

Registered number: 07783813
Charity number: 1146741

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
(A Company Limited by Guarantee)

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
(A Company Limited by Guarantee)

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INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Trustees	Prof B Rossi Prof M Chauvet Prof T Magnac Prof B Hansen Prof H Anderson Dr S Holly S Goncalves (appointed 1 January 2022) J Wright (appointed 1 January 2022)
Company registered number	07783813
Charity registered number	1146741
Registered office	Faculty of Economics University of Cambridge Cambridge Cambridgeshire CB3 9DD
Company secretary	Prof M Chauvet
Independent Examiner	Michael Hewett FCA DChA Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
Bankers	HSBC Bank plc Cambridge CB2 3BZ

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of International Association for Applied Econometrics (IAAE) for the year ended 30 September 2021. The Trustees confirm that the Annual Report and financial statements of the Charity comply with the current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition of the Charities SORP (FRS102) October 2019, effective 1 January 2019).

Since the company qualifies as small under section 383, the strategic report required of large and medium companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

OBJECTIVES AND ACTIVITIES

a. Policies and objectives

The principal object of the charity is to advance the education of the public in the subject of econometrics and its applications to a variety of fields in economics, in particular, but not exclusively, by advancing and supporting research in that field and disseminating the results of such useful research to the public.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit.

b. Activities for Achieving Objectives

In order to fulfil the charity's objectives the Trustees have the power to undertake the following activities:

- Hold, promote or support conferences, seminars, meetings, symposia and lectures, both in the UK and worldwide;
- Arrange for the publication and dissemination of the records and reports of the proceedings of the charity, or associated activities, in the form of books, journals, pamphlets and bulletins or any other form of record which would promote the objects of the charity;
- To encourage the study and understanding of the subject of econometrics by the provision of grants or scholarships or other financial assistance to any charitable organisation or persons undertaking such studies, both in the UK and worldwide;
- To provide advice or information.

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

ACHIEVEMENTS AND PERFORMANCE

a. Review of Activities

The IAAE runs a very successful annual conference that receives submissions of over 1100 papers, and a total of around 600 papers are accepted for presentation. It is becoming one of the largest conferences in the Economics profession.

The IAAE strongly supports junior economists, including PhD students and assistant professors. The IAAE has annual prizes for the best paper presented by graduate students at the IAAE conference. We also provide travel assistantship/grant to both graduate students and teaching assistants to attend the IAAE conference.

IAAE also supports dissemination of applied econometric research by supporting conferences and workshops around the world. We also support an IAAE annual lecturer who presents at the IAAE conference. The 7th annual conference that was held online, from 22 to 25 June 2021, local organized by the University of Rotterdam, The Netherlands. The IAAE lecture was delivered by Francis X. Diebold, who is the Paul F. Miller, Jr. and E. Warren Shafer Miller Professor of Social Sciences Professor of Economics, Finance and Statistics at the University of Pennsylvania.

The 8th annual conference is planned for 21 to 24 June 2022, in London, U.K, local organized by King's College London.

FINANCIAL REVIEW

a. Summary of year

During the year the charity received donations of £30,000 (2020: £30,199), conference income of £nil (2020: £nil) and membership fees of £11,339 (2020: £5,470). Expenditure on charitable activities comprised of grants payable to institutions and individuals of £365 (2020: £8,063) (after deducting grants returned from previous years), conference expenditure of £nil (2020: £6,615) and various other support and governance costs. Total expenditure for the year was £15,249 (2020: £23,591). Net income for the year of £26,105 (2020: £12,315) has been added to the brought forward unrestricted funds of £285,194 bringing the total unrestricted funds and free reserves carried forward to £311,299.

b. Reserves policy

The IAAE Trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately six months of unrestricted charitable expenditure, which amounts to around £15,000 - £20,000. The Trustees consider that this level will provide sufficient funds to finance the main IAAE activities such as the Annual IAAE Conference, applications for grants, and to ensure that support and governance costs are covered. IAAE is expected to receive donations from Wiley over the next two years. The free reserves are currently in excess of this figure and these excess reserves are to be dedicated to workshops and conferences organised by IAAE.

c. Principal funding

The charity's main source of income is an annual donation from John Wiley & Sons Ltd (publishers of the Journal of Applied Econometrics).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 22 September 2011.

