financial Statements, together with other relevant information, and are invited to spend time with the charity executive.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Indemnity insurance is held for the Trustees.

The Trustees' report was approved by the Board of Trustees.



...

Lord Gus O'Donnell - Chair
Chair of Trustees
Dated: ...23 June 2022

PRO BONO ECONOMICS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRO BONO ECONOMICS

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PRO BONO ECONOMICS

Opinion

We have audited the financial statements of Pro Bono Economics (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PRO BONO ECONOMICS

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of Trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PRO BONO ECONOMICS

Use of our report

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



Stephen Meredith BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Alliotts LLP

26 June 2022
.....

Chartered Accountants
Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Alliotts LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

PRO BONO ECONOMICS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	**3**	562,540	858,150	1,420,690	679,857	687,675	1,367,532
Charitable activities	**4**	63,136	-	63,136	30,850	-	30,850
Investments	**5**	59	-	59	214	-	214
Total income		625,735	858,150	1,483,885	710,921	687,675	1,398,596
Expenditure on:							
Raising funds	**6**	157,671	5,100	162,771	85,394	-	85,394
Charitable activities	**7**	591,374	630,913	1,222,287	401,738	373,095	774,833
Total expenditure		749,045	636,013	1,385,058	487,132	373,095	860,227
Gross transfers between funds		-	-	-	2,070	(2,070)	-
Net (expenditure)/income for the year/ Net movement in funds		(123,310)	222,137	98,827	225,859	312,510	538,369
Fund balances at 1 January 2021		589,419	330,010	919,429	363,560	17,500	381,060
Fund balances at 31 December 2021		466,109	552,147	1,018,256	589,419	330,010	919,429

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PRO BONO ECONOMICS

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	**11**		8,549		9,153
Current assets					
Debtors	**12**	60,872		18,695	
Cash at bank and in hand		1,010,606		1,149,301	
		1,071,478		1,167,996	
Creditors: amounts falling due within one year	**13**	(61,771)		(257,720)	
Net current assets			1,009,707		910,276
Total assets less current liabilities			1,018,256		919,429
Income funds					
Restricted funds	**16**		552,147		330,010
Unrestricted funds			466,109		589,419
			1,018,256		919,429

The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The members have not required the charitable company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on ...23 June 2022



.....

Lord Gus O'Donnell - Chair

Trustee

Company registration number 06849844

PRO BONO ECONOMICS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**20**		(134,252)		785,635
Investing activities					
Purchase of tangible fixed assets		(4,502)		(8,419)	
Investment income received		59		214	
Net cash used in investing activities			(4,443)		(8,205)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(138,695)		777,430
Cash and cash equivalents at beginning of year			1,149,301		371,871
Cash and cash equivalents at end of year			1,010,606		1,149,301

1 Accounting policies

Charity information

Pro Bono Economics is a private company limited by guarantee incorporated in England and Wales. The registered office is The Factory, 120 London Road, London, SE1 6LF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the Charities SORP "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)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees are confident the charity has the resources to meet its liabilities as they fall due for at least 12 months from date of signing the accounts. Hence, they consider the charity to be a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised on the accruals basis. Liabilities are recognised as soon as there is a legal constructive obligation to pay.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years
Computers	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1 Accounting policies **(Continued)**

Items are capitalised where the net expenditure value is greater than £500 and the expense is capital by nature.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1 Accounting policies **(Continued)**

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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 reviewed 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.

3 Donations and legacies

	Unrestricted funds	**Restricted funds**	**Total**	Unrestricted funds	Restricted funds	Total
	2021	**2021**	**2021**	2020	2020	2020
	£	**£**	**£**	£	£	£
Donations and gifts	293,365	-	293,365	309,857	-	309,857
Grants	250,350	858,150	1,108,500	330,000	687,675	1,017,675
Donated goods and services	18,825	-	18,825	40,000	-	40,000
	562,540	858,150	1,420,690	679,857	687,675	1,367,532
Donations and gifts						
Major gifts	270,994	-	270,994	285,256	-	285,256
General donations	4,169	-	4,169	6,591	-	6,591
Events income	7,299	-	7,299	7,615	-	7,615
Gift Aid	10,902	-	10,902	10,395	-	10,395
	293,365	-	293,365	309,857	-	309,857
Grants receivable for core activities						
Porticus	-	57,500	57,500	25,000	-	25,000
Golden Bottle Trust	-	-	-	5,000	-	5,000
Law Family Charitable Foundation	250,000	542,650	792,650	250,000	542,650	792,650
Oak Foundation	-	210,500	210,500	-	85,025	85,025
City Bridge	-	47,500	47,500	-	60,000	60,000
Huo Family Foundation	-	-	-	50,000	-	50,000
Other	350	-	350	-	-	-
	250,350	858,150	1,108,500	330,000	687,675	1,017,675

4 Charitable activities

	Supporting Charities	Supporting Charities
	2021	2020
	£	£
Fees for Services	63,136	30,850

5 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Interest receivable	59	214

6 Raising funds

	Unrestricted funds	**Restricted funds**	**Total**	Unrestricted funds
	2021	**2021**	**2021**	2020
	£	**£**	**£**	£
Fundraising				
Other fundraising costs	12,168	-	12,168	129
Staff costs	121,885	5,100	126,985	60,895
Support costs	23,618	-	23,618	24,370
Fundraising	157,671	5,100	162,771	85,394
	157,671	5,100	162,771	85,394

