

THE ROYAL ECONOMIC SOCIETY

England & Wales · Charity number 231508

Details

Status Registered

Legal form Other

Registered 1964-05-08

Register [View on the Charity Commission register](#)

Contact

Address Royal Economic Society
2 Dean Trench Street
Westminster
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Activities

Objects: THE GENERAL ADVANCEMENT OF ECONOMIC KNOWLEDGE, THE PUBLICATION OF ECONOMIC WRITINGS, AND THE ORGANISATION OF DISCUSSIONS RELATING TO QUESTIONS OF ECONOMIC INTEREST.

Activities: To promote and foster the study of economic science, by means of publications, the annual conference and helping further the study of economics via the annual public lecture and the postgraduate conference.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** NATIONAL
- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,498,151	£1,519,185	£6,257,957	14
2023-12-31	£1,521,457	£1,769,954	£5,837,858	12
2022-12-31	£1,406,171	£1,562,062	£5,780,484	10
2021-12-31	£1,491,315	£1,950,423	£6,698,792	9
2020-12-31	£1,253,763	£1,312,817	£6,838,823	8

Trustees

Name	Role	Appointed
Emeritus Professor Sir Vito Antonio Muscatelli	Chair	2023-02-01
Dame Katharine Mary Barker CBE		2024-10-01
Donna Leong OBE		2024-10-01
Dr Steven Michael Proud		2022-08-01
Dr Swati Dhingra		2023-05-26
Katherine Sara Collyer		2024-06-02
Kofi Adjepong-Boateng CBE		2022-10-01
Professor Anthony James Venables CBE FBA		2025-06-02
Professor David A Jaeger		2025-05-26
Professor Giovanni Razzu		2024-09-01
Professor Imran Rasul OBE		2024-05-27
Professor Melanie Kim Jones		2024-05-27

Accounts

REGISTERED CHARITY NUMBER: 231508 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
FOR
THE ROYAL ECONOMIC SOCIETY**

Royal Economic Society
2 Dean Trench Street
Westminster
London
SW1P 3HE

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FOR THE YEAR ENDED 31 DECEMBER 2024

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REPORT OF THE TRUSTEE BOARD FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustee Board presents its report together with the Financial Statements of the Charity for the year ended 31 December 2024.

REGISTERED CHARITY NUMBERS: 231508 (England & Wales)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

MEMBERS OF THE TRUSTEE BOARD AND CHARITY TRUSTEES

PRESIDENT:	Prof Sir Christopher Pissarides (from 24 May 2024)
PRESIDENT ELECT:	Prof Imran Rasul (from 24 May 2024)
TREASURER:	Kate Collyer (from 24 May 2024)
CHAIR OF TRUSTEES:	Prof Sir Anton Muscatelli
COUNCILLORS:	Prof Miguel Costa-Gomes Assoc Prof Swati Dhingra Prof Melanie Jones (from 24 May 2024)
CO-OPTED:	Kofi Adjepong-Boateng Dame Kate Barker (from 1 October 2024) Donna Leong (from 1 October 2024) Dr Steven Proud Prof. Giovanni Razzu (from 01 June 2024)

TRUSTEE BOARD MEMBERS SERVING AS CHARITY TRUSTEES DURING AN EARLIER PART OF THE YEAR

From 1 January to 24 May 2024:	Sue Holloway Prof Mary Morgan Tera Allas Assoc Prof Stefania Paredes-Fuentes
From 1 January until 1 October 2024	Tom Aldred Dr Conrad Copeland
CHIEF EXECUTIVE (NON-TRUSTEE):	Leighton Chipperfield
HEAD OFFICE:	2 Dean Trench Street Westminster London SW1P 3HE
AUDITORS:	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG

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BANKERS:

NatWest Bank plc
143 High Street
Bromley
Kent BR1 1YZ

INVESTMENT MANAGERS:

Sarasin and Partners
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

REFERENCE AND ADMINISTRATIVE DETAILS

The charity was founded in 1902 and is registered with the Charity Commission under charity number 231508 (England and Wales). The reference and administrative details of the Charity are shown on page 1 of the Financial Statements above.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Royal Economic Society is constituted by a Royal Charter of Incorporation dated 2 December 1902 as amended by a supplemental charter dated 26 January 1968 and byelaws as made in General Meetings of the Society from time to time, subject to the consent of the Privy Council. There are no specific restrictions imposed by the governing document.

The byelaws of the Society were revised by order of the Privy Council made on 19 July 2022 and taking immediate effect.

Appointment of Trustees

The Royal Economic Society Trustee Board comprises the President, President-Elect, Honorary Treasurer, Chair of Trustees, three representatives from Council and up to five trustees co-opted by Council on a proposal from the Trustee Board. The Trustee Board currently meets three times a year.

The trustees are legally responsible for the overall governance, management and policies of the Society, ensuring that the charitable objects for which it has been set up are met. All new members of the Trustee Board receive the Charity Commission's information on the responsibilities of Charity Trustees. Trustee Board members receive a briefing and induction pack on appointment, with further training undertaken on as required. Day-to-day running of the Society is delegated by the Trustee Board to the Chief Executive, who reports to the Chair of Trustees.

Members of the Council, which appoints some Trustee Board members as explained above, are nominated by members of the Society and considered by the Nominations Committee. The Nominations Committee comprises six elected members of Council (each of whom serves three years on the committee), the President-Elect and two Additional Members, with the Elections Officer acting as non-voting secretary. The Additional Members are either Life Vice-Presidents of the Society or individuals of high standing in the profession. The Nominations Committee draws up a list of candidates who are voted upon by the members of the Society to become members of Council for a term of five years. The Presidents Selection Committee, which nominates the incoming RES President-Elect, comprises all members of the Nominations Committee excluding the incumbent President-Elect.

Public Benefit

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Society and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Key management personnel remuneration

The Trustee Board (through its Remuneration Committee) reviews annually the pay of the Chief Executive. In view of the nature of the Society, the remuneration is also benchmarked with similar charities or with reference to sector reports to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. The Remuneration

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Committee also considers and makes recommendations to the Trustee Board for annual review of all employees' salaries.

Principal risks and uncertainties

The trustees have considered the Society's major risks and satisfied themselves that systems or procedures are established in order to mitigate those risks.

During the year, the key risks that might impact on the Society's objectives and the internal procedures have been kept under review and a risk register is in place. This identifies external and internal risks. It is consistent with the guidance published by the Charity Commission in its guidance on risk management (CC26). The Trustee Board has reviewed and approved changes to the risk register and risk ratings therein.

In line with Charity Commission guidance, the risk register identifies the key categories of risk relating to governance, finance and operations.

a) Governance Risks

Proposals to update the Society's governance arrangements were approved at the Society's Annual General Meeting in 2021, with the main changes in place by the end of that year. The effectiveness of the new arrangements is regularly reviewed, with co-opted trustee appointments subject to approval by Council.

b) Financial Risks

The fact that finance is a standing item of business for meetings of the Trustee Board and Council ensures that the appropriate financial information is regularly scrutinised. The Society's investments are held in a variety of unit trusts in order to diversify the portfolio and the investment policy is reviewed against performance at least every three years. Internal risks are minimised by the implementation of procedures for authorisation of all projects and financial transactions. A Finance Committee is in place, chaired by the Treasurer. This committee is charged with making recommendations to the Trustee Board on the Society's reserves and investment policies, advising the Treasurer on working capital requirements and reviewing the appointments of auditors and making recommendations to the Annual General Meeting.

c) Operational Risks

As the agent for the Trustee Board, the Chief Executive (working with the Chair of Trustees) has the responsibility for maintaining a sound system of internal control that supports the achievement of the Society's aims and objectives, whilst safeguarding its assets and ensuring proper application of its income to its charitable objects. The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Society's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 December 2024 and up to the date of approval of the annual report and accounts.

The Trustee Board has considered the major risks facing the Society in 2024 and the medium term and remains focussed on the challenges that arise for longer-term financial sustainability from changes in the academic publishing market. The principal risks have been identified as follows:

- The risks that will arise in the medium term from not being able to fund current expenditures from strong journal incomes or historic reserves.
- Limited staff and committee expertise in fundraising and income generation.
- Maintaining and developing member recruitment, engagement and retention for individual, corporate and group members.
- The effectiveness of impact measures to ensure optimal delivery of charitable benefit.
- Limited historic focus on dimensions of inclusion and diversity other than gender, including ethnicity, class, disability and potential risks related to accessibility of premises, website and social media.
- Turnover of non-staff roles.
- Presence on social media channels as reputations of these channels evolve.

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- Failure to achieve annual budgets due to adverse in-year variances.

These risks have and will be mitigated as follows:

- The development of a new strategy for 2024 and beyond that addresses these strategic risks.
- The development of a medium-term financial strategy and associated budgetary processes.
- The appointment of a Commercial Director to oversee improvements to member recruitment and retention, including the launch of a Fellows category.
- An Income Generation plan comprising initiatives to diversify the Society's income in ways which align with the Society's strategic and charitable aims.
- The development of a balanced scorecard against which progress can be measured.
- The commitment to address other dimensions of inclusion and diversity outlined in the new strategy, and the appointment of a co-opted trustee to oversee this work.
- Phased turnover of non-staff roles.
- The development of a social media plan in relation to different channels.
- Development of additional in-year financial controls to mitigate risk of budgeted outturn not being met.

Volunteers

The Society could not achieve its charitable objectives without the commitment and hard work of its volunteers, both Members and non-Members, many of whom give freely of their time to act as journal reviewers, committee members and volunteers to support our events and activities. The Society wishes to thank all those who have supported it over the last year.

Annual General Meeting

The Annual General Meeting was held online from 22-24 May 2024 with 55 members taking part (2023: 35). Amongst other decisions, members agreed to elect the Presidents and Councillors for the forthcoming year and to appoint Kate Collyer as Honorary Treasurer.

OBJECTIVES AND ACTIVITIES

Objects

The Royal Economic Society is established to promote and foster the study of economic science. The Society is also concerned with the application of the results of that study.

These objects are undertaken by means of membership, publications, events and training, policy and campaign work, and outreach.

The Trustee Board confirm that they have complied with the duty in section 17 of the Charities Act 2011, to have due regard to the Charity Commission's general guidance on public benefit. The Trustee Board believes that social welfare is advanced by promoting and fostering the study of economic science, and that its activities serve to educate the public, and particularly that section of the public that is interested in issues of economic policy. The results of the economic research that the Society supports are widely disseminated through its publications. Although the benefits of the Society's work are not restricted to its members, the subscription is deliberately set at a low level to encourage a broad base of membership, including those on lower incomes.

Strategy

The Society's 2024-2028 strategy, developed in consultation with our members, has four strategic priorities:

- to bring communities of economists together:
- to advocate for economics
- to improve diversity, inclusion and professional conduct in the profession
- to develop the next generation of economists.

Underpinning these priorities are four success factors which will enable the organisation to achieve its priorities:

- **Membership:** the Society could not function without the contributions and support of our members. They are vital to this strategy and to our future. We want members to feel an affinity with the mission and values of the RES and not simply become members for transactional reasons
- **People:** our staff and volunteers – including our Trustee Board, Council and committee members – are fundamental to the success of the RES. We will ensure we have the right people, structures, incentives and culture in place to deliver our strategy.
- **Infrastructure:** our systems and processes should be lean and efficient, creating a more valuable experience for RES members and enabling our staff and volunteers to carry out their work effectively. We also wish to take proactive steps to reduce our environmental impact.
- **Stewardship:** the Society has historically been dependent on the financial surplus from its publications to fund its other activities and now needs to adapt its operating model.

Activities to Achieve Objectives

The Society meets its objects and delivers its strategy by undertaking the following activities.

1. **Membership**

The Society has a membership scheme whereby anyone who is interested in the study of economics can join and receive the various benefits of membership.

2. **Publications**

The Society has two peer-reviewed journals, The Economic Journal and The Econometrics Journal, currently published by Oxford University Press. Members of the Society can pay a higher fee to receive printed copies of The Economic Journal; members may also choose to receive a printed quarterly newsletter. On-line access to The Economic Journal and The Econometrics Journal is available and is heavily used.