The principal object of the charity is to advance the education of the public in the subject of econometrics and its applications to a variety of fields in economics, in particular, but not exclusively, by advancing and supporting research in that field and disseminating the results of such useful research to the public.

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The following Trustees were in office during the period:

Prof M Chauvet
Prof M Pesaran (resigned 1 June 2021)
Prof B Rossi
Prof T Magnac
Prof E Vytlačil (resigned 30 June 2021)
Prof B Hansen
Prof H Anderson
Dr S Holly

c. Organisational Structure and Decision Making

The day to day running of the charity is overseen by the Trustees, who are supported by an administrative assistant.

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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.

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

Sean Holly

.....
Dr S Holly

Trustee

Date: 31 March 2023

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
(A Company Limited by Guarantee)

INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

Independent Examiner's Report to the Trustees of International Association for Applied Econometrics ('the Charity')

I report to the charity Trustees on my examination of the accounts of the Charity for the year ended 30 September 2021.

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. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Responsibilities and Basis of Report

As the Trustees of the Charity (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

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

Independent Examiner's Statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Charity as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signed: 

Dated: 31 March 2023

Michael Hewett

FCA DChA

PETERS ELWORTHY & MOORE

Salisbury Housse, Station Road, Cambridge, CB1 2LA

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
INCOME FROM:				
Donations and Membership fees	2	41,339	41,339	35,669
Investments	3	15	15	237
TOTAL INCOME		41,354	41,354	35,906
EXPENDITURE ON:				
Charitable activities	4	15,249	15,249	23,591
TOTAL EXPENDITURE		15,249	15,249	23,591
NET MOVEMENT IN FUNDS		26,105	26,105	12,315
RECONCILIATION OF FUNDS:				
Total funds brought forward		285,194	285,194	272,879
Net movement in funds		26,105	26,105	12,315
TOTAL FUNDS CARRIED FORWARD		311,299	311,299	285,194

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

The notes on pages 9 to 15 form part of these financial statements.

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07783813

BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
CURRENT ASSETS			
Cash at bank and in hand		319,150	295,366
		<u>319,150</u>	<u>295,366</u>
Creditors: amounts falling due within one year	8	(7,851)	(10,172)
		<u>311,299</u>	<u>285,194</u>
NET CURRENT ASSETS		<u>311,299</u>	<u>285,194</u>
TOTAL NET ASSETS		<u><u>311,299</u></u>	<u><u>285,194</u></u>
CHARITY FUNDS			
Unrestricted funds		311,299	285,194
TOTAL FUNDS		<u><u>311,299</u></u>	<u><u>285,194</u></u>

The Charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

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

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

Sean Holly
.....
Dr S Holly
Trustee

Date: 31 March 2023

The notes on pages 9 to 15 form part of these financial statements.

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

There were no significant estimates or judgements made by management in preparing these financial statements.

1.2 GOING CONCERN

The Trustees have reviewed the financial position of the charity, including the potential impact of COVID-19 and have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements continue to be prepared on the going concern basis.

1.3 COMPANY STATUS

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

1.4 FUND ACCOUNTING

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

1.5 INCOME

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Income from funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Membership fee income is recognised in the period in which it is received.

Donations are recognised in the period in which they are received.

Conference income is recognised in the period in which the conference took place.

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.6 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Support costs including governance costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

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

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

All expenditure is inclusive of irrecoverable VAT.

1.7 FOREIGN CURRENCIES

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

Transactions in foreign currencies are translated into sterling at the average rate for the year or at the rate of exchange ruling on the date of the transaction.