7 Charitable activities

	Supporting Charities £	External Affairs £	Research & Policy £	Total 2021 £	Total 2020 £
Staff costs	269,081	108,562	316,202	693,845	406,589
Consultancy	35,759	518	44,840	81,117	67,049
Economic associates	48,029	4,853	14,135	67,017	75,258
Other service delivery costs	141,377	5,035	99,323	245,735	86,899
	494,246	118,968	474,500	1,087,714	635,795
Share of support costs (see note 8)	38,068	13,969	43,355	95,392	102,919
Share of governance costs (see note 8)	15,195	6,130	17,856	39,181	36,119
	547,509	139,067	535,711	1,222,287	774,833
Analysis by fund					
Unrestricted funds	288,919	113,567	188,888	591,374	
Restricted funds	258,590	25,500	346,823	630,913	
	547,509	139,067	535,711	1,222,287	
For the year ended 31 December 2020					
Unrestricted funds	181,462	98,233	122,043		401,738
Restricted funds	130,444	15,617	227,034		373,095
	311,906	113,850	349,077		774,833

Other Service Delivery Costs includes Project Delivery Oak Grants to Cranfield Trust of £70,800 (2020: £6,250) and Pilotlight of £54,800 (2020: £19,625). Additionally, Research & Policy Other Service Delivery Costs includes new expenditure in Research Commissioning of £24,200 (2020: £0), and Research Polling & Focus Groups of £53,160 (2020: £0).

8 Support costs

	Support costs	**Governance costs**	**2021**	Support costs	Governance costs	2020
	£	**£**	**£**	£	£	£
Staff costs	-	-	-	8,956	-	8,956
Depreciation	5,107	-	5,107	2,700	-	2,700
Rent	27,803	-	27,803	50,160	-	50,160
Office supplies	13,631	-	13,631	13,078	-	13,078
Computer running costs	32,304	-	32,304	22,114	-	22,114
Travelling expenses	1,002	-	1,002	43	-	43
Insurance	2,762	-	2,762	741	-	741
Bank charges	88	-	88	81	-	81
Other staff costs	20,669	-	20,669	13,374	-	13,374
HR consultancy	8,474	-	8,474	-	-	-
Website development	-	-	-	10,000	-	10,000
Audit fees	-	5,820	5,820	-	4,680	4,680
Accountancy	-	4,618	4,618	-	947	947
Legal and professional	-	35,913	35,913	-	36,534	36,534
	111,840	46,351	158,191	121,247	42,161	163,408
Analysed between						
Fundraising	16,448	7,170	23,618	18,328	6,042	24,370
Charitable activities	95,392	39,181	134,573	102,919	36,119	139,038
	111,840	46,351	158,191	121,247	42,161	163,408

Governance costs include payments to the auditors of £5,820 (2020- £4,680) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or were paid expenses during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
	16	9

Employment costs	**2021**	2020
	£	£
Wages and salaries	702,962	408,413
Social security costs	71,467	41,168
Other pension costs	46,401	26,859
	820,830	476,440

The number of employees whose annual remuneration was £60,000 or more were:

	2021	2020
	Number	Number
£100,000 - £109,999	-	1
£120,000 - £129,999	1	-

The headcount, as well as the wages and salary expense, increased during the latter half of 2020 with the addition of a new Research and Policy team and two new Director roles.

11 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2021	2,919	20,045	22,964
Additions	-	4,502	4,502
At 31 December 2021	2,919	24,547	27,466
Depreciation and impairment			
At 1 January 2021	2,553	11,258	13,811
Depreciation charged in the year	322	4,784	5,106
At 31 December 2021	2,875	16,042	18,917
Carrying amount			
At 31 December 2021	44	8,505	8,549
At 31 December 2020	366	8,787	9,153

12 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	1,000	-
Prepayments and accrued income	59,872	18,695
	60,872	18,695

13 Creditors: amounts falling due within one year

	Notes	2021	2020
		£	£
Other taxation and social security		20,371	18,547
Deferred income	14	-	210,500
Trade creditors		16,468	7,534
Accruals		24,932	21,139
		61,771	257,720

14 Deferred income

	2021	2020
	£	£
Arising from Oak Foundation deferred income	-	210,500

14 Deferred income (Continued)

	2021	2020
	£	£
Deferred income is included within:		
Current liabilities	-	210,500
Movements in the year:		
Deferred income at 1 January 2021	210,500	-
(Released) from/charged to previous periods	(210,500)	210,500
Deferred income at 31 December 2021	-	210,500

15 Retirement benefit schemes

Defined contribution schemes

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

The charge to the SOFA in respect of defined contribution schemes was £46,401 (2020 - £26,859).

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£	£
The Oak Foundation	17,500	85,025	(70,445)	32,080	210,500	(220,244)	22,336
City Bridge	-	60,000	(60,000)	-	47,500	(43,333)	4,167
The Law Family Charitable Trust	-	542,650	(244,720)	297,930	542,650	(371,983)	468,597
Porticus	-	-	-	-	57,500	(453)	57,047
	17,500	687,675	(375,165)	330,010	858,150	(636,013)	552,147

The Oak Foundation delivers support to a portfolio of homelessness charities. The grant received was partially spent during the year with the remaining balance to be spent in 2022.

The City Bridge Trust project supports charities providing services in London. The grant received was largely spent within the year. Further funding was carried into 2022 as restricted reserves.

The Law Family Commission on Civil Society is a programme of ground-breaking research into how the potential of civil society can be unleashed. The grant received was intended to be spent during 2020 and the first six months of 2021. The remaining funds were carried into 2022 as restricted reserves.