3. **Events and training**

The Society organises several events during the year, subsidised primarily from the surplus generated by publication of the Economic Journal. The largest of these is the Annual Conference, which rotates around UK universities. A one-day PhD Conference takes place annually, organised by a committee of PhD students. The RES Easter School, funded jointly with the Economic and Social Research Council, provides advanced training for doctoral students and early career professional economists. In recent times the Society has expanded its offering to provide online seminars to members and potential members.

4. **Policy and campaigns**

The Society advocates for improved diversity and inclusion in economics and runs various activities to both measure and bring about this change. The Society also advocates for the importance of funding economic research and education, including via CHUDE (Conference of Heads of University Departments of Economics), which comprises Heads of Economics at universities in the UK

5. **Outreach**

The Society conducts activities to improve the public understanding of economics and to promote the subject to school-age young people. These include an Annual Public Lecture and a Young Economist of the Year competition. The RES Discover Economics campaign, launched in 2019, seeks to attract more students from underrepresented groups into economics by broadening the appeal of the subject and changing perceptions of economics and economists.

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ACHIEVEMENT AND PERFORMANCE

Review of activities

In line with the objects and strategy of the Society the key achievements during the year ended 31 December 2024 were as follows.

Membership

The Society's total membership of 3,850 was in line with the previous year (2023: 3,801). The trend for members to opt for online only access to the journals continued, with 98% of members holding an online membership (2023: 98%). The Society once again offered a member and conference registration bundle, with 243 individuals becoming members through this scheme.

The geographical composition of the membership was largely unchanged, with 48% of members in the UK (2023: 46%), 21% located elsewhere in Europe (2023: 22%), 11% in the United States or Canada (2023: 11%), 1% in Japan (2023: 1%) and 19% in the Rest of the World (2023: 20%).

The Society continued to offer group membership in 2024, with 10 departments or other organisations taking up the scheme (2023:7). In 2023 the Society launched Institutional Membership. By the end of 2024 6 organisations – the Bank of England, the Financial Conduct Authority, Frontier Economics, OFCOM, Haver Analytics and the Government Economic Service – had joined as Institutional Members.

New editions of the quarterly member newsletter are made available to members via the RES website on publication, and to non-members after one month. Members are also sent a digital version of the issue via email. 2024 issues featured a range of topics including 'The weight of inflation' (on the RES Summit and the cost-of-living crisis), 'Macro under the microscope' on new economic ideas and future histories, 'In conference' on the RES 2024 Conference and 'Social intelligence' about thinkers in search of kinder capitalism.

Publications

In 2018, Oxford University Press was selected as the Society's journal publisher for a five-year period from January 2019. In 2022 this agreement was renewed for a further five years from January 2024.

The Economic Journal received a total of 1,538 new submissions in 2024 (2023: 1,259). 92% of regular submissions that were sent to referees were returned to authors within four months of submission (2023: 88%); 0% of submissions took longer than six months (2023: 0%). The 2023 2-Year Impact Factor (released in June 2024) was 3.8 (2022: 3.2) The Economic Journal continues to be highly international, with 14% of author submissions from the United Kingdom (2023: 12%), 23% from the United States and Canada (2023: 22%), 37% from Europe (2023: 42%) and 26% from the Rest of the World (2023: 24%).

The total number of new submissions to The Econometrics Journal was 125 (2023: 130) and the number of accepted papers was 19 (2023: 23). The Journal's JCR year 2023 2-Year Impact Factor was 3.0 (2022: 1.9). This placed the journal in quartile 1 in four categories (Economics; Mathematics/Interdisciplinary Applications; Social Sciences/Mathematical Methods; and Statistics & Probability). Longer run impact measures: 2023 5-Year Impact Factor 4.8 (2022: 3.8) and Article Influence Score: 4.824 (2022: 3.279). The total number of citations in the JCR year was 2,042 marking the tenth consecutive year that citations have increased.

In September 2024 the Society announced that The Economic Journal will publish special issues, and that Prof Alberto Bisin (New York University) had been appointed Special Issues Editor. Papers published in the special issues (or in special sections of regular issues) will be high quality, themed, focused on questions of high relevance to society and academia, subject to fast editorial turnaround processes, with content generated through open calls. Calls for Papers for the first two special issues, 'Climate change and inequality' and 'Polarization in field experiments', were issued in late 2024. The issues are expected to be published in 2026.

In 2012 the Society published with Cambridge University Press the full 30 volumes of the Collected Writings of John Maynard Keynes in digital and paperback editions. Through a 2013 arrangement with the publisher, the Society has since provided the membership with free digital access to this important scholarly resource.

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Events and Training

Annual Conference

The 2024 conference took place at Queen's University Belfast from 25-27 March. 562 delegates booked to attend (online or in-person) over the three days. Of those delegates who provided feedback, 87% rated the conference as Excellent or Good.

The conference received 891 paper submissions, with program chairs selecting 400 papers for presentation. The programme included our popular lunchtime sessions, 18 special sessions, a professional development masterclass and networking opportunities for PhD students. Keynotes were provided by Kevin Hoover, Duke University, Mariacristina De Nardi, University of Minnesota and Ben Moll, LSE. We also included a panel session on "Active Bystander: positive cultural change in economics" and a panel on Artificial Intelligence with speakers from Google, Oxford and the Alan Turing Institute.

Poster sessions were given a more prominent place in the programme and were hosted at the welcome reception on the Monday evening. 17 posters were presented, and a prize was given to the poster voted best by the audience. The RES Award for Service to the Economics Profession was presented to Prof Denise Osborn by Prof Mary S Morgan at the Gala Dinner.

Prof. Giovanni Razzu, Conference Secretary, monitored Diversity, Equality, and Inclusion (DEI) elements and the environmental impact of the conference, making progressive changes from prior years as we move towards a more inclusive conference. All sessions began with a reminder of the RES Code of Conduct.

Easter Training School

The 2024 Easter Training School took place on 8-10 April at the University of Bristol. The Easter School was pleased to host two keynote speakers, Prof Meredith Crowley (Cambridge) and Prof Isabelle Méjean (Sciences-Po), with additional contributions from students and policy professionals.

	2024	2023	2022
Applied to the school	50	50	35
Accepted onto the school	37	35	26
Attended the school	35	31	26

Attendees included staff from the Bank of England, Government Economic Service and the Financial Conduct Authority as part of their Institutional Membership packages. All participants rated the event overall as either 'Good' or 'Excellent'.

PhD Conference

The annual RES PhD Conference was held at the University of Portsmouth on Wednesday 4 December, with the event hosted and coordinated by students from the university.

	2024	2023	2022
Papers and posters submitted	212	160	174
Papers accepted	60	63	45
Posters accepted	25	20	NA

The conference was chaired by Prof Sir Chris Pissarides, the keynote was presented by Prof Dr Martin Kocher, University of Vienna and current Federal Minister of Labour and Economy of Austria and later in the event the university hosted a plenary session titled "Beyond the boundaries - Forming collaborations and working as part of multidisciplinary teams. 85% of attendees reported that the event was Excellent/Good. 2024 was the last standalone RES PhD Conference, with the intention to integrate the event into the RES Annual Conference from 2025.

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RES Doctoral Training Programme

The autumn semester of 2024 saw the launch of the ESRC-funded Doctoral Training Programme. A Programme Officer (Maria Georgouli Loupi) and Programme Director (Prof Kevin Lee) were appointed. During the semester 3 Masterclasses and 3 Expert Workshops were delivered, with over 1,000 doctoral students registered to attend. 100% of the delegates rated the sessions as Excellent or Good. The popular 'How to Prepare for the European Job Market for Economists' webinar was subsumed into the Doctoral Training Programme and delivered by Prof Mary S Morgan. 118 students joined the live event.

Professional development

The Education & Training Committee organised the third annual RES summit, which in 2024 was on the topic of AI and Jobs. Prof Sir Chris Pissarides chaired the summit, with Prof Steven Proud leading a session on teaching AI in the economics classroom. The event was held online, with over 390 bookings and 100 attending on the day.

Grant funding of activities

In late 2023 the Trustee Board decided to discontinue the Society's grant funding schemes following a review of their impact. During 2024 a number of legacy payments were made to those who had successfully applied to the Research Dissemination Grant, Conference Grant, Discover Economics or Knowledge Transfer Projects grant programmes before these programmes were discontinued.

Policy and Campaigns

Diversity and Women's Committee

The Diversity Champion Dr Stefania Paredes-Fuentes, working closely with the Member Operations Director, continued to deliver the Diversity and Inclusion Programme approved by the Trustee Board. A part-time Programmes Officer supported these activities. The programme of work has grown significantly and encompasses a range of activities to further diversity, equality and inclusion (DEI) across the Society and the wider discipline. In 2024 this included holding 3 events for the RES Diversity and Inclusion Network (2 online, 1 in person); delivering a Consciously Inclusive Mentoring Programme; holding an Active Bystander special session at the RES Annual Conference 2024, and a subsequent online training session in November 2024. The Society continues to monitor the diversity of its own activities and has appointed 2 volunteers to advance data analysis and reporting in this area. The Member Operations Director continues to sit on the Academic of Social Sciences/ESRC EDI working group to share best practices on improving diversity across the social sciences. In 2024 the RES was awarded funding from the Academy of Social Sciences / ESRC for a portfolio of 4 initiatives within the Diversity and Women's Committee programmes.

The Mentoring Programme run by the Women's Committee caters for UK-based early-career female lecturers and advanced female PhD students. The 2024 Mentoring Programme matched 49 mentees to 22 mentors (2023: 58 mentees to 22 mentors), and a special session was convened at the 2024 Annual Conference in collaboration with the Irish Society for Women in Economics (ISWE).

The Women's Committee gender report "Women in Academic Economics", was published in February 2024, based on HESA data. This year, the report also included data on the gender pay gap.

The UK Women in Economics Network (UK WEN) has continued to grow during 2024. An Annual Networking Event was held in February 2024 hosted by Nomura and sponsored by the Society of Professional Economists (SPE) and Haver Analytics. A UK WEN Jobs Board was launched in February 2024 to advertise relevant job vacancies to our UK WEN community. In October 2024, UK WEN held a Career Conversations event hosted by GES at HM Treasury. This featured a recorded video introduction from the UK Chancellor, the Right Hon Rachel Reeves MP. In addition, a series of Inspirational Talk events took place during the year at universities and partner organisations to showcase the variety of career options available within the discipline. UK WEN e-newsletters were issued every 2 months and social profiles maintained. As at end 2024, the UK WEN mailing list had 1556 subscribers. UK WEN has strived to secure funding for its activities by working with partner organisations for events, securing sponsorships and identifying "UK WEN Champions" to provide financial support.

Outreach

Website

The RES website continues to be developed for the benefit of members and non-members. In 2024 this included the upgrading of the events pages, information on the new Doctoral Training Programme and enhancements to the pages for UK WEN, RES membership and 'About Us'. A dedicated area for Fellows information was launched, including a video from RES President Sir Chris Pissarides, in advance of the launch of the programme.

Social media

The Society aims to reach a wider audience through its social media activity and maintains a presence on X (formerly Twitter), BlueSky, LinkedIn and YouTube. In 2024, RES established a BlueSky account and amassed 2k followers. The Society's followers on X increased to 19.9k in 2024 (2023: 19k), whilst the Economic Journal's followers increased to 23.8k (2023: 22.5k). On LinkedIn the Society's followers increased to 8.8k (2023: 5.6k). 53 videos were published to the Society's YouTube channel in 2024, with 32k views and 7.9k subscribers (2023: 7.7k). The Society continues to review its presence and activity on different forms of social media to ensure this aligns with the Society's strategy and values.

Annual Public Lecture

The 2024 Annual Public Lecture was hosted by the University of Glasgow, delivered by Prof Jane Humphries and chaired by Prof Mary S. Morgan. Over 300 students attended the lecture. Institutions were invited to express interest in hosting the APL in future years. The event was subsequently awarded to Loughborough University for 2025, Kingston University for 2026 and University of Southampton for 2027.

