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

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 2022

Trustees	Prof H M Anderson Prof M Chauvet Ms S Goncalves (appointed 1 January 2022) Prof B Hansen Prof S Holly Prof T Magnac Prof B Rossi 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
Accountants	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
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TRUSTEES' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

The Trustees present their annual report together with the financial statements of the Charity for the year 1 October 2021 to 30 September 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

OBJECTIVES AND ACTIVITIES

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, including the guidance 'Public benefit: running a charity (PB2)'.

b. Activities undertaken to achieve 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.

ACHIEVEMENTS AND PERFORMANCE

a. Review of Activities

The IAAE runs a very successful annual conference that receives submissions of over 1,100 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 8th

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

annual conference was held at King's Business School in London between 21 and 24 June 2022. The IAAE lecture was delivered by Joshua Angrist, who is the Ford Professor of Economics at the Massachusetts Institute of Technology.

The 9th annual conference is planned for 27 to 30 June 2023, and will take place at BI Norwegian Business School, Oslo, Norway.

FINANCIAL REVIEW

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Summary of year

During the year the charity received donations of £30,000 (2021: £30,000), membership fees of £21,353 (2021: £11,339) and investment income of £65 (2021: £15). Expenditure on charitable activities comprised grants payable to institutions and individuals of £nil (2021: £365) and various other support and governance costs. Total expenditure (excluding the movement in foreign exchange) for the year was £8,008 (2021: £13,924). Net income for the year of £56,795 (2021: £26,105) has been added to the brought forward unrestricted funds of £311,299, bringing the total unrestricted funds and free reserves carried forward to £368,094.

c. 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.

d. 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).

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

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
Ms S Goncalves (appointed 01/01/2022)
Prof B Rossi
Prof T Magnac
Prof B Hansen
Prof H Anderson
Dr S Holly
J Wright (appointed 01/01/2022)

c. Organisational structure and decision-making policies

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

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 year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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

Sean Holly

Prof S Holly
Trustee

30 June 2023
Date:

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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INDEPENDENT EXAMINER'S REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 2022.

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.

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.

Signed:

Michael Hewett

Dated:

04 July 2023

Michael Hewett

FCA DChA

Peters Elworthy & Moore
Salisbury House, 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 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:				
Donations and membership fees	3	51,353	51,353	41,339
Investments	4	65	65	15
TOTAL INCOME		51,418	51,418	41,354
EXPENDITURE ON:				
Charitable activities	5	(3,457)	(3,457)	15,249
TOTAL EXPENDITURE		(3,457)	(3,457)	15,249
NET MOVEMENT IN FUNDS		54,875	54,875	26,105
RECONCILIATION OF FUNDS:				
Total funds brought forward		311,299	311,299	285,194
Net movement in funds		54,875	54,875	26,105
TOTAL FUNDS CARRIED FORWARD		366,174	366,174	311,299

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

The notes on pages 9 to 14 form part of these financial statements.

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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REGISTERED NUMBER: 07783813

BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
CURRENT ASSETS			
Cash at bank and in hand		378,896	319,150
		<u>378,896</u>	<u>319,150</u>
Creditors: amounts falling due within one year	9	<u>(12,722)</u>	<u>(7,851)</u>
NET CURRENT ASSETS		366,174	311,299
TOTAL NET ASSETS		<u>366,174</u>	<u>311,299</u>
CHARITY FUNDS			
Unrestricted funds		<u>366,174</u>	311,299
TOTAL FUNDS		<u>366,174</u>	<u>311,299</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

Prof S Holly
Trustee

Date: 30 June 2023

The notes on pages 9 to 14 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 2022

1. GENERAL INFORMATION

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. The registered office is Faculty of Economics, University of Cambridge, Cambridge, Cambridgeshire, CB3 9DD.

The financial statements are presented in GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

2.2 GOING CONCERN

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

2.3 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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.

2.5 INTEREST RECEIVABLE

Interest on 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 institution with whom the funds are deposited.

2.6 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 FOREIGN CURRENCIES

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

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

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

2.8 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.

2.9 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.

2.10 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

3. INCOME FROM DONATIONS AND MEMBERSHIP FEES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	30,000	30,000	30,000
Membership fees	21,353	21,353	11,339
	<u>51,353</u>	<u>51,353</u>	<u>41,339</u>
TOTAL 2021	<u>41,339</u>	<u>41,339</u>	

INTERNATIONAL ASSOCIATION FOR APPLIED ECONOMETRICS
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

4. INVESTMENT INCOME

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Interest received	65	65	15
	<u>65</u>	<u>65</u>	<u>15</u>
TOTAL 2021	15	15	
	<u>15</u>	<u>15</u>	

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2022 £	Grant funding of activities (See Note 6) 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Expenditure on charitable activities	-	-	(3,457)	(3,457)	15,249
	<u>-</u>	<u>-</u>	<u>(3,457)</u>	<u>(3,457)</u>	<u>15,249</u>
TOTAL 2021	737	365	14,147	15,249	
	<u>737</u>	<u>365</u>	<u>14,147</u>	<u>15,249</u>	

ANALYSIS OF DIRECT COSTS

	Total funds 2022 £	Total funds 2021 £
Prizes and awards	-	737
	<u>-</u>	<u>737</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

5. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

ANALYSIS OF SUPPORT COSTS

	Total funds 2022 £	Total funds 2021 £
Bank and card charges	676	581
Website costs	2,070	2,372
Administration support costs	4,710	7,649
Foreign exchange (gain)/loss	(13,385)	1,325
Independent examination fee (governance cost)	2,472	2,220
	(3,457)	14,147

6. ANALYSIS OF GRANTS

	Grants to Institutions 2022 £	Total funds 2022 £	Total funds 2021 £
Expenditure on charitable activities	-	-	365
TOTAL 2021	365	365	

In 2020 and 2021 all expenditure was unrestricted.

All of the grant funding activities related to grants to institutions as detailed below.

	2022 £	2021 £
Name of Institution		
International Institute of Forecasters	-	365

7. INDEPENDENT EXAMINER'S REMUNERATION

The independent examiner's remuneration amounts to an independent examiner fee of £1,430 (2021 - £1,300), and accountancy fees of £682 (2021 - £620).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

8. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 30 September 2022, expenses totalling £596 were reimbursed or paid directly to 1 Trustee (2021 - £959 to 1 Trustee). The reimbursement comprised a £500 honorarium paid to the Treasurer (S Holly) and a refund of Dropbox subscription fees.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	8,690	5,931
Accruals	4,032	1,920
	<hr/> 12,722 <hr/>	<hr/> 7,851 <hr/>

10. RELATED PARTY TRANSACTIONS

During the year there were no related party transactions (2021 - £Nil) other than those disclosed in the Trustees' Remuneration and Expenses note.