17 Analysis of net assets between funds

	Unrestricted 2021	**Restricted 2021**	**Total 2021**	Unrestricted 2020	Restricted 2020	Total 2020
	£	**£**	**£**	£	£	£
Fund balances at 31 December 2021 are represented by:						
Tangible assets	8,549	-	8,549	9,153	-	9,153
Current assets/(liabilities)	457,560	552,147	1,009,707	580,266	330,010	910,276
	466,109	552,147	1,018,256	589,419	330,010	919,429

18 Operating lease commitments

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

	2021	**2020**
	£	**£**
Within one year	15,915	23,147

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel (defined as Chief Executive Officer, Operations and Finance Director, Director of Development, Director of Services, Research and Policy Director and External Affairs Director) is as follows.

	2021	**2020**
	£	**£**
Aggregate compensation	432,746	346,891

There were no other disclosable related party transactions during the year (2020 - none).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20	Cash generated from operations	2021	2020
		£	£
	Surplus for the year	98,827	538,369
	Adjustments for:		
	Investment income recognised in statement of financial activities	(59)	(214)
	Depreciation and impairment of tangible fixed assets	5,107	2,700
	Movements in working capital:		
	(Increase)/decrease in debtors	(42,178)	11,808
	Increase in creditors	14,551	22,472
	(Decrease)/increase in deferred income	(210,500)	210,500
	Cash (absorbed by)/generated from operations	(134,252)	785,635

21 Analysis of changes in net funds

The charity had no debt during the year.

PRO BONO ECONOMICS

England & Wales - Charity number 1130567

Accounts

Charity Registration No. 1130567

Company Registration No. 06849844 (England and Wales)

PRO BONO ECONOMICS

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

PRO BONO ECONOMICS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Lord Gus O'Donnell - Chair Matthew Brumsen David Gregson Andrew Haldane Edward Humpherson Clare Lombardelli Belinda Phipps Sir David Ramsden Damien Régent Jenny Scott
Charity number	1130567
Company number	06849844
Registered office	South Bank Technopark 90 London Road London SE1 6LN
Auditor	Alliotts LLP Friary Court 13-21 High Street Guildford Surrey GU1 3DL
Bankers	Barclays Bank PLC Leicester M60 4EP
Solicitors	Weil, Gotshal & Manges LLP 110 Fetter Lane London EC4A 1AY

PRO BONO ECONOMICS

CONTENTS

	Page
Chair and CEO's statement	1
Trustees' report	2 - 8
Statement of Trustees' responsibilities	9
Independent auditor's report	10 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 27

PRO BONO ECONOMICS

CHAIR AND CEO'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

2020 was a challenging year for the entire country, but it was one in which Pro Bono Economics undertook significant expansion. We doubled the size of our core team from 7 to 14, broadened our scope by complementing our direct working with charities with a 'bigger picture' take on the policy challenges facing the social sector, and strengthened our overall support for the UK's social sector.

Thanks to the generosity of our supporters and our volunteers, we engaged with more than 120 organisations in total – helping more charities in more ways than ever before. We were able to supplement our long-established advice, analysis and advocacy projects with a new 'fast-track' volunteer programme and tailored 'Unlocking Impact' workshops and surgery sessions. In taking this approach, we adapted to meet the shifting priorities of the sector in a turbulent time – delivering our services online, at pace, and in a way that best matches the differing levels of data maturity held by those we work with.

We added new Research & Policy and External Affairs functions, delivering numerous insights on conditions in the sector and hosting public debate around its purpose and role in the pandemic and beyond. We ended the year by launching the *Law Family Commission on Civil Society* – a major cross-sectoral two-year undertaking in which we will use the tools of economics to work across the public, private and social sectors to help unleash the potential of civil society.

Heading into 2021, demand for PBE's help has never been greater. We can expect a further year of significant wellbeing challenges across the country – driven by continued fallout from the pandemic in relation to health, economic and social outcomes. We're determined to do all we can to support the social sector to rise to the challenges it faces so that it can play as central role in the UK's recovery as it has in its crisis management.

A.o'Donnell

A.o'Donnell (Jul 9, 2021 08:35 GMT+1)

.....

Lord Gus O'Donnell

Chair

Dated: 09/07/2021

.....

Matt Whittaker

CEO

Dated: 08/07/2021

PRO BONO ECONOMICS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The objects of the charity are:

- To promote the efficiency and effectiveness of charities and the effective use of charitable resources for the benefit of the public, in particular by providing analytical economic assistance and advice to the charitable sector.
- To advance the education of the public in the United Kingdom of Great Britain and Northern Ireland in subjects relating to civil society, and for that purpose to:
    - conduct or commission research into civil society;
    - coordinate, deliver, organise and assist in the provision of courses of education, conferences, seminars, lectures and other educational events and activities related to civil society; and
    - support all forms of civil society organisations.

When setting the objectives and planning the work of the charity for the year, the Trustees confirm that they have completed their duty under section 17 of the Charities Act 2011 with regards to Charity Commission guidance on public benefit.

About Pro Bono Economics

Pro Bono Economics' (PBE's) vision is for a United Kingdom with high wellbeing for all. To support this, we use economics to empower the social sector and to increase wellbeing across the UK. We combine project work with individual charities and social enterprises with policy research that can drive systemic change.

How we work: Our services

For more than a decade, PBE has brought together economists and social sector organisations to execute clearly defined projects around economic analysis and related areas. The services PBE provides to small-to-mid-sized charities help them measure, understand and better articulate their impact, influence and inform policy and make best use of their data. Over the course of 2020 we have broadened our approach to cover three main forms of engagement.

Our 'traditional' project approach involves working with charities and other social sector organisations to publish detailed economic impact reports, drawing on the skills of volunteer and consultant economists from across the private, public and social sectors. We encourage applications from UK-based charities and social enterprises who have the capacity to engage over a period of months in the work required to deliver our assessments. We currently give priority to applications in the areas of education, employment, mental health and resilience and poverty, all with a view to supporting activities designed to improve individual wellbeing in the UK. Once we have confirmed eligibility we meet with the charity to understand their objectives, the aims of the project, and the information available to support the work. We then match them with skilled economists and support the ongoing work. We also provide a quality assurance function at the end of the project.