Young Economist of the Year competition

The Young Economist of the Year competition is open to students studying a range of further education qualifications and is directed at those who are UK based and studying in school years 10 to 13 or equivalent. Submissions to the competition increased to 2796 entrants (2023: 1922). The Discover Economics campaign promoted the competition through stakeholders, RES members and direct to schools. KPMG UK sponsored the competition and provided judges for the initial shortlisting. 5 entries were selected to attend an in-person final held at KPMG UK offices – Canary Wharf. Finalists presented their work to an audience of stakeholders and to a judging panel (Lucy White, Dharshini David, Fiona Cox, Laurie Rachet-Jacquet and Chris Giles). Through support from HM Treasury, finalists met Chief Economic Adviser to the Treasury Sam Beckett and visited 10 Downing Street. The winning entry on 'What is the economic impact of the growing gig economy?' was published on the Financial Times website. The winners, finalists and shortlisted entrants were published on the website and on social media.

Discover Economics

The Society continued its support as a Founding Partner alongside The Health Foundation for Discover Economics, a campaign to help change perceptions of economics among young people and attract students from under-represented groups. The Society was delighted to receive extended support from the Bank of England and KPMG. In addition, financial support was kindly received from The Centre for Economics, Policy and History; Government Economic Service; Government Social Research; Welsh Government; Research Council of Norway; CAGE Research Centre – University of Warwick; Academy of Social Sciences and the Financial Times. The second year of an in-person outreach project, aimed at 15–17-year-olds was completed in partnership with 35 universities involving 293 current undergraduate economics students delivering 191 subject specific outreach workshops to 5,352 state school students. Evaluation of results shows that attending one of the workshops increases the stated likelihood of studying economics by 15-20 per cent. Online events continued with themes including Black History Month; Careers in Economics; International Women's Day; and Pride in Economics. Additional work continued with CAGE Research Centre - University of Warwick to deliver educational video content linking economics to history. This series attracted 51k views on YouTube. The campaign's social media presence grew, with 3.4k followers on LinkedIn (2023: 2.2k), 1.0k followers on Instagram (2023: 0.8k), 1.6k followers on TikTok (2023: 1.6k) and 3.3k on X (2023: 3.3k).

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Income Generation

Further to the Board's approval of an income generation plan, progress has been made in developing new and existing income-generating initiatives aligned with RES's strategic objectives. Key milestones in 2024 included an increase in fundraising to support the Society's DEI work; the development of the Fellows tier of membership; and developing proposals for sponsorship or other funding of aspects of the Society's work in line with its strategic priorities. Efforts to increase the number of Individual, Group, and Institutional Members have increased our income in this area.

FINANCIAL REVIEW

Explanation of the Statement of Financial Activities and the Application of the Society's Funds

The net deficit excluding gains on investments was £21k, substantially lower than the 2023 deficit of £248k. Net gains on investments were £441k, compared with gains of £306k in 2023. Total net income for the year was £420k, with total assets of £6,258k at year end (2023: 5,838k).

Total Income in 2024 was £1,480k (2023: £1,521k). This decrease was entirely due to the Society transitioning from a profit share to a royalty arrangement for its journals. Income for almost all other areas grew, including for membership and events (excluding the Annual Conference) (43%), the Annual Conference (57%) and Discover Economics (4%). An increased focus on Other Income generated £56k (including a one-off grant from the Academy of Social Sciences of £25k to fund EDI activity). We were very grateful for financial support for Discover Economics from organisations including the Bank of England; CAGE Research Centre; Health Foundation; KPMG; The Centre for Economics, Policy and History; Government Economic Service; Government Social Research; Welsh Government; Research Council of Norway and Academy of Social Sciences.

Total Expenditure of £1,501k reduced by 18% from 2023 (£1,770k) primarily due to the transition to a royalty-based contract for the journals, and to lower costs for the Annual Conference. Staffing costs grew from £590k to £645k following the creation of two roles in support of the new RES strategy.

Statement of Cash Flow

It was expected that the budgeted deficit would require funding by withdrawal of investment funds in the year, and indeed £200k was withdrawn. Cash used by operating activities was largely unchanged at £265k (2023: £264k).

Balance Sheet and Use of Assets

Fixed asset movements consist of office equipment and software and are relatively minor.

Funds invested increased to £5,959k from £5,756k after £38k investment charges, divestment of £200K and £441k capital gains, with £166k interest paid to RES bank account.

The £5,959k investments are held in three different portfolios with the same investment manager, Sarasin & Partners. The short-term portfolio value at 31/12/2024 is £200k, the medium-term £1,040k and the long-term £4,718k. The short-term is to support cash requirements in the coming year, the medium-term for years 2 to 5 ahead, and the long-term for the longer-term. The long-term portfolio return objective is inflation plus 4%. On 31st December 2024 it was invested 11% in fixed income, 75% equities, 3% property, 9% alternatives and 2% liquidity (cash).

The total portfolio nominal return in the year was positive, 10.5%. Three and five-year average nominal returns remained positive, at 2.7% and 4.8% respectively.

THE ROYAL ECONOMIC SOCIETY

Return on investment funds

The returns on funds invested were:

Calendar year	Annual income	Annual total return		
		One year	Three years	Five years
2020	3.1%	8.4%	6.1%	9.7%
2021	2.8%	7.7%	11.2%	7.6%
2022	2.6%	-9.5%	1.9%	3.1%
2023	2.8%	8.3%	1.9%	6.2%
2024	2.8%	10.5%	2.7%	4.8%

Significant events since the year end

There have been no significant events since the year end that require reporting.

Reserves policy

The reserves consist of £126k restricted reserves, being unspent external contributions for Discover Economics, £883k designated funds and £5,324k general funds. The general funds are in line with the Society's general funds target of £5.3m. Designated funds are established to provide for 2025 budget deficit, investment in known programmes, and fixed assets and working capital that are not available for general purposes.

Going Concern

The Board of Trustees actively reviews the status of the Society as a going concern each year. As at 31/12/2024 the Society had designated reserves sufficient for budgeted deficit for 2025 and general reserves equivalent to more than 2 years' expenditure. The Society has no loans, contingent liabilities or finance liabilities other than trade creditors. The Trustees confirm that the RES is a going concern.

Looking forwards

In 2023 the Trustee Board agreed a financial strategy for 2024 – 2028 to ensure that by the end of that period charitable expenditures are, taking one year with another, wholly funded by current income and return on investments without depletion of reserves. In 2025 the Society will continue efforts to achieve this goal.

PLANS FOR FUTURE PERIODS

During 2025 the Society will continue to take forward key initiatives arising from its current strategy. These will include:

- the rollout of a new Fellows category
- the further rollout of income generation activities
- the launch of The Economic Journal Special Issues
- the first full year of the ESRC-funded Doctoral Training Programme
- the pilot of holding the Annual Conference in June
- other initiatives as set out in the implementation plans underpinning the strategy.

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustee Board is responsible for preparing the Report of the Charity Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and in Scotland requires the Trustee Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP.
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards 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 Trustee Board is responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Royal Charter. The Trustee Board is also responsible for safeguarding the assets of the charity and so for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

K Collyer

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K Collyer

Honorary Treasurer

On behalf of the Trustee Board

Dated: 9th May 2025

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Opinion

We have audited the financial statements of Royal Economic Society (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, balance sheet, 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 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 charity'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
- Have been prepared in accordance with the requirements of the Charities Act 2011

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 Royal Economic Society'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 trustees' 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, except to the extent otherwise explicitly stated in our report, 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 trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees 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 charity 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 regulations made under section 154 of that Act.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

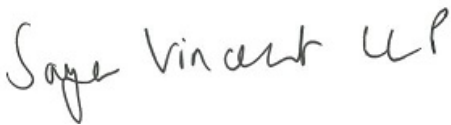
REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.



12 May 2025
Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Royal Economic Society

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Income from:							
Charitable activities							
Journals	2	747,040	–	747,040	939,348	–	939,348
Other Publishing Activities	2	3,060	–	3,060	2,656	–	2,656
Membership		189,465	–	189,465	134,246	–	134,246
Events		38,840	–	38,840	16,060	–	16,060
Outreach		5,159	–	5,159	11,000	–	11,000
Other Income Generation		56,107	–	56,107	–	–	–
Annual Conference		172,488	–	172,488	181,605	–	181,605
Discover Economics	2	–	120,020	120,020	–	76,450	76,450
Investments	3	165,972	–	165,972	160,092	–	160,092
Total income		1,378,131	120,020	1,498,151	1,445,007	76,450	1,521,457
Expenditure on:							
Raising funds	4	37,701	–	37,701	36,333	–	36,333
Charitable activities							
Journals	4	845,293	–	845,293	997,597	–	997,597
Other Publishing Activities	4	1,777	–	1,777	2,158	–	2,158
Membership	4	30,598	–	30,598	281,201	–	281,201
Events	4	99,870	–	99,870	63,685	–	63,685
Outreach	4	9,081	–	9,081	60,724	–	60,724
Other Income Generation	4	122,704	–	122,704	–	–	–
Annual Conference	4	216,135	–	216,135	231,586	–	231,586
Discover Economics	4	–	156,026	156,026	–	96,670	96,670
Total expenditure		1,363,159	156,026	1,519,185	1,673,284	96,670	1,769,954
Net income / (expenditure) before net gains / (losses) on investments		14,972	(36,006)	(21,034)	(228,277)	(20,220)	(248,497)
Net gains / (losses) on investments		441,133	–	441,133	305,871	–	305,871
Net income / (expenditure) for the year		456,105	(36,006)	420,099	77,594	(20,220)	57,374
Transfers between funds		(83,818)	83,818	–	(28,840)	28,840	–
Net income / (expenditure) before other recognised gains and losses		372,287	47,812	420,099	48,754	8,620	57,374
Reconciliation of funds:							
Total funds brought forward		5,759,600	78,258	5,837,858	5,710,846	69,638	5,780,484
Total funds carried forward		6,131,887	126,070	6,257,957	5,759,600	78,258	5,837,858

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The Royal Economic Society

Balance sheet

As at 31 December 2024

	Note	£	2024 £	£	2023 £
Fixed assets:					
Tangible assets	11		10,160		5,762
Intangible assets	12		53,878		69,254
Investments	13		5,959,062		5,755,630
			<u>6,023,100</u>		<u>5,830,646</u>
Current assets:					
Debtors	14	104,378		67,737	
Cash at bank and in hand		323,438		228,475	
			<u>427,816</u>	<u>296,212</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(184,039)		(280,771)	
			<u>243,777</u>	<u>15,441</u>	
Net current assets					
			<u>6,266,877</u>	<u>5,846,087</u>	
Total assets less current liabilities					
Creditors: amounts falling due after one year	17		(8,920)		(8,229)
			<u>6,257,957</u>	<u>5,837,858</u>	
Net assets excluding pension asset					
			<u>6,257,957</u>	<u>5,837,858</u>	
Total net assets					
			<u>6,257,957</u>	<u>5,837,858</u>	
The funds of the charity:	19a				
Restricted income funds			126,070		78,258
Unrestricted income funds:					
Designated funds	19a	807,930		1,300,000	
General funds	19a	5,323,957		4,459,600	
			<u>6,131,887</u>	<u>5,759,600</u>	
Total unrestricted funds					
			<u>6,257,957</u>	<u>5,837,858</u>	
Total charity funds					
			<u>6,257,957</u>	<u>5,837,858</u>	

Approved by the trustees on 9th May 2025 and signed on their behalf by

K Collyer
Honorary Trasurer

Statement of cash flows

For the year ended 31 December 2024

	2024 £	£	2023 £	£
Cash flows from operating activities				
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	420,099		57,374	
Depreciation charges	1,999		1,866	
Amortisation charges	15,376		15,376	
(Gains)/losses on investments	(441,133)		(305,871)	
Dividends, interest and rent from investments	(165,972)		(160,092)	
Portfolio management fees	37,701		36,333	
(Profit)/loss on the disposal of fixed assets	–		–	
(Increase)/decrease in debtors	(36,641)		298,873	
Increase/(decrease) in creditors	(96,041)		(207,452)	
Net cash provided by / (used in) operating activities		(264,612)		(263,593)
Cash flows from investing activities:				
Dividends, interest and rents from investments	165,972		160,092	
Purchase of fixed assets	(6,397)		(1,903)	
Proceeds from sale of investments	200,000		100,000	
Net cash provided by / (used in) investing activities		359,575		258,189
Change in cash and cash equivalents in the year		94,963		(5,404)
Cash and cash equivalents at the beginning of the year		228,475		233,880
Cash and cash equivalents at the end of the year		323,438		228,475
Analysis of cash and cash equivalents and of net debt				
	At 1 January 2024 £	Cash flows £	Other non- cash changes £	At 31 December 2024 £
Cash at bank and in hand	228,475	94,963	–	323,438
Total cash and cash equivalents	228,475	94,963	–	323,438

1 Accounting policies

a) Statutory information

The Royal Economic Society is a charitable royal charter company and is incorporated in England.