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

1.8 DEBTORS

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

1.9 CASH AT BANK AND IN HAND

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

1.10 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. ACCOUNTING POLICIES (CONTINUED)

1.11 FINANCIAL INSTRUMENTS

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

2. INCOME FROM DONATIONS AND MEMBERSHIP FEES

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	30,000	30,000	30,199
Membership fees	11,339	11,339	5,470
	<u>41,339</u>	<u>41,339</u>	<u>35,669</u>

In 2020 all income was unrestricted.

3. INVESTMENT INCOME

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest received	15	15	237

In 2020 all income was unrestricted.

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

4. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2021 £	Grant funding of activities (See Note 6) 2021 £	Support costs 2021 £	Total funds 2021 £	Total funds 2020 £
Expenditure on charitable activities	737	365	14,147	15,249	23,591
	<u>737</u>	<u>365</u>	<u>14,147</u>	<u>15,249</u>	<u>23,591</u>
TOTAL 2020	<u>6,615</u>	<u>8,063</u>	<u>8,913</u>	<u>23,591</u>	

In 2020 all expenditure was unrestricted.

Analysis of direct costs

	Total funds 2021 £	Total funds 2020 £
Conference expenditure	-	4,378
Prizes and awards	737	-
Trustee travel and accommodation	-	2,237
	<u>737</u>	<u>6,615</u>

Conference expenditure for 2020 included late costs relating to the 2019 conference.

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

4. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
Bank and card charges	581	479
Website costs	2,372	1,167
Administration support costs	7,649	2,673
Foreign exchange loss/(gain)	1,325	2,674
Independent examination fee (governance cost)	2,220	1,920
	14,147	8,913

5. ANALYSIS OF GRANTS

	Grants to Institutions 2021 £	Total funds 2021 £	Total funds 2020 £
Expenditure on charitable activities	365	365	8,063
TOTAL 2020	8,063	8,063	

In 2020 and 2021 all expenditure was unrestricted.

All of the grant funding activities related to grants to institutions as detailed on the following page.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

The Charity has made the following grants (less write backs) to institutions during the year:

	2021	2020
	£	£
Name of Institution		
International Institute of Forecasters	365	813
IAAE Annual Conference (26-29 June 2018), University of Montreal	-	5,484
30th Meeting of the Australia and New Zealand Econometric Study Group, Monash University, Australia	-	389
14th Conference Real-Time Data analysis Methods and Application, Belgian National Bank, Brussels, Belgium	-	1,166
36th Canadian Econometrics Study Group Conference CESG, UQAM Montreal	-	1,166
29th annual meeting of the Midwest Econometrics Group, Ohio State University, USA	-	778
EC2 Conference "Identification in Macroeconomics" Uni of Oxford	-	1,166
2020 SNDE Society for Nonlinear Dynamics and Econometrics (Uni Zagreb, Croatia)	-	778
2020 International Symposium on Forecasting (Pontifical Catholic University, Brazil) July 2020	-	389
EC2 Conference University of Edinburgh 2018	-	(1,627)
Canadian Econometric Study Group (19-21 October 2018)	-	(813)
University of Carleton	-	(813)
	365	8,876

6. INDEPENDENT EXAMINER'S REMUNERATION

The independent examiner's remuneration amounts to an independent examiner fee of £1,300 (2020 - £1,248), and accountancy fees of £620 (2020 - £330).

7. TRUSTEES' REMUNERATION AND EXPENSES

The charity considers its key management personnel to be the Trustees.

In the prior year an honorarium payment of £500 was paid to Dr S Holly in recognition of his work as Treasurer for the charity. The remaining Trustees all give their time and expertise without any form of remuneration or other benefit in kind (2020 - £Nil).

During the year ended 30 September 2021, IT, travel, accommodation and subsistence expenses totalling £959 were reimbursed or paid directly to a third party on behalf of 1 Trustee (2020 - £2,237 to 1 Trustee).

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	5,931	8,552
Accruals and deferred income	1,920	1,620
	<u>7,851</u>	<u>10,172</u>

9. RELATED PARTY TRANSACTIONS

During the year there were no related party transactions (2020 - £Nil) other than those disclosed in the Trustees' Remuneration and Expenses note.