Throughout 2020 we have developed a second form of 'upstream' engagement, in the form of our new 'Unlocking Impact' workshops. These are half-day (for the moment, online) sessions where charities receive an expert-led introduction to the economic approach to measuring and valuing the impact of their work. Alongside other organisations at a similar stage in their data journey, charities learn about the most credible methods for measuring and valuing impact. Using real life examples, PBE helps attendees to understand the different models of valuing impact and to begin to think about how they can use evidence to inspire change. After the workshop, if charities decide they want more support, they can book in one-to-one consultations sessions with PBE economists. These bespoke sessions help charities build a framework for their data, identify potential evidence sources to use in an economic evaluation, and choose which outcomes they want to focus on.

Our final form of engagement, new to 2020, is our 'fast-track' service. It was introduced in April 2020 in direct response to the Covid-19 pandemic, providing social sector organisations of all sizes with the opportunity to request light touch data and economic support from PBE's extensive volunteer pool. This service line is set to be re-launched in 2021 as our 'Data First Aid' offering, providing a new means for charities, community groups and social enterprises with a presence in the UK to work with PBE's volunteer economists beyond the conclusion of the Covid-19 crisis.

How we work: Our research & policy

From June 2020, PBE added new Research & Policy and External Affairs functions as part of its commitment to complement its direct work with charities with a new 'bigger picture' focus on conditions in the social sector and in relation to personal wellbeing in the UK more generally.

In-house research and policy staff work closely with PBE's economists and with other organisations to identify and then plug key evidence gaps. We produce primary and secondary research, covering quantitative and qualitative analysis. Additionally, PBE hosts regular free public webinars featuring key thinkers on topics related to wellbeing, economics and the social sector.

In December 2020, PBE launched the *Law Family Commission on Civil Society* with the generous support of the Law Family Charitable Foundation. This is an ambitious two-year cross-sectoral exploration of how we can unleash the potential of civil society, to harness and enhance the powerful community bonds that exist in our nation.

Organisational changes during the year

We recruited several new members of staff in 2020, doubling the size of the core team. We boosted our capacity for directly supporting charities with the recruitment of a new project manager (Daniel George) in March 2020 and an in-house economist (Madison Kerr) in November 2020. We delivered on our ambition to engage in 'bigger picture' issues associated with wellbeing and the social sector with the recruitment of Anoushka Kenley as Research and Policy Director in June 2020 (along with three further research and policy team members) and Nicole Sykes as External Affairs Director in August 2020.

We developed and implemented new HR processes and structures to support the expanding team, and worked across the entire organisation to embed a new set of values designed to inform all of our work and interactions with others. PBE is rigorous (objective and evidence-led), determined (independent and impactful) and collaborative (transparent and accessible). PBE is a Living Wage employer.

In March 2020, due to the Covid-19 pandemic, PBE temporarily closed its office and staff switched to home working. The transition went smoothly, helped by PBE's cloud-based systems. The number of meetings held between team members was increased to monitor staff wellbeing and to encourage collaboration. The fundraising team was able to move events online, through a series of webinars, though the showpiece Annual Lecture was unfortunately cancelled due to social distancing restrictions. Communications with our charity partners also moved online, enabling projects to continue. The addition of the 'fast-track' covid volunteer service additionally enabled PBE to respond quickly to charities. During a period of growth for the organisation, PBE did not need to furlough any staff.

Achievements and performance

PBE helped more charities in more ways than ever before in 2020. We engaged directly with over 120 organisations – up more than a third on the 2019 number – and worked with 72 volunteers in the process. We completed 27 of our 'traditional' advice, analysis and advocacy projects. Additionally, 54 people attended one of our new 'Unlocking Impact' workshops. And, having launched our 'fast-track' volunteer programme in April, we matched a total of 24 volunteers to 13 charities over the remainder of the year.

Examples of the range of project work we completed in 2020 include: an analysis of the economic benefits of short breaks for families of children in palliative care for Together for Short Lives; a detailed feasibility study of taxpayer savings associated with the work carried out by the Belfast-based charity Housing Rights; an assessment of the annual ongoing costs to the wider public sector from young people on waiting lists for Child and Adolescent Mental Health Services for stem4; and a cost benefit analysis of The Clink Charity's programme of training restaurants and gardens in prisons.

Alongside working directly with these charities, we amplified the voices of hundreds more through the establishment of a regular (weekly at the start of the pandemic, and monthly thereafter) 'Covid Charity Tracker' online survey. The survey, undertaken in partnership with the Charity Finance Group and Chartered Institute of Fundraising, allowed PBE to shine a light on changes over the course of the pandemic in charity sector demand, employment and funding. The figures were regularly used by sector partners, politicians and media outlets, and we will continue to run the Tracker on a quarterly basis in 2021.

PBE published a number of wider research papers over the course of 2020, on topics including the gender pay gap, the potential impact of the Covid recession and recovery on charity fundraising, and the aggregate economic value of social sector activity. Our free online events provided a further forum for amplifying public debate around issues associated with wellbeing, economics and the social sector.

Supported by the Law Family Charitable Foundation, we also launched the major, two-year *Law Family Commission on Civil Society* in December 2020. A total of 16 commissioners drawn from the private, public and social sectors have been recruited to serve on a voluntary basis, charged with steering the project as it considers the overarching question of how to unleash the potential of civil society in the 2020s. The free online launch event featured both the Secretary of State for Digital, Culture, Media and Sport and the Shadow Minister for the Cabinet Office. PBE further marked the launch by publishing a collection of essays from leading thinkers from across all parts of the UK.