The principal place of business is 2 Dean Trench Street

The presentation currency of the financial statements is in Pound Sterling (£).

b) Basis of preparation

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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Key judgements that the charity has made which have a significant effect on the accounts include the depreciation expense estimated on an annual basis based on the depreciation charges assigned to the individual class of asset.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern, and make this assessment in respect of a period of at least one year from the date of approval of the financial statements. The Royal Economic society holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash. Annual budgets are produced with prudent figures for both income and expenditure.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Subscriptions begin at the point of payment and are accounted for on an accruals basis

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) 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 bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

• Journals	50%
• Other Publishing Activities	0%
• Membership	13%
• Events	3%
• Outreach	0%
• Other Income Generation	4%
• Annual Conference	12%
• Discover Economics	8%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Equipment	25% reducing balance
• Software	10 years

1 Accounting policies (continued)

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

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

q) 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.

r) Defined Contribution Plans – Pension Scheme

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

2 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Economic Journal						
Sales of current volume to non-members	459,786	–	459,786	665,627	–	665,627
Sales of back numbers, royalties and misc	23,532	–	23,532	26,582	–	26,582
Submission fees	197,537	–	197,537	162,130	–	162,130
Sub-total for Economic Journal	680,855	–	680,855	854,339	–	854,339
Econometrics Journal						
Subscriptions	59,101	–	59,101	83,212	–	83,212
Sales of back numbers, rights and permission	2,509	–	2,509	1,797	–	1,797
Submission fees	4,575	–	4,575	–	–	–
Sub-total for Econometrics Journal	66,185	–	66,185	85,009	–	85,009
Sub-total for total journal income	747,040	–	747,040	939,348	–	939,348
Publishing Activities						
From Publishers	3,060	–	3,060	2,656	–	2,656
Sub-total for Other Publishing Activities	3,060	–	3,060	2,656	–	2,656
Discover Economics						
Grants	–	120,020	120,020	–	76,450	76,450
Gift Aid Donations	–	–	–	–	–	–
Sub-total for Discover Economics	–	120,020	120,020	–	76,450	76,450
Total income from charitable activities	750,100	120,020	870,120	942,004	76,450	1,018,454

3 Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Dividends receivable from investments and unit trusts	165,972	–	165,972	160,092	–	160,092
	165,972	–	165,972	160,092	–	160,092

4a Analysis of expenditure (current year)

	Charitable activities										2024 Total £	2023 Total £
	Raising funds £	Economic Journal £	Econometrics Journal £	Other Publishing Activities £	Membership £	Events £	Outreach £	Other Income Generation £	Annual Conference £	Discover Economics £		
Portfolio Management	37,701	–	–	–	–	–	–	–	–	–	37,701	36,332
Editor and Editorial Services	–	331,283	50,500	–	3,145	40,437	–	–	–	–	425,365	378,135
Retained by Publisher	–	–	–	–	–	–	–	–	–	–	–	133,923
Other Direct Costs	–	48,505	17,343	907	–	–	1,267	–	110,286	–	178,308	371,100
	37,701	379,788	67,843	907	3,145	40,437	1,267	–	110,286	–	641,374	919,490
Support Costs	–	776	290	–	7,143	10,550	–	62,645	60	78,308	159,772	106,210
RES Contribution	–	–	–	–	5,334	–	3,369	–	–	1,349	10,052	38,668
Management costs	–	318,670	63,062	840	14,459	47,194	4,291	57,984	102,134	73,730	682,364	689,812
Governance costs (note 6)	–	12,607	2,257	30	517	1,689	154	2,075	3,655	2,639	25,623	15,774
Total expenditure 2024	37,701	711,841	133,452	1,777	30,598	99,870	9,081	122,704	216,135	156,026	1,519,185	
Total expenditure 2023	36,332	842,026	155,572	2,158	281,201	63,685	60,724	–	231,586	96,670		1,769,954

4b Analysis of expenditure (prior year)

	Charitable activities									
	Raising funds £	Economic Journal £	Econometrics Journal £	Other Publishing Activities £	Membership £	Events £	Outreach £	Annual Conference £	Discover Economics £	2023 Total £
Portfolio Management	36,332	–	–	–	–	–	–	–	–	36,332
Editor and Editorial Services	–	320,000	53,500	–	–	4,635	–	–	–	378,135
Retained by Publisher	–	119,075	14,848	–	–	–	–	–	–	133,923
Other Direct Costs	–	135,026	40,726	1,521	–	32,340	2,581	158,906	–	371,100
	36,332	574,101	109,074	1,521	–	36,975	2,581	158,906	–	919,490
Support Costs	–	19,580	614	–	3,413	269	11,944	4,376	66,014	106,210
RES Contribution	–	–	–	–	8,233	–	28,290	–	2,145	38,668
Management costs	–	239,173	44,189	613	269,555	25,794	17,248	65,781	27,459	689,812
Governance costs (note 6)	–	9,172	1,695	24	–	647	661	2,523	1,052	15,774
Total expenditure 2023	36,332	842,026	155,572	2,158	281,201	63,685	60,724	231,586	96,670	1,769,954

Notes to the financial statements

For the year ended 31 December 2024

5a Grant making (current year)

	Grants to institutions £	Grants to individuals £	Support costs £	2024 £	2023 £
Cost					
Outreach					
Diversity	-	(6,659)	-	(6,659)	20,700
Competitions and awards	-	1,109	-	1,109	12,500
Institutional grants – International Economic Association	1,609	-	-	1,609	2,611
Institutional grants – Academy of Social Sciences	1,760	-	-	1,760	1,760
Third Party Events	-	-	-	-	3,219
Membership					
Conference Grant Scheme	-	(127)	-	(127)	7,821
RES events postgraduate grants	-	3,757	-	3,757	-
COVID/Innovation fund	(16,062)	-	-	(16,062)	-
Special Project Grant Scheme	-	-	-	-	1,500
Research Dissemination Grant Scheme	-	(655)	-	(655)	9,260
At the end of the year	(12,693)	(2,575)	-	(15,268)	59,371

The negative grants are as a result of unspent grants being returned. These grants were originally accrued in previous accounting periods.

5b Grant making (prior year)

	Grants to institutions £	Grants to individuals £	Support costs £	2023 £	2022 £
Cost					
Outreach					
Diversity	-	20,700	-	20,700	4,029
Competitions and awards	-	12,500	-	12,500	7,775
Institutional grants – International Economic Association	2,611	-	-	2,611	728
Institutional grants – Academy of Social Sciences	1,760	-	-	1,760	1,069
Third Party Events	-	3,219	-	3,219	2,321
Membership					
Conference grant scheme	-	7,821	-	7,821	5,741
Small budget scheme	-	-	-	-	(1,250)
Special Project Grant Scheme	-	1,500	-	1,500	-
Research Dissemination Grant Scheme	-	9,260	-	9,260	2,606
At the end of the year	4,371	55,000	-	59,371	23,019

6 Governance costs

	2024 £	2023 £
Legal Fees	-	-
Audit fees (excluding VAT)	11,970	11,400
Audit fees – underprovision for previous year (excluding VAT)	2,100	1,100
Professional fees	1,450	1,649
Council and committee Costs	8,162	13,196
	23,682	27,345

Notes to the financial statements

For the year ended 31 December 2024

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	538,665	480,850
Redundancy and termination costs	–	–
Social security costs	52,181	45,864
Employer's contribution to defined contribution pension schemes	49,633	43,082
Other forms of employee benefits	1,705	4,482
	642,184	574,278

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2023 No.
£60,000 – £69,999	1	–
£80,000 – £89,999	–	1
£90,000 – £99,999	1	–

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel (the chief executive, operations manager and commercial director) were £246,800 (2023: £208,113).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2023: £nil). No charity trustee received payment for professional or other services supplied to the charity (2023: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £688.78 (2023: £737) incurred by 5 (2023: 4) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 14 (2023: 12).

9 Related party transactions

The following trustees were employed by organisations who were either institutional or group members of the RES during 2024. The individuals were not involved in discussions between their employer and the RES on institutional/group membership and recused themselves from any Board decisions which may have presented a conflict.

Tom Aldred and Donna Leong (trustees) are employed by the Government Economic Service who hold an institutional membership. Kate Collyer (treasurer) is employed by the Financial Conduct Authority who hold an institutional membership. Professor Swati Dhingra, Professor Mary Morgan and Professor Sir Chris Pissarides (trustees) are employed by the London School of Economics who hold a group membership. Professor Giovanni Razzu (trustee) is employed by the University of Reading who hold a group membership. Associate Professor Stefania Paredes-Fuentes (trustee) is employed by the University of Warwick who hold a group membership.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At the start of the year	13,322	13,322
Additions in year	6,397	6,397
At the end of the year	19,719	19,719
Depreciation		
At the start of the year	7,560	7,560
Charge for the year	1,999	1,999
At the end of the year	9,559	9,559
Net book value At the end of the year	10,160	10,160
At the start of the year	5,762	5,762

All of the above assets are used for charitable purposes.

12 Intangible fixed assets

	Software £	Total £
Cost		
At the start of the year	153,763	153,763
At the end of the year	153,763	153,763
Depreciation		
At the start of the year	84,509	84,509
Charge for the year	15,376	15,376
At the end of the year	99,885	99,885
Net book value At the end of the year	53,878	53,878
At the start of the year	69,254	69,254

Notes to the financial statements

For the year ended 31 December 2024

13 Listed investments

	2024 £	2023 £
Fair value at the start of the year	5,755,630	5,586,091
Additions at cost	–	–
Disposal proceeds	(200,000)	(100,000)
Net gain / (loss) on change in fair value	441,133	305,871
Settlement of fees	(37,701)	(36,332)
	5,959,062	5,755,630
Cash held by investment broker pending reinvestment	–	–
Fair value at the end of the year	5,959,062	5,755,630

Investments comprise:

	2024 £	2023 £
Sarasin & Partners:		
Long Term – Asset Allocation	4,715,165	4,339,516
Medium Term – Asset Allocation	1,039,951	1,031,120
Short Term – Asset Allocation	200,287	384,065
Cash	3,659	929
	5,959,062	5,755,630
Cost	5,397,075	5,579,833

14 Debtors

	2024 £	2023 £
Trade debtors	19,900	960
Prepayments	39,073	40,777
Publishing debtor	44,887	26,000
Other debtors	518	–
	104,378	67,737

15 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	103,960	114,240
Taxation and social security	9,569	15,101
Other creditors	4,178	3,317
Accruals	25,183	54,187
Deferred income – fundraising	5,000	–
Deferred income – conference income	–	41,306
Deferred income – grants	9,000	24,780
Deferred income – memberships (1 year)	10,000	5,000
Deferred income – memberships (3 years) (note 16)	17,149	22,840
	184,039	280,771

Notes to the financial statements

For the year ended 31 December 2024

16 Deferred income – Memberships (3 years)

Deferred income comprises of 3 year membership subscriptions

	2024 £	2023 £
Balance at the beginning of the year	22,840	23,144
Amount released to income in the year	(22,840)	(23,144)
Amount deferred in the year	17,149	22,840
Balance at the end of the year	17,149	22,840

The deferred income is included within the creditors liability but separated out for the purpose of explaining the reason for the deferred income. As the memberships span 3 years a proportion of this is represented as a creditor due after one year (see note 17).