Financial review

We are grateful for the generous support of our funders, with the expansion of PBE's team and scope in 2020 only made possible by the arrival of significant new multi-year funding. Total income for the year stood at £1,398,596 (2019: £1,005,583), drawn from a combination of donations, grants, service fees and gift aid. Restricted income grew to £687,675 (2019: £119,740), with continued funding for specific projects for the Oak Foundation and City Bridge.

The most significant new restricted income came from the Law Family Charitable Foundation. Its award of £542,650 provided for the establishment and partial delivery of the *Law Family Commission on Civil Society* (with a further award due for payment in 2021 to cover the remainder of the project through to the end of 2022). Alongside this, the Law Family Charitable Foundation also renewed its multi-year funding of core PBE costs.

Given the uncertainties around charitable giving during Covid-19, PBE carried out an extensive reforecasting exercise in April 2020 and established a revised target income level for the year of £1.2 million (including the grants from the Law Family Charitable Foundation). This target was subsequently exceeded, largely due to new and continued support from individuals, grant making trusts and corporates. Events income decreased given a reduction in speaker fees and the postponement of our annual lecture, both as a result of Covid-19.

Income opportunities are generated by our in-house Development team, and we are fully compliant with the Fundraising Regulator. We do not use a professional fundraiser or commercial participator and have received no complaints from the public in relation to our fundraising. PBE is grateful for the continued support of several grant making trusts, including the Law Family Charitable Foundation, Oak Foundation, City Bridge Trust, Porticus, Golden Bottle Trust and the Huo Family Foundation, as well as corporate funders such as the Bank of America Charitable Foundation and FTI.

Expenditure in 2020 largely reflected the expansion of the organisation to cover the new Research & Policy and External Affairs teams and the development of our new 'fast-track' and 'Unlocking Impact' service lines. The Development team also expanded to allow a focus on a future fundraising strategy and to increase PBE's events capability. Despite expenditure increasing to £860,227 (2019: £775,886) however, it was nevertheless significantly below the April 2020 reforecast. This was largely due to delays in recruitment while expanding the team, a larger than anticipated share of *Law Family Commission on Civil Society* costs not being realised until 2021, and zero event expenditure.

The resulting surplus of £538,369 (2019: £229,696) was in part planned, so as to allow for the future growth in operating expenses required by a larger organisation. It also reflected a growth in restricted funds, with the *Law Family Commission on Civil Society* and Oak Programme carrying reserves into 2021. At 31 December 2020, unrestricted funds were £589,419 (2019: £363,560), and restricted funds were £330,010 (2019: £17,500).

In 2021, the salary costs associated with the rapid expansion in 2020 will be fully realised. Expenditure is therefore forecast to rise significantly, with a much more modest lift in income. A deficit is planned in our budget and is expected to bring reserves back within the six months upper limit set by the Board of Trustees (the Board). The Research & Policy and External Affairs teams will be embedded and there will be further investment into the core functions of the organisation, Services will grow to add additional capacity, and Operations will receive support. Finally, there will be additional investment into the Development team to further develop the income strategy for 2022 and 2023.

Reserves policy

The reserves policy is reviewed annually by the Finance, Audit and Risk Committee (FARC) and by the Board. Our current reserves reflect the future operating expenditure profile over the course of the financial plan. PBE's policy is to maintain free reserves that at any time cover its unrestricted operating expenses for at least three months, with an upper limit of six months. 'Free reserves' are defined as unrestricted funds minus any fixed and intangible assets. At the end of 2020 this totalled £580,266.

The rise in staff numbers in 2020, with further recruitment planned in 2021, has resulted in projected unrestricted annual operating expenditure of approximately £1 million. The reserves policy therefore requires the charity to hold somewhere between £250,000 and £500,000 in free reserves. PBE had planned a surplus budget in 2020 to grow the year-end reserves position and help cover higher unrestricted operating costs in future years. However, lower expenditure resulted in a higher surplus than forecast, and PBE held approximately eight months of free reserves at year-end. An unrestricted deficit is therefore planned in 2021 to bring the reserves back within three to six months of unrestricted operating expenditure.

The charity maintained restricted reserves of £330,010 at year-end, to be expended in 2021 on the *Law Family Commission on Civil Society* and the Oak Programme. The charity maintained no designated funds.

The Board carries out regular reviews of the charity's financial performance and reserves position. It considers that the charity has adequate financial reserves to continue to deliver its plans. It has a reasonable expectation that it will have adequate resources to continue to operate for the foreseeable future. The Trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue its operations. The accounts have therefore been prepared on the basis that the charity is a going concern.

Risk management

The Trustees are responsible for ensuring that the charity has an appropriate system of risk management and controls. They are also responsible for safeguarding the assets of the charity, and for taking reasonable steps to prevent fraud and other irregularities. Our Finance, Audit and Risk Committee (FARC) works closely with the executive to identify, manage and mitigate appropriate risks through a risk register, and to report progress to Board meetings. The Trustees have a programme of controls to manage financial risks through management account reporting and consideration of liquidity, cash flows and going concern status.

The risk register was reviewed in 2020 by the FARC and the Board, with particular consideration given to the risks associated with Covid-19. The most significant risks related to loss of income, loss or absence of key staff and problems with the organisational structure and staff turnover related to the rapid expansion of the organisation. Mitigants included a focus on the establishment of new funding opportunities, the development of a new organisational vision, mission and values and an emphasis on clear internal communication and HR processes.

More generally, Covid-19 affected PBE's operations in multiple ways. Staff members moved to work exclusively from home ahead of the introduction of a mandatory national lockdown, and the majority of team members remained away from the office for the remainder of the year. This caused minimal disruption, with most of our services already delivered on a remote basis. The crisis also had the potential to impact on demand for PBE's help. Many charities were placed under considerable immediate resource pressure, potentially affecting their capacity for focusing on impact assessment. In practice however, demand remained high – with many organisations recognising that the new circumstances made understanding their impact even more important. The fundraising backdrop also tightened as a result of Covid, with some conversations put on hold while funders prioritised more immediate causes. However, the flexible support provided by PBE to the social sector opened up access to some funds earmarked for the emergency response.

Future plans

Following a year of expansion in 2020, the expectation is that PBE will grow at a more modest pace in 2021 and beyond. Some additional recruitment is planned, primarily to help support what is now a larger organisation. We expect to add to our administrative and fundraising capacity, alongside bringing in further economic capacity. We intend to move back to an office-based environment at some point in 2021, though we are likely to support greater working from home. Notwithstanding this hybrid work model, our expanded team means that we are likely to require additional office space.

Organisationally, PBE has three broad priorities for 2021:

- To scale up our impact advice and analysis activity. We intend to deliver a larger number of 'Unlocking Impact' workshops, 'fast-track' volunteering opportunities (to be rebranded 'Data First Aid'), and economic evaluations. We particularly want to develop our expertise in wellbeing impact assessment;
- To use our new Research & Policy function to further grow the evidence base associated with wellbeing and the economics of the social sector. We will continue to publish relevant research designed to deepen public knowledge, alongside developing our programme of free public events. We will also continue to run our regular Covid Charity Tracker, building on the unique time series of data we established in 2020; and
- To build momentum around the *Law Family Commission on Civil Society*. This will include the publication of several research reports on a range of issues relating to the medium-term future of civil society and the part it can play in building a better Britain. It will also comprise a number of free public events, policy roundtables and broader policy engagement – including a 'call for evidence' designed to draw in insight and perspectives from across the whole of UK civil society.

Structure, governance and management

Constitution

PBE is a registered charity and a company limited by guarantee and is governed by its memorandum and articles of association. The company was incorporated on 17 March 2009 and registered as a charity on 15 July 2009.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Lord Gus O'Donnell - Chair
Matthew Brumsen
David Gregson
Andrew Haldane
Edward Humpherson
Clare Lombardelli
Belinda Phipps
Sir David Ramsden
Damien Régent
Jenny Scott

PBE is governed by a Board of Trustees which meets up to four times a year. Trustees are appointed by Board resolution. In selecting new Trustees, the Board utilises a Nominations Committee to consider the skills, knowledge and experience needed for the effective running of the charity. Since 2017, Trustees are initially appointed for a term of three years and may be reappointed at the annual retirement meeting for up to two further terms. No new Trustees were recruited in 2020, however the Nominations Committee met regularly to review potential skills and experience gaps in the existing Board composition. Following the identification of such gaps, a Trustee recruitment process was started and remains ongoing in 2021.

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Board is responsible for the strategic direction of PBE and for appointing the Chief Executive. Charity staff are accountable to the Trustees through the Chief Executive and carry out the day-to-day operations of the charity in accordance with the policies and procedures approved by the Board.

The Board has four sub-committees:

- The Finance, Audit and Risk Committee (FARC) has two Trustee members (Damien Régent, Chair, and Ed Humpherson) and is an advisory committee of the Board. Its main duty is to help the Board ensure that all matters related to the statutory audit and the risk register are dealt with appropriately and to review the financial performance of the charity. FARC leads the work of the Board on the statutory audit, periodically reviews risk management processes including the risk register, and helps ensure that the charity complies with all aspects of the law, relevant legislation and good practice.
- The Remuneration Committee (RemCom) has two Trustee members (Belinda Phipps and Jenny Scott) and is an advisory committee of the Board, advising the Board on all matters related to staff compensation. The executive undertook a salary benchmarking exercise in 2020, with a payroll specialist, to ensure staff were being fairly compensated. RemCom reviewed the proposal and recommended approval by the Board.
- The Fundraising Committee has four Trustee members (Matthew Brumsen, Damien Régent, Belinda Phipps and David Gregson). The committee was set up as an advisory panel to consider PBE's fundraising strategy as PBE seeks to diversify its income base.
- The Nominations Committee (NomCom) has four Trustee members (Lord Gus O'Donnell, Chair, Belinda Phipps, Jenny Scott and Ed Humpherson). The committee considers the diversity of skills and experience represented within the Board and manages subsequent Trustee recruitment.

In 2020 Trustees updated, reviewed and approved the charity's risk register, delegation of authority, investment, accounting and safeguarding policies.

Prior to their appointment, new Trustees go through an induction process, and are provided with a copy of the Memorandum and Articles of Association, the Trustees' Annual Report and Financial Statements, together with other relevant information, and are invited to spend time with the charity executive.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Indemnity insurance is held for the Trustees.

The Trustees' report was approved by the Board of Trustees.

A.o'Donnell

A.o'Donnell (Jul 9, 2021 08:35 GMT+1)

.....