17 Creditors: amounts falling due after one year

	2024 £	2023 £
Deferred income – Memberships (3 years)	8,920	8,229
	8,920	8,229

18a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	64,038	–	–	64,038
Investments	4,749,062	807,930	–	5,556,992
Net current assets	519,777	–	126,070	645,847
Long term liabilities	(8,920)	–	–	(8,920)
Net assets at 31 December 2024	5,323,957	807,930	126,070	6,257,957

18b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	75,016	–	–	75,016
Investments	4,545,630	1,210,000	–	5,755,630
Net current assets	(62,817)	90,000	78,258	105,441
Long term liabilities	(8,229)	–	–	(8,229)
Net assets at 31 December 2023	4,549,600	1,300,000	78,258	5,927,858

19a Movements in funds (current year)

	At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2024 £
Restricted funds:					
Discover Economics	78,258	120,020	(156,026)	83,818	126,070
Total restricted funds	78,258	120,020	(156,026)	83,818	126,070
Unrestricted funds:					
Designated funds:					
Investment Reserve	–	441,133	(37,701)	(403,432)	–
Fixed Asset Reserve	90,000	–	–	(15,000)	75,000
Working Capital Reserve	210,000	–	–	–	210,000
Programme Investment Reserve	500,000	–	–	–	500,000
Budgeted Deficit	500,000	–	–	(402,070)	97,930
Total designated funds	1,300,000	441,133	(37,701)	(820,502)	882,930
General funds:	4,459,600	1,378,131	(1,325,458)	736,684	5,248,957
Total unrestricted funds	5,759,600	1,819,264	(1,363,159)	(83,818)	6,131,887
Total funds	5,837,858	1,939,284	(1,519,185)	–	6,257,957

The narrative to explain the purpose of each fund is given at the foot of the note below.

19b Movements in funds (prior year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 January 2024 £
Restricted funds:					
Discover Economics	69,638	76,450	(96,670)	28,840	78,258
Total restricted funds	69,638	76,450	(96,670)	28,840	78,258
Unrestricted funds:					
Designated funds:					
Investment Reserve	–	305,871	(36,332)	(269,539)	–
Fixed Asset Reserve	90,000	–	–	–	90,000
Working Capital Reserve	210,000	–	–	–	210,000
Programme Investment Reserve	500,000	–	–	–	500,000
Budgeted Deficit	500,000	–	–	–	500,000
Total designated funds	1,300,000	305,871	(36,332)	(269,539)	1,300,000
General funds	4,410,846	1,445,007	(1,636,951)	240,699	4,459,600
Total unrestricted funds	5,710,846	1,750,878	(1,673,283)	(28,840)	5,759,600
Total funds	5,780,484	1,827,328	(1,769,953)	–	5,837,858

Purposes of restricted funds

Discover Economics – Discover Economics is a RES campaign aimed at changing perceptions of economics among young people and attracting students from under-represented groups.

Purposes of designated funds

- Reserves required for operational reasons and therefore not available for general purposes, ie, funding of future fixed assets and working capital used to carry out the Society's charitable purposes. The fixed asset investment has been reduced to align with the expected expenditure next year. The working capital reserve is still sufficient to cover the short term liabilities.
- Projected future expenditures that cannot be met from future income, ie, budgeted and projected deficits and known programme investments. The deficit is per the budget for 2025. The Society always aims to invest £500,000 on programmes.
- If the situation arises, known commitments that have not been provided for as a liability in the accounts.

Purposes of general funds

- Potential future deficits beyond periods for which reliable budgets are available.
- Unforeseen variances vs budgeted income, eg, bad debts, loss of journals income.
- Potential losses in value of long-term investments. (The investment strategy seeks reasonable returns by investing in equities etc. with risk to capital value. This reserve recognises that over a foreseeable period there will be reductions in values from time to time).
- Emergency expenditures including, eg, settlement of legal claims, uninsured losses, pandemic and other emergency responses, taxation changes.
- Funds to invest in future development activities not yet specified.
- Commitments not provided for as liabilities in the accounts for which no designated reserve has been established.
- In extremis, to provide for orderly settlement of liabilities in the event of restructure or closure.

20 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2024 £	2023 £
Less than one year	36,879	36,169
One to five years	38,698	73,758
	75,577	109,927

A new lease on the office was signed during the year. The lease was agreed for 3 years covering the period 19 January 2024 – 18 January 2027.

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The individual members or Trustees are not obligated to pay anything in the event of the Society winding up.

Accounts

REGISTERED CHARITY NUMBER: 231508 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
THE ROYAL ECONOMIC SOCIETY**

Royal Economic Society
2 Dean Trench Street
Westminster
London
SW1P 3HE

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FOR THE YEAR ENDED 31 DECEMBER 2023

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THE ROYAL ECONOMIC SOCIETY

REPORT OF THE TRUSTEE BOARD FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustee Board presents its report together with the Financial Statements of the Charity for the year ended 31 December 2023.

REGISTERED CHARITY NUMBERS: 231508 (England & Wales)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

MEMBERS OF THE TRUSTEE BOARD AND CHARITY TRUSTEES

PRESIDENT:	Prof Mary Morgan (from 26 May 2023)
PRESIDENT ELECT:	Prof Sir Christopher Pissarides (from 26 May 2023)
TREASURER:	Andrew Farrell (resigned 31 December 2023) Sue Holloway (from 1 January 2024)
CHAIR OF TRUSTEES:	Prof Sir Anton Muscatelli (from 26 May 2023)
COUNCILLORS:	Tera Allas Prof Miguel Costa-Gomes Assoc Prof Swati Dhingra
CO-OPTED:	Kofi Adjepong-Boateng Tom Aldred Dr Conrad Copeland Assoc Prof Stefania Paredes-Fuentes Dr Steven Proud

TRUSTEE BOARD MEMBERS SERVING AS CHARITY TRUSTEES DURING AN EARLIER PART OF THE YEAR

From 1 January to 26 May 2023:	Prof Nicholas Crafts Prof Imran Rasul
CHIEF EXECUTIVE (NON TRUSTEE):	Leighton Chipperfield
HEAD OFFICE:	2 Dean Trench Street Westminster London SW1P 3HE
AUDITORS:	Sayer Vincent LLP 110 Golden Lane London EC1Y 0TG

THE ROYAL ECONOMIC SOCIETY

BANKERS:

NatWest Bank plc
143 High Street
Bromley
Kent BR1 1YZ

INVESTMENT MANAGERS:

Sarasin and Partners
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

REFERENCE AND ADMINISTRATIVE DETAILS

The charity was founded in 1902 and is registered with the Charity Commission under charity number 231508 (England and Wales). The reference and administrative details of the Charity are shown on page 1 of the Financial Statements above.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Royal Economic Society is constituted by a Royal Charter of Incorporation dated 2 December 1902 as amended by a supplemental charter dated 26 January 1968 and byelaws as made in General Meetings of the Society from time to time, subject to the consent of the Privy Council. There are no specific restrictions imposed by the governing document.

The byelaws of the Society were revised by order of the Privy Council made on 19 July 2022 and taking immediate effect.

Appointment of Trustees

The Royal Economic Society Trustee Board comprises the President, President-Elect, Honorary Treasurer, Chair of Trustees, three representatives from Council and up to five trustees co-opted by Council on a proposal from the Trustee Board. The Trustee Board currently meets three times a year.

The trustees are legally responsible for the overall governance, management and policies of the Society, ensuring that the charitable objects for which it has been set up are met. All new members of the Trustee Board receive the Charity Commission's information on the responsibilities of Charity Trustees. Trustee Board members receive a briefing and induction pack on appointment, with further training undertaken on as required.

Since May 2017, the day-to-day running of the Society is delegated by the Trustee Board to the Chief Executive, who reports to the Chair of Trustees.

Members of the Council, which appoints some Trustee Board members as explained above, are nominated by members of the Society and considered by the Nominations Committee. The Nominations Committee comprises six elected members of Council (each of whom serves three years on the committee), the President-Elect and two Additional Members, with the Elections Officer acting as non-voting secretary. The Additional Members are either Life Vice-Presidents of the Society or individuals of high standing in the profession. The Nominations Committee draws up a list of candidates who are voted upon by the members of the Society to become members of Council for a term of five years. The Presidents Selection Committee, which nominates the incoming RES President-Elect, comprises all members of the Nominations Committee excluding the incumbent President-Elect.

Public Benefit

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Society and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Management and administration

In 2017 the Society relocated its office headquarters from the University of St Andrews to Westminster, London, and

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appointed its first directly employed staff.

Key management personnel remuneration

The Trustee Board (through its Remuneration Committee) reviews annually the pay of the Chief Executive. In view of the nature of the Society, the remuneration is also benchmarked with similar charities or with reference to sector reports to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. The Remuneration Committee also considers and makes recommendations to the Trustee Board for annual review of all employees' salaries.

Principal risks and uncertainties

The trustees have given consideration to the Society's major risks and satisfied themselves that systems or procedures are established in order to manage and mitigate those risks to the level that the Society deems appropriate.

During the year, the key risks that might impact on the Society's objectives and the internal procedures have been kept under review and a risk register is in place. This identifies external and internal risks. It is consistent with the guidance published by the Charity Commission in its guidance on risk management (CC26). The Trustee Board has reviewed and approved changes to the risk register and risk ratings therein.

In line with Charity Commission guidance, the risk register identifies the key categories of risk relating to governance, finance and operations.

a) Governance Risks

Proposals to update the Society's governance arrangements were approved at the Society's Annual General Meeting in 2021, with the main changes in place by the end of that year. The effectiveness of the new arrangements will be regularly reviewed.

b) Financial Risks

The fact that finance is a standing item of business for meetings of the Trustee Board and Council ensures that the appropriate financial information is regularly scrutinised. The Society's investments are held in a variety of unit trusts in order to minimise systematic risk and the investment policy is reviewed against performance at least every three years. Internal risks are minimised by the implementation of procedures for authorisation of all projects and financial transactions. A Finance Committee is in place, chaired by the Treasurer. This committee is charged with making recommendations to the Trustee Board on the Society's reserves and investment policies, advising the Treasurer on working capital requirements and reviewing the appointments of auditors and making recommendations to the Annual General Meeting.

c) Operational Risks

As the agent for the Trustee Board, the Chief Executive (working with the Chair of Trustees) has the responsibility for maintaining a sound system of internal control that supports the achievement of the Society's aims and objectives, whilst safeguarding its assets and ensuring proper application of its income to its charitable objects. The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Society's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 December 2023 and up to the date of approval of the annual report and accounts.

The Trustee Board has considered the major risks facing the Society in 2024 and the medium term and remains focussed on the challenges that arise for longer-term financial sustainability from changes in the academic publishing market. The principal risks have been identified as follows:

- The risks that will arise in the medium term from not being able to fund current expenditures from strong journal incomes or historic reserves.
- Limited staff and committee expertise in fundraising and income generation.
- Maintaining and developing member recruitment, engagement and retention for individual, corporate and group

THE ROYAL ECONOMIC SOCIETY

members.

- Managing pricing and costs to balance the effects of inflation and cost-of-living for members, customers and staff with financial sustainability.
- The effectiveness of governance structure, processes and impact measures to ensure optimal delivery of charitable benefit.
- Limited historic focus on dimensions of inclusion and diversity other than gender, including ethnicity, class, disability and potential risks related to accessibility of premises, website and social media.

These risks have and will be mitigated as follows:

- The development of a new strategy for 2024 and beyond that addresses these strategic risks.
- The development of a medium-term financial strategy and associated budgetary processes.
- The appointment of a Commercial Director to oversee improvements to member recruitment and retention
- The development of an Income Generation plan comprising initiatives to diversify the Society's income in ways which align with the Society's strategic and charitable aims
- Ongoing reviews of governance effectiveness
- The commitment to address other dimensions of inclusion and diversity outlined in the new strategy, and the appointment of a co-opted trustee to oversee this work

Volunteers

The Society could not achieve its charitable objectives without the commitment and hard work of its volunteers, both Members and non-Members, many of whom give freely of their time to act as journal reviewers, committee members and volunteers to support our events and activities. The Society wishes to thank all those who have supported it over the last year.

Annual General Meeting

The Annual General Meeting was held online from 24-26 May 2023 with 35 members taking part (2022: 61). Amongst other decisions, members agreed to elect the Presidents and Councillors for the forthcoming year and to appoint Prof Sir Anton Muscatelli as Chair of Trustees.

OBJECTIVES AND ACTIVITIES

Objects

The Royal Economic Society is established to promote and foster the study of economic science. The Society is also concerned with the application of the results of that study.

These objects are undertaken by means of publications, the Annual Conference, Postgraduate Conferences and helping to further the study of economics via free Public Lectures, a programme of various Grants and Projects, and an annual essay competition for Young Economists focused on schools.