Lord Gus O'Donnell - Chair

Chair of Trustees

Dated: ...09/07/2021

PRO BONO ECONOMICS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRO BONO ECONOMICS

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF PRO BONO ECONOMICS

Opinion

We have audited the financial statements of Pro Bono Economics (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF PRO BONO ECONOMICS

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, the Charities SORP 2019, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of Trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF PRO BONO ECONOMICS

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

Use of our report

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



09/07/2021

Alliotts LLP

Chartered Accountants
Statutory Auditor

Friary Court
13-21 High Street
Guildford
Surrey
GU1 3DL

Alliotts LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

PRO BONO ECONOMICS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:							
Donations and legacies	**3**	679,857	687,675	1,367,532	848,042	119,740	967,782
Charitable activities	**4**	30,850	-	30,850	37,070	-	37,070
Investments	**5**	214	-	214	731	-	731
Total income		710,921	687,675	1,398,596	885,843	119,740	1,005,583
Expenditure on:							
Raising funds	**6**	85,394	-	85,394	106,992	2,404	109,396
Charitable activities	**7**	401,738	373,095	774,833	566,654	99,836	666,490
Total resources expended		487,132	373,095	860,227	673,646	102,240	775,886
Net incoming resources before transfers		223,789	314,580	538,369	212,197	17,500	229,697
Gross transfers between funds		2,070	(2,070)	-	-	-	-
Net income for the year/ Net movement in funds		225,859	312,510	538,369	212,197	17,500	229,697
Fund balances at 1 January 2020		363,560	17,500	381,060	151,363	-	151,363
Fund balances at 31 December 2020		589,419	330,010	919,429	363,560	17,500	381,060

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PRO BONO ECONOMICS

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**11**		9,153		3,434
Current assets					
Debtors	**12**	18,695		30,503	
Cash at bank and in hand		1,149,301		371,871	
		1,167,996		402,374	
Creditors: amounts falling due within one year	**13**	(257,720)		(24,748)	
Net current assets			910,276		377,626
Total assets less current liabilities			919,429		381,060
Income funds					
Restricted funds	**16**		330,010		17,500
Unrestricted funds			589,419		363,560
			919,429		381,060

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Companies Act 2006 and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

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

The financial statements were approved by the Trustees on 09/07/2021

A.o'Donnell

A.o'Donnell (Jul 9, 2021 08:35 GMT+1)

Lord Gus O'Donnell - Chair

Trustee

Company Registration No. 06849844

PRO BONO ECONOMICS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Cash flows from operating activities					
Cash generated from operations	**20**		785,635		93,347
Investing activities					
Purchase of tangible fixed assets		(8,419)		(1,980)	
Investment income received		214		731	
Net cash used in investing activities			(8,205)		(1,249)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			777,430		92,098
Cash and cash equivalents at beginning of year			371,871		279,773
Cash and cash equivalents at end of year			1,149,301		371,871

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Pro Bono Economics is a private company limited by guarantee incorporated in England and Wales. The registered office is South Bank Technopark, 90 London Road, London, SE1 6LN.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe.

The Trustees will continue to monitor the impact of the Coronavirus on the activities of the charity and its cashflow. The Trustees are confident the charity has the resources to meet its liabilities as they fall due for at least 12 months from date of signing the accounts. Hence, they consider the charity to be a going concern.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

Expenditure is recognised on the accruals basis. Liabilities are recognised as soon as there is a legal constructive obligation to pay.

1 Accounting policies **(Continued)**

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years
Computers	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Items are capitalised where the net expenditure value is greater than £500 and the expense is capital by nature.

1.7 Impairment of fixed assets

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees 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 reviewed 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.

3 Donations and legacies

	Unrestricted funds	**Restricted funds**	**Total**	Unrestricted funds	Restricted funds	Total
	2020	**2020**	**2020**	2019	2019	2019
	£	**£**	**£**	£	£	£
Donations and gifts	309,857	-	309,857	431,294	-	431,294
Grants	330,000	687,675	1,017,675	386,000	119,740	505,740
Donated goods and services	40,000	-	40,000	30,748	-	30,748
	679,857	687,675	1,367,532	848,042	119,740	967,782
Donations and gifts						
Major gifts	285,256	-	285,256	272,281	-	272,281
General donations	6,591	-	6,591	16,856	-	16,856
Events income	7,615	-	7,615	104,678	-	104,678
Gift Aid	10,395	-	10,395	37,479	-	37,479
	309,857	-	309,857	431,294	-	431,294
Grants receivable for core activities						
Porticus	25,000	-	25,000	100,000	-	100,000
Power to Change	-	-	-	20,000	-	20,000
Golden Bottle Trust	5,000	-	5,000	1,000	-	1,000
Law Family Charitable Foundation	250,000	542,650	792,650	250,000	-	250,000
Oak Foundation	-	85,025	85,025	-	79,740	79,740
City Bridge	-	60,000	60,000	-	40,000	40,000
Garfield Weston	-	-	-	15,000	-	15,000
Huo Family Foundation	50,000	-	50,000	-	-	-
	330,000	687,675	1,017,675	386,000	119,740	505,740

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2020	**2019**
	£	**£**
Fees for Services	30,850	37,070

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Interest receivable	214	731

6 Raising funds

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2020	2019	2019	2019
	£	£	£	£
Fundraising				
Staging fundraising events	-	9,497	-	9,497
Other fundraising costs	129	833	2,404	3,237
Staff costs	60,895	66,737	-	66,737
Support costs	24,370	29,925	-	29,925
Fundraising	85,394	106,992	2,404	109,396
	85,394	106,992	2,404	109,396

7 Charitable activities

	Supporting Charities	External Affairs	Research & Policy	Total 2020	Total 2019
	£	£	£	£	£
Staff costs	132,235	52,267	222,087	406,589	320,131
Consultancy	20,043	37,096	9,910	67,049	73,881
Economic associates	75,258	-	-	75,258	54,727
Other	34,074	3,253	49,572	86,899	36,489
	261,610	92,616	281,569	635,795	485,228
Share of support costs (see note 8)	37,178	16,049	49,692	102,919	149,481
Share of governance costs (see note 8)	13,118	5,185	17,816	36,119	31,781
	311,906	113,850	349,077	774,833	666,490
Analysis by fund					
Unrestricted funds	181,462	98,233	122,043	401,738	
Restricted funds	130,444	15,617	227,034	373,095	
	311,906	113,850	349,077	774,833	
For the year ended 31 December 2019					
Unrestricted funds	391,160	175,494	-		566,654
Restricted funds	89,336	10,500	-		99,836
	480,496	185,994	-		666,490