The Trustee Board confirm that they have complied with the duty in section 17 of the Charities Act 2011, to have due regard to the Charity Commission's general guidance on public benefit. The Trustee Board believes that social welfare is advanced by promoting and fostering the study of economic science, and that its activities serve to educate the public, and particularly that section of the public that is interested in issues of economic policy. The results of the economic research that the Society supports are widely disseminated through its publications. Although the benefits of the Society's work are not restricted to its members, the subscription is deliberately set at a low level to encourage a broad base of membership, including those on lower incomes.

Strategy

2023 was the final year for the Society's strategy for the period 2019-2023. The strategy set out four key priorities as follows:

- Enhancing the credibility and visibility of economics
- Supporting economists
- Improving diversity
- Working effectively.

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The Society continued to measure its achievements against these priorities, with many of its activities delivering on more than one priority.

In early 2023 a working group was formed, chaired by the President Prof Mary Morgan, to oversee the process of developing a new strategy for the period 2024-2028. The working group reflected on the achievements and challenges of the previous period, identified new opportunities and risks and that had emerged in the past years, and considered the Society's place in the ecosystem of cognate organisations. The Society's Trustee Board, Council and staff were actively involved in the ideation and review process. This process was helped immeasurably by the membership's excellent response to a consultation on the draft strategy issued during the year, with over 330 responses containing thoughtful suggestions and feedback. Separately the Society also engaged some of its organisational partners for their views. The overwhelmingly positive response to the consultation allowed the working group, Trustee Board and Council to finesse the draft strategy, which with certain modifications was approved and published in the autumn of 2023.

Building on the previous strategy, the 2024-2028 strategy has four strategic priorities:

- Bring communities of economists together
- Advocate for economics
- Improve diversity, inclusion and integrity in the profession
- Develop the next generation of economists

Underpinning these priorities are four success factors which will help the organisation to achieve its priorities:

- Membership
- People
- Infrastructure
- Stewardship

For the first time, the Society also published 5 core values that drive its work:

- Excellence
- Collaborative
- Inclusive
- Transparent
- Sustainable

Activities to Achieve Objectives

The Society meets its objects by undertaking the following activities.

1. Membership

The Society has a membership scheme whereby anyone who is interested in the study of economics can join and receive the various benefits of membership.

2. Publications

The Society has two peer-reviewed journals, The Economic Journal and The Econometrics Journal. Publication of the journals transitioned to Oxford University Press at the beginning of 2019. Members of the Society can pay a higher fee to receive printed copies of The Economic Journal; members may also choose to receive a printed quarterly newsletter. Increasingly, timely information of interest to members and the general public is provided via the Society's website and social media channels. On-line access to The Economic Journal and The Econometrics Journal is available and is heavily used.

In addition, the Society has a commitment to publishing scholarly editions of classic works in economics. Its editions of the works of Ricardo, Malthus, Marshall, Edgeworth, and Keynes (also now available through online subscription) set an international standard in these matters.

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3. **Conferences, education and training**

The Society organises several educational events during the year, subsidised primarily from the surplus generated by publication of the Economic Journal. The largest of these is the Annual Conference, which rotates around UK universities and is held around Eastertime. A one-day PhD Conference takes place annually, organised by a committee of PhD students. The RES Easter School, funded jointly with the Economic and Social Research Council, provides advanced training for doctoral students and early career professional economists. In recent times the Society has expanded its offering to provide online seminars to members and potential members.

CHUDE (Conference of Heads of University Departments of Economics) comprises Heads of Economics at universities in the UK. Its ultimate purpose is the promotion of research and teaching of economics, and more generally of the significance and importance of economics, in the UK. Bi-annual meetings offer a forum for discussion of issues of interest.

4. **Grant funding of activities**

Members are eligible to apply for a range of grants; these schemes are outlined in note 7 to the accounts. The postgraduate conference grant schemes provide support for individuals of limited means to meet the costs of attending these events.

5. **Outreach**

The RES conducts activities to improve the public understanding of economics and to promote the subject to school-age young people. These include an Annual Public Lecture and a Young Economist of the Year competition. The Society also partners with other organisations to this end, such as the annual Festival for Economics. The RES Discover Economics campaign, launched in 2019, seeks to attract more students from underrepresented groups into economics by broadening the appeal of the subject and changing perceptions of economics and economists.

ACHIEVEMENT AND PERFORMANCE

Review of activities

In line with the objects and strategy of the Society the key achievements during the year ended 31 December 2023 were as follows.

Journals

In 2018, Oxford University Press was selected as the Society's journal publisher for a five-year period from January 2019. In 2022 this agreement was renewed for a further five years from January 2024.

The Economic Journal received a total of 1,596 submissions in 2023 (2022: 1,673). 88% of regular submissions that were sent to referees were returned to authors within four months of submission (2022: 87%); 0% of submissions took longer than six months (2022: 0%). The 2022 2-Year Impact Factor (released in June 2023) was 3.2 (2021: 3.721). The Economic Journal continues to be highly international, with 12% of author submissions from the United Kingdom (2022: 15%), 22% from the United States and Canada (2022: 23%), 42% from Europe (2022: 39%) and 24% from the Rest of the World (2022: 23%).

The total number of submissions to The Econometrics Journal was 130 (2022: 134) and the number of accepted papers was 23 (2022: 31). The Journal's JCR year 2022 2-Year Impact Factor was 1.9; this placed it in Quartile 2 in three categories (Mathematics/Interdisciplinary Applications; Social Sciences/Mathematical Methods; and Statistics & Probability) and in Quartile 3 in Economics. Longer run impact measures: 2022 5-Year Impact Factor 3.8 (2021: 4.602) and Article Influence Score: 3.279 (2021: 4.377). The total number of citations in the JCR year was 1,848 marking the ninth consecutive year that citations have increased.

Other publishing activities

A working group convened in 2022 to review opportunities for increasing the number of high quality papers continued its work in 2023. The group concluded that it made more sense to develop strategies to publish more high-quality content in the existing journals, rather than launching a third journal. A recommendation to expand The Economic Journal was approved by the Publications Committee, which was in turn approved by the Trustee Board in late 2023. An announcement will be made in 2024.

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In 2012 the Society published with Cambridge University Press the full 30 volumes of the Collected Writings of John Maynard Keynes in digital and paperback editions. Through a 2013 arrangement with the publisher, the Society has since provided the membership with free digital access to this important scholarly resource.

Membership

In November 2021 the RES transitioned to a tiered pricing model for membership. Under the model, those on lower incomes or no income pay a lower fee, while higher-earning members are asked to pay more.

The Society continued to offer group membership in 2023, with 7 departments or other organisations taking up the scheme (2022: 6). The Society launched a member and conference registration bundle, with 257 individuals becoming members through this scheme. The Society's total membership of 3,801 was in line with the previous year (2022: 3,844). The trend for members to opt for online only access to the journals continued, with 98% of members holding an online membership (2022: 98%).

Additionally, in 2023 the Society launched Institutional Membership. By the end of the year 5 organisations – the Bank of England, Compass Lexecon, the Financial Conduct Authority, Frontier Economics and the Government Economic Service – had joined as Institutional Members.

The geographical composition of the membership was largely unchanged, with 46% of members in the UK (2022: 45%), 22% located elsewhere in Europe (2022: 23%), 12% in the United States or Canada (2022: 13%), 1% in Japan (2022: 1%) and 20% in the Rest of the World (2022: 17%).

Newsletter

New editions of the quarterly newsletter are made available to members via the RES website on publication, and to non-members after one month. Members are also sent a digital version of the issue via email. 2023 issues featured a range of topics including the RES Climate Change Summit, an issue honouring Adam Smith's tercentenary, an economic perspective during the reign of HM Queen Elizabeth II and the art and science of communication.

Easter Training School

The 2023 Easter Training School took place on Monday 27 March – Wednesday 29 March and was an in-person event at the University of Bristol.

The Easter School was pleased to host two keynote speakers – Prof. Gabriella Conti and Prof. Eric French, with additional contributions from Dr. Elaine Kelly, Ann Raymond and Prof. Stephanie Von Hinke. Students attending presented papers and posters. 50 applications to attend the School were received (2022: 35); 35 were accepted (2022: 26) and 31 participants attended (2022: 26). All participants rated the event overall as either 'Good' or 'Excellent'.

PhD Conference

The annual RES PhD Conference (formerly the RES Symposium for Junior Researchers) was held at the University of Glasgow on Friday 9 June, with the event hosted and coordinated by students from the university. 160 papers (2022: 174) were submitted with 63 papers (2022: 45) accepted for presentation. The Keynotes were presented by Dr Adam S. Posen and Prof. Herve Moulin. 98% of attendees reported that the event was Excellent/Good.

European Job Market for Economists (EJME)

The 2023 European Job Market for Economists took place online, continuing the partnership between the European Economic Association, the RES, and the Spanish Economic Association. Over 900 candidates and 100 institutions took part. In November the Society again hosted its popular webinar 'How to Prepare for the European Job Market for Economists', which this year was chaired by Prof Caroline Elliott. Approximately 100 individuals joined the live webinar.

TeachECONference2023

The Society continued its support for economics educators by sponsoring a networking session at the TeachECONference2023, an annual virtual conference on economics education.

Professional development

The Education & Training Committee organised the second annual RES summit, which this year was on the topic of inflation

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and the credit crisis. Speakers included Assoc Prof Swati Dhingra (London School of Economics and Bank of England), Xiaowei Xu (Institute for Fiscal Studies) and Alfie Stirling (Joseph Rowntree Foundation), with approximately 100 members attending. The event received welcome coverage from Reuters, Bloomberg and The Telegraph.

Grant funding of activities

Society members can apply for grants under the Research Dissemination Grant (RDG), Conference Grant (CG) and the Discover Economics Grant (DE) schemes. The authority to consider applications and award grants under these schemes is delegated to the Education & Training Committee, within financial limits and the overall policy determined by the Trustee Board. The Knowledge Transfer Projects Grant (KTP) programme was discontinued in 2023 following a review of its impact.

The RDG programme received a total of 10 applications, six of these applications were successful with a total funding award of £10,005. The CG programme received 51 applications in 2023, 27 of these were successful with a total funding award of £9,000. The DE Grant programme received a total of 11 applications, 8 applications were successful with a total funding award of £7,800.

Diversity and Women's Committee

The Diversity Champion Prof Stefania Paredes-Fuentes, working closely with the Member Operations Director, continued to deliver the Diversity and Inclusion Programme approved by the Trustee Board. A part-time Programmes Officer was appointed in April 2023 to support these activities. The programme of work has grown significantly and encompasses a range of activities to further diversity, equality and inclusion (DEI) across the Society and the wider discipline. In 2023 this included launching the RES Diversity and Inclusion Network and holding 3 events (2 online, 1 in person); publishing a research report "Who Studies Economics" addressing the lack of diversity in the pipeline; delivering a Consciously Inclusive Mentoring Programme for members; holding an Active Bystander special session at the RES Annual Conference 2023, and publishing a video in November 2023 entitled "Be the change: how to be an active bystander". The Society continues to monitor the diversity of its own activities and has developed a comprehensive bank of DEI-related resources on the RES website. The Member Operations Director continues to sit on the Academic of Social Sciences/ESRC EDI working group to share best practices on improving diversity across the social sciences.

The Mentoring Programme run by the Women's Committee caters for UK-based early-career female lecturers and advanced female PhD students. The 2023 Mentoring Programme matched 58 mentees to 22 mentors (2022: 69 mentees to 10 mentors), and a special session was convened at the 2023 Annual Conference on getting published.

Significant data analysis work was undertaken for the next Women's Committee gender report "Women in Economics Report", using HESA data, with the aim of publishing the full report in early 2024.

The Women's Committee launched the UK Women in Economics Network (UK WEN) in February 2023 at an event hosted by the Bank of England. This network aims to support the career development of UK-based women in economics across all sectors and is overseen by the Member Operations Director and supported by the Programmes Officer for Diversity. Although in its early stages the network has grown significantly, delivering a careers event in partnership with J.P. Morgan Asset Management, several 'Inspirational Talk' events and a Best Practice Forum. A social media presence has been established and regular e-newsletters are circulated to the mailing list. Elsevier provided funding towards the network costs, whilst partner organisations have provided support through the hosting of events.