8 Support costs

	Support costs	**Governance costs**	**2020**	Support costs	Governance costs	2019
	£	**£**	**£**	£	£	£
Staff costs	8,956	-	8,956	39,440	-	39,440
Depreciation	2,700	-	2,700	3,994	-	3,994
Rent	50,160	-	50,160	45,878	-	45,878
Office supplies	13,078	-	13,078	13,672	-	13,672
Computer running costs	22,114	-	22,114	20,116	-	20,116
Subscriptions	-	-	-	2,979	-	2,979
Travelling expenses	43	-	43	1,740	-	1,740
Insurance	741	-	741	535	-	535
Bank charges	81	-	81	118	-	118
Other staff costs	13,374	-	13,374	45,687	-	45,687
Website development	10,000	-	10,000	-	-	-
Audit fees	-	4,680	4,680	-	3,360	3,360
Accountancy	-	947	947	-	2,920	2,920
Legal and professional	-	36,534	36,534	-	30,748	30,748
	121,247	42,161	163,408	174,159	37,028	211,187
Analysed between						
Fundraising	18,328	6,042	24,370	29,332	643	29,975
Charitable activities	102,919	36,119	139,038	149,481	31,781	181,262
	121,247	42,161	163,408	178,813	32,424	211,237

Governance costs includes payments to the auditors of £4,680 (2019- £3,360) for audit fees.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or were paid expenses during the year.

A Trustee who resigned in 2019 was awarded a small leaving gift for the value of £50 in 2019, complying with Charity Commission guidance, there were no such amounts in 2020.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	9	9

Employment costs	2020 £	2019 £
Wages and salaries	408,413	361,899
Social security costs	41,168	39,488
Other pension costs	26,859	24,921
	476,440	426,308

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£60,000 - £69,999	-	1
£100,000 - £109,999	1	-

The headcount, as well as the wages and salary expense, increased during the latter half of 2020 with the addition of a new Research and Policy team and two new Director roles.

A new CEO was recruited in November 2019, with the previous CEO working part time for a significant part of 2019 before stepping down.

11 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2020	2,919	11,626	14,545
Additions	-	8,419	8,419
At 31 December 2020	2,919	20,045	22,964
Depreciation and impairment			
At 1 January 2020	2,151	8,960	11,111
Depreciation charged in the year	402	2,298	2,700
At 31 December 2020	2,553	11,258	13,811
Carrying amount			
At 31 December 2020	366	8,787	9,153
At 31 December 2019	768	2,666	3,434

12 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Prepayments and accrued income	18,695	30,503

13 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Other taxation and social security		18,547	9,222
Deferred income	14	210,500	-
Trade creditors		7,534	3,558
Accruals		21,139	11,968
		257,720	24,748

14 Deferred income

	2020	2019
	£	£
Arising from Oak Foundation deferred income	210,500	-

15 Retirement benefit schemes

Defined contribution schemes

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

The charge to profit or loss in respect of defined contribution schemes was £26,859 (2019 - £24,921).

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds		
	Incoming resources	Resources expended	1 January 2020	Incoming resources	Resources expended	31 December 2020
	£	£	£	£	£	£
The Oak Foundation	79,740	(62,240)	17,500	85,025	(70,445)	32,080
City Bridge	40,000	(40,000)	-	60,000	(60,000)	-
The Law Family Charitable Trust	-	-	-	542,650	(244,720)	297,930
	119,740	(102,240)	17,500	687,675	(375,165)	330,010

The Oak Foundation is a fund to deliver support to a portfolio of homelessness charities. The grant received was partially spent during the year with the remaining balance to be spent during 2021.

The City Bridge Trust is a fund to support charities providing services in London. The grant received was spent during the year.

The Law Family Charitable Foundation is a fund to run the Commission on Civil Society. The grant received was intended to be spent during 2020 and the first six months' of 2021. The remaining funds were carried into 2021 as restricted reserves.

17 Analysis of net assets between funds

	Unrestricted 2020	Restricted 2020	Total 2020	Unrestricted 2019	Restricted 2019	Total 2019
	£	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:						
Tangible assets	9,153	-	9,153	3,434	-	3,434
Current assets/ (liabilities)	580,266	330,010	910,276	360,126	17,500	377,626
	589,419	330,010	919,429	363,560	17,500	381,060

18 Operating lease commitments

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

	2020	2019
	£	£
Within one year	23,147	5,761

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel (defined as Chief Executive Officer, Operations and Finance Director, Director of Development, Director of Services, Research and Policy Director and External Affairs Director) is as follows.

	2020	2019
	£	£
Aggregate compensation	346,891	313,828

The number of key management personnel increased in 2020 from the previous year as the Research and Policy Director and External Affairs Director were recruited part way through the year whilst the Director of Public Affairs left at the end of 2019.

There were no other disclosable related party transactions during the year (2019 - none).

20 Cash generated from operations	2020	2019
	£	£
Surplus for the year	538,369	229,697
Adjustments for:		
Investment income recognised in statement of financial activities	(214)	(731)
Depreciation and impairment of tangible fixed assets	2,700	3,994
Movements in working capital:		
Decrease in debtors	11,808	5,542
Increase/(decrease) in creditors	22,472	(30,415)
Increase/(decrease) in deferred income	210,500	(114,740)
Cash generated from operations	785,635	93,347

21 Analysis of changes in net funds

The charity had no debt during the year.