Outreach

Website

The Society continued to add to its website content, with a particular focus on diversity and inclusion content in 2023. Following the launch of the UK Women in Economics Network a separate part of the website was launched for this initiative. Information and resources curated by the Diversity Champion were expanded. Updates were made to the RES members area, with the newsletter, member news and a video library available to members through this portal. Updates continued to be made to user navigation and to enhance the visual appeal of the website.

Social media

The Society aims to reach a wider audience through its social media activity and maintains a presence on X (formerly Twitter), LinkedIn and YouTube. The Society's followers on X increased to 19k in 2023 (2022: 17.3k), whilst the Economic Journal's followers increased to 22.5k (2022: 20.4k). On LinkedIn the Society's followers increased to 5.6k (2022: 3k). 23 videos were added to the Society's YouTube channel, with 35.9k views of videos on the channel (2022: 55.2k) and 7.7k

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subscribers.

Public outreach

The 2023 Annual Public Lecture was delivered by Prof Wendy Carlin and chaired by Prof Denise Hawkes (at University of Reading) and Prof Sir Anton Muscatelli (at University of Glasgow). A combined total of c. 300 students (2022: 254) attended the lecture.

The Society again provided financial support to the Bristol Festival of Economics which was held in November 2023.

Young Economist of the Year competition

The Young Economist of the Year competition is open to students studying a range of further education qualifications and is directed at those who are UK based and studying in school years 10 to 13 or equivalent.

Submissions to the competition increased to 1922 entrants (2022: 1179). The Discover Economics campaign promoted the competition through stakeholders, RES members and direct to schools. KPMG UK sponsored the competition and provided judges for the initial shortlisting. 5 entries were selected to attend an in-person final held at KPMG UK offices – Canary Wharf. Finalists presented their work to an audience of stakeholders and to a judging panel (Arun Advani, Sarah Smith, Heather Sharp, Lizzy Burden and Chris Giles). Through support from HM Treasury, finalists met Chief Economic Adviser to the Treasury Sam Beckett and visited 10 Downing Street.

The winning entry on ‘How should big tech be regulated (if at all?)’ was published on the Financial Times website. The winners, finalists and shortlisted entrants were published on the website and on social media.

Annual Conference

The 2023 conference took place at the University of Glasgow from 3-5 April 2023 and was held in partnership with the Scottish Economic Society. This marked the first in-person RES conference in 2019, before the pandemic. The Society was particularly delighted to be hosted by Glasgow in 2023, this marking 300 years since the birth of Adam Smith. 630 delegates attended online or in-person over the three days. A newly-introduced ticket option combining conference registration and membership accounted for 48% of tickets purchased. 95% of those responding to the delegate survey rated the conference as Excellent or Good (2022: 88%).

The conference received 1,017 paper submissions (2022: 632). The program chairs subsequently selected 400 papers to present at the conference. The programme included our popular lunchtime sessions, with 15 special sessions on topics include Active Bystanding and the impact of Adam Smith’s work on economics. This being a joint conference, delegates enjoyed a larger number of keynote sessions than usual with presentations from Prof. Sir John Vickers, Prof. Dame Carol Proper, Prof. Leah Boustan, Prof. Francis X. Diebold, Prof. Valerie Ramey, Prof. Dani Rodrik, Prof. Silvana Tenreyro, and Dr. Raghuram Rajan.

The introduction of poster sessions as a pilot was a success, with 16 posters presented.

The inaugural RES Award for Service to the Economics Profession was presented to Prof Wendy Carlin by Prof Sir Anton Muscatelli at the Gala Dinner.

Prof. Giovanni Razzu, Conference Secretary, monitored Diversity, Equality, and Inclusion (DEI) elements and the environmental impact of the conference. All sessions began with a reminder of the RES Code of Conduct. Surplus food from the conference was donated to the Homeless Project Glasgow, whilst a conference app was offered in place of a printed programme.

Discover Economics

The Society continued its support as a Founding Partner alongside The Health Foundation for Discover Economics, a campaign to help change perceptions of economics among young people and attract students from under-represented groups. The Society was delighted to secure extended support from the Bank of England, LSE Hub for Equal Representation and KPMG. In addition financial support was kindly received from Cardiff University, CAGE Research Centre – University of Warwick and the Financial Times.

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The first year of an in-person outreach project, aimed at 15-17 year olds was completed in partnership with 30 universities involving 131 current undergraduate economics students delivering 102 subject specific outreach workshops to 2,794 state school students. Preliminary evaluation of results shows that attending one of the workshops increases the stated likelihood of studying economics by around 13 per cent.

Online events continued with themes including Black History Month; Careers in Economics; International Women's Day; and Pride in Economics. Additional work commenced with CAGE Research Centre - University of Warwick to deliver educational video content linking economics to history. This series attracted 22k views on YouTube.

The campaign's social media presence grew with 3.3k followers on Twitter (2022: 2.8k), 2.2k followers on LinkedIn (2022: 1.3k), 0.8k followers on Instagram (2022: 0.6k) and 1.6k followers on TikTok (2022: 1.4k). A fortnightly e-newsletter continued with 2.9k subscribers (2022: 0.9k).

Income Generation

The Trustee Board approve the appointment of a Commercial Director to oversee the Society's efforts to diversify its income streams and thereby support the long-term sustainability of the organisation. The Board also convened a working group chaired by trustee Kofi Adjepong-Boateng CBE to work alongside the Commercial Director. The group was tasked with identifying the opportunities with the greatest income and which were aligned with the Society's charitable and strategic aims. In late 2023 the Trustee Board approved a series of initiatives to increase income from both existing and new activities. These initiatives will be taken forward from 2024, with regular updates provided to the Board.

Governance matters

Andrew Farrell resigned as Honorary Treasurer on 31 December 2023. Following a Council member vote to fill this Extraordinary Vacancy, Susan Holloway was appointed interim Honorary Treasurer until the 2024 Annual General Meeting.

FINANCIAL REVIEW

Explanation of the Statement of Financial Activities and the Application of the Society's Funds

2023 saw a return to more normal conditions after the challenges for the Society's operations and investments in 2022. Although journal income continued its downward trend, the full return to an in-person conference, in partnership with the Scottish Economic Society, saw excellent attendance. Investments also gained in value.

The net deficit excluding gains on investments was £248k – higher than the £156k deficit in 2022 but lower than the 2023 budget forecast deficit of £516k. Net gains on investments were £306k, compared with losses of £762k in 2022. Total net income for the year was £57k, with a corresponding increase in total funds and reserves.

Total Income in 2023 was £1,521k, an increase of 8% vs 2022 (£1,406k). Income from journals was £939k, a 3% decline vs 2022 (£967k). Membership income increased by 11% as organisations took out group and institutional memberships. Conference income more than quadrupled, with a full return to an in-person meeting. We were very grateful for support to Discover Economics work on increasing awareness of economics and the diversity of students applying to university with significant contributions from the Bank of England, CAGE Research Centre, Health Foundation, KPMG, and the Hub for Equal Representation at the London School of Economics and Political Science.

Total Expenditure of £1,770k increased by 13% from 2022 (£1,562k). The most significant increase, as one would expect from the higher attendance, was in Conference costs. Journal expenditure was reduced, as a result of lower sales. Increased expenditure on Membership and Outreach was the result of a return to in-person events and the resumption of member grants following the pandemic.

Statement of Cash Flow

It was expected that the budgeted deficit would require funding by withdrawal of investment funds in the year, and indeed £100k was withdrawn. Cash used by operating activities increased to £264k vs 2022 (£128k). This was moderated by a decrease in both creditors and debtors and was funded by the investment capital withdrawal, as well as interest and dividend income.

Balance Sheet and Use of Assets

Fixed asset movements consist of office equipment and software and are relatively minor.

Funds invested increased to £5,756 from £5,586k after £36k investment charges, divestment of £100K and £306k capital gains, with £160k interest paid to RES bank account.

The £5,756k investments are held in three different portfolios with the same investment manager, Sarasin & Partners. The short-term portfolio value at 31/12/2023 is £384k, the medium-term £1,031k and the long-term £4,340k. The short-term is to support cash requirements in the coming year, the medium-term for years 2 to 5 ahead, and the long-term for the longer-term. The long-term portfolio return objective is inflation plus 4%. At 31st December 2023 it was invested 14% in fixed income, 70% equities, 3.8% property, 9.5% alternatives and 2.7% liquidity (cash).

The total portfolio nominal return in the year was positive, 8.3%. Three and five-year average nominal returns remained positive, at 1.9% and 6.2% respectively.

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Return on investment funds

The returns on funds invested were:

Calendar year	Annual income	Annual total return		
		One year	Three year	Five year
2019	2.9%	17.7%	7.3%	8.6%
2020	3.1%	8.4%	6.1%	9.7%
2021	2.8%	7.7%	11.2%	7.6%
2022	2.6%	-9.5%	1.9%	3.1%
2023	2.8%	8.3%	1.9%	6.2%

Following the resignation of the Treasurer, the Trustee Board agreed to defer a review of the Society's Reserves and Investment Policies until a new Treasurer had been appointed.

Significant events since the year end

There have been no significant events since the year end that require reporting.

Reserves policy

The reserves consist of £78k restricted reserves, being unspent external contributions for Discover Economics, £1,300k designated funds and £4,460k general funds. The general funds are in line with the Society's general funds target of £4.4m. Designated funds are established to provide for 2024 budget deficit, investment in known programmes, and fixed assets and working capital that are not available for general purposes. The Society agreed to keep designated funds at the 2023 level in 2024, pending an in-depth review during the year to ensure alignment with the new Financial Strategy.

Going Concern

The Board of Trustees actively reviews the status of the Society as a going concern each year. As at 31/12/2023 the Society had designated reserves sufficient for budgeted deficit for 2024 and general reserves equivalent to more than 2 years' expenditure. The Society has no loans, contingent liabilities or finance liabilities other than trade creditors. The Trustees confirm that the RES is a going concern.

Looking forwards

In line with its 2018–2023 strategy the Society budgeted for deficits to bring its historic reserves in line with its target reserves, using the excess of expenditure over income to increase capacity to deliver charitable benefit. In 2023 the Trustee Board agreed a financial strategy for 2024 – 2028 to ensure that by the end of that period charitable expenditures are taking one year with another, wholly funded by current income and return on investments without depletion of reserves.

PLANS FOR FUTURE PERIODS

During 2024 the Society will take forward key initiatives arising from its new strategy. These will include:

- A new initiative to increase the number of published articles in The Economic Journal
- Conducting research on ways to increase Society membership
- Implementing income generation activities agreed by the Trustee Board
- Appointing a co-opted trustee to oversee Diversity, Inclusion and Professional Conduct activities
- Developing the Society's offering to doctoral students
- Creating Implementation Plans for key activities in order to execute the new strategy

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustee Board is responsible for preparing the Report of the Charity Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and in Scotland requires the Trustee Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

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- 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 accounting standards 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 Trustee Board is responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Royal Charter. The Trustee Board is also responsible for safeguarding the assets of the charity and so for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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S Holloway
Honorary Treasurer
On behalf of the Trustee Board

Dated: 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Opinion

We have audited the financial statements of Royal Economic Society (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, balance sheet, 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 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 charity'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
- Have been prepared in accordance with the requirements of the Charities Act 2011

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 Royal Economic Society'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 trustees' 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, except to the extent otherwise explicitly stated in our report, 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 trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees 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 charity 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 regulations made under section 154 of that Act.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Date

Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2023

		Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
	Note						
Income from:							
Charitable activities							
Journals	2	939,348	–	939,348	966,897	–	966,897
Other Publishing Activities	2	2,656	–	2,656	2,632	–	2,632
Membership		150,306	–	150,306	135,924	–	135,924
Outreach		11,000	–	11,000	–	–	–
Annual Conference		181,605	–	181,605	43,967	–	43,967
Discover Economics	2	–	76,450	76,450	–	98,526	98,526
Investments	3	160,092	–	160,092	158,225	–	158,225
Total income		1,445,007	76,450	1,521,457	1,307,645	98,526	1,406,171
Expenditure on:							
Raising funds	4	36,333	–	36,333	37,093	–	37,093
Charitable activities							
Journals	4	997,597	–	997,597	1,015,192	–	1,015,192
Other Publishing Activities	4	2,158	–	2,158	1,700	–	1,700
Membership	4	344,886	–	344,886	302,526	–	302,526
Outreach	4	60,724	–	60,724	25,979	–	25,979
Annual Conference	4	231,586	–	231,586	77,450	–	77,450
Discover Economics	4	–	96,670	96,670	–	102,122	102,122
Total expenditure		1,673,284	96,670	1,769,954	1,459,940	102,122	1,562,062
Net income / (expenditure) before net gains / (losses) on investments		(228,277)	(20,220)	(248,497)	(152,295)	(3,596)	(155,891)
Net gains / (losses) on investments		305,871	–	305,871	(762,417)	–	(762,417)
Net income / (expenditure) for the year		77,594	(20,220)	57,374	(914,712)	(3,596)	(918,308)
Transfers between funds		(28,840)	28,840	–	(49,797)	49,797	–
Net income / (expenditure) before other recognised gains and losses		48,754	8,620	57,374	(964,509)	46,201	(918,308)
Reconciliation of funds:							
Total funds brought forward		5,710,846	69,638	5,780,484	6,675,355	23,437	6,698,792
Total funds carried forward		5,759,600	78,258	5,837,858	5,710,846	69,638	5,780,484

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The Royal Economic Society

Balance sheet

As at 31 December 2023

	Note	£	2023 £	£	2022 £
Fixed assets:					
Tangible assets	11		5,762		5,725
Intangible assets	12		69,254		84,630
Investments	13		5,755,630		5,586,091
			<u>5,830,646</u>		<u>5,676,446</u>
Current assets:					
Debtors	14	67,737		366,610	
Cash at bank and in hand		228,475		233,880	
			<u>296,212</u>	<u>600,490</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(280,771)		(481,841)	
			<u>15,441</u>	<u>118,649</u>	
Net current assets					
			<u>5,846,087</u>	<u>5,795,095</u>	
Total assets less current liabilities					
Creditors: amounts falling due after one year	17		(8,229)		(14,611)
			<u>5,837,858</u>	<u>5,780,484</u>	
Net assets excluding pension asset					
			<u>5,837,858</u>	<u>5,780,484</u>	
Total net assets					
			<u>5,837,858</u>	<u>5,780,484</u>	
The funds of the charity:	19a				
Restricted income funds			78,258		69,638
Unrestricted income funds:					
Designated funds	19a	1,300,000		1,300,000	
General funds	19a	4,459,600		4,410,846	
			<u>5,759,600</u>	<u>5,710,846</u>	
Total unrestricted funds					
			<u>5,837,858</u>	<u>5,780,484</u>	
Total charity funds					
			<u>5,837,858</u>	<u>5,780,484</u>	

Approved by the trustees on

and signed on their behalf by

S Holloway
Honorary Treasurer

Statement of cash flows

For the year ended 31 December 2023

	2023 £	£	2022 £	£
Cash flows from operating activities				
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	57,374		(918,308)	
Depreciation charges	1,866		1,516	
Amortisation charges	15,376		15,377	
(Gains)/losses on investments	(305,871)		762,417	
Dividends, interest and rent from investments	(160,092)		(158,225)	
Portfolio management fees	36,333		37,093	
(Profit)/loss on the disposal of fixed assets	–		340	
(Increase)/decrease in debtors	298,873		109,874	
Increase/(decrease) in creditors	(207,452)		22,016	
Net cash provided by / (used in) operating activities		(263,593)		(127,900)
Cash flows from investing activities:				
Dividends, interest and rents from investments	160,092		158,225	
Purchase of fixed assets	(1,903)		(2,420)	
Proceeds from sale of investments	100,000		–	
Net cash provided by / (used in) investing activities		258,189		155,805
Change in cash and cash equivalents in the year		(5,404)		27,905
Cash and cash equivalents at the beginning of the year		233,880		205,975
Cash and cash equivalents at the end of the year		228,475		233,880
Analysis of cash and cash equivalents and of net debt				
	At 1 January 2023 £	Cash flows £	Other non- cash changes £	At 31 December 2023 £
Cash at bank and in hand	233,880	(5,404)	–	228,475
Total cash and cash equivalents	233,880	(5,404)	–	228,475

1 Accounting policies

a) Statutory information

Royal Economic Society is a charitable royal charter company and is incorporated in England.

The principal place of business is 2 Dean Trench Street

The presentation currency of the financial statements is in Pound Sterling (£).

b) Basis of preparation

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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Key judgements that the charity has made which have a significant effect on the accounts include the depreciation expense estimated on an annual basis based on the depreciation charges assigned to the individual class of asset.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern, and make this assessment in respect of a period of at least one year from the date of approval of the financial statements. The Royal Economic Society holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash. Annual budgets are produced with prudent figures for both income and expenditure.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Subscriptions begin at the point of payment and are accounted for on an accruals basis

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) 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 bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

• Journals	57%
• Other Publishing Activities	0%
• Membership	20%
• Outreach	3%
• Annual Conference	13%
• Discover Economics	6%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Equipment	25% reducing balance
• Software	10 years

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Notes to the financial statements

For the year ended 31 December 2023

1 Accounting policies (continued)

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

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

q) 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.

r) Defined Contribution Plans – Pension Scheme

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

2 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Economic Journal						
Sales of current volume to non-members	665,627	–	665,627	687,887	–	687,887
Sales of back numbers, royalties and misc	26,582	–	26,582	21,443	–	21,443
Submission fees	162,130	–	162,130	164,177	–	164,177
Sub-total for Economic Journal	854,339	–	854,339	873,507	–	873,507
Econometrics Journal						
Subscriptions	83,212	–	83,212	91,161	–	91,161
Sales of back numbers, rights and permission	1,797	–	1,797	2,229	–	2,229
Sub-total for Econometrics Journal	85,009	–	85,009	93,390	–	93,390
Sub-total for total journal income	939,348	–	939,348	966,897	–	966,897
Publishing Activities						
From Publishers	2,656	–	2,656	2,632	–	2,632
Sub-total for Other Publishing Activities	2,656	–	2,656	2,632	–	2,632
Discover Economics						
Grants	–	76,450	76,450	–	98,350	98,350
Gift Aid Donations	–	–	–	–	176	176
Sub-total for Discover Economics	–	76,450	76,450	–	98,526	98,526
Total income from charitable activities	942,004	76,450	1,018,454	969,529	98,526	1,068,055

3 Income from investments

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Dividends receivable from investments and unit trusts	160,092	–	160,092	158,225	–	158,225
	160,092	–	160,092	158,225	–	158,225

4a Analysis of expenditure (current year)

	Charitable activities								2023 Total £	2022 Total £
	Raising funds £	Economic Journal £	Econometrics Journal £	Other Publishing Activities £	Membership £	Outreach £	Annual Conference £	Discover Economics £		
Portfolio Management	36,333	–	–	–	–	–	–	–	36,333	37,093
Editor and Editorial Services	–	320,000	53,500	–	4,635	–	–	–	378,135	371,470
Retained by Publisher	–	119,075	14,848	–	–	–	–	–	133,923	140,250
Other Direct Costs	–	135,025	40,726	1,521	32,340	2,581	158,906	–	371,099	244,798
	36,333	574,100	109,074	1,521	36,975	2,581	158,906	–	919,490	793,611
Support Costs	–	19,580	614	–	3,682	11,944	4,376	66,014	106,210	116,696
RES Contribution	–	–	–	–	8,233	28,290	–	2,145	38,668	42,617
Management costs	–	239,173	44,189	613	295,349	17,248	65,781	27,459	689,812	580,674
Governance costs (note 6)	–	9,172	1,695	24	647	661	2,523	1,052	15,774	28,464
Total expenditure 2023	36,333	842,025	155,572	2,158	344,886	60,724	231,586	96,670	1,769,954	
Total expenditure 2022	37,093	828,937	186,255	1,700	302,526	25,979	77,450	102,122		1,562,062

The Royal Economic Society

Notes to the financial statements

For the year ended 31 December 2023

4b Analysis of expenditure (prior year)

	Charitable activities								
	Raising funds £	Economic Journal £	Econometrics Journal £	Other Publishing Activities £	Membership £	Outreach £	Annual Conference £	Discover Economics £	2022 Total £
Portfolio Management	37,093	–	–	–	–	–	–	–	37,093
Editor and Editorial Services	–	303,750	61,540	–	6,180	–	–	–	371,470
Retained by Publisher	–	123,841	16,409	–	–	–	–	–	140,250
Other Direct Costs	–	126,346	52,734	1,195	20,943	1,437	42,143	–	244,798
	37,093	553,937	130,683	1,195	27,123	1,437	42,143	–	793,611
Support Costs		28,668	224	–	3,723	15	12,291	71,775	116,696
RES Contribution	–	–	–	–	25,810	16,807	–	–	42,617
Management costs	–	237,657	53,399	487 0	230,200	7,448	22,205	29,278	580,674
Governance costs	–	8,675	1,949	18	15,670	272	811	1,069	28,464
Total expenditure 2022	37,093	828,937	186,255	1,700	302,526	25,979	77,450	102,122	1,562,062

Notes to the financial statements

For the year ended 31 December 2023

5a Grant making (current year)

	Grants to institutions £	Grants to individuals £	Support costs £	2023 £	2022 £
Cost					
Outreach					
Diversity	-	20,700	-	20,700	4,029
Competitions and awards	-	12,500	-	12,500	7,775
Institutional grants – International Economic Association	2,611	-	-	2,611	728
Institutional grants – Academy of Social Sciences	1,760	-	-	1,760	1,069
Third Party Events	-	3,219	-	3,219	2,321
Membership					
Conference Grant Scheme	-	7,821	-	7,821	5,741
Special Project Grant Scheme	-	-	-	-	(1,250)
Knowledge Transfer Projects Scheme	-	1,500	-	1,500	-
Research Dissemination Grant Scheme	-	9,260	-	9,260	2,606
At the end of the year	4,371	55,000	-	59,371	23,019

5b Grant making (prior year)

	Grants to institutions £	Grants to individuals £	Support costs £	2022 £	2021 £
Cost					
Outreach					
Diversity	-	4,029	-	4,029	7,248
Competitions and awards	-	7,775	-	7,775	12,509
Institutional grants – Economics Network	-	-	-	-	10,000
Institutional grants – International Economic Association	728	-	-	728	1,503
Institutional grants – Academy of Social Sciences	1,069	-	-	1,069	1,510
Third Party Events	-	2,321	-	2,321	2,887
Membership					
Conference grant scheme	-	5,741	-	5,741	1,238
Small budget scheme	-	-	-	-	(670)
Special Project Grant Scheme	-	(1,250)	-	(1,250)	(4,426)
Research Dissemination Grant Scheme	-	2,606	-	2,606	-
At the end of the year	1,797	21,222	-	23,019	31,800

6 Governance costs

	2023 £	2022 £
Legal Fees	-	2,215
Audit fees (excluding VAT)	11,400	9,300
Audit fees – underprovision for previous year (excluding VAT)	1,100	-
Professional fees	1,649	6,900
Council and committee Costs	13,196	10,050
	27,345	28,465

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	480,850	410,024
Redundancy and termination costs	-	12,521
Social security costs	45,864	42,356
Employer's contribution to defined contribution pension schemes	43,082	37,307
Other forms of employee benefits	4,482	2,792
	574,278	505,000

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 No.	2022 No.
£80,000 – £89,999	1	1

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel (the chief executive, operations manager and commercial director) were £208,113 (2022: £215,581).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £737 (2022: £891) incurred by 4 (2021: 7) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 12 (2022: 10).

9 Related party transactions

Professor Nicholas Crafts is a Trustee Board member of the Royal Economic Society and the National Institute of Economic and Social Research (NIESR). NIESR owns 2 Dean Trench Street, where the Royal Economic Society rents office space at market value.

Tom Aldred is a Trustee of the RES and an employee of the Government Economic Service. Swati Dhingra is a Trustee of the RES and a member of the Monetary Policy Committee at the Bank of England. The Government Economic Service and the Bank of England are both institutional members of the RES. Neither trustee has been involved in discussions between the parties on institutional membership, and both trustees have recused themselves from any Board decisions which may have presented a conflict.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At the start of the year	11,419	11,419
Additions in year	1,903	1,903
At the end of the year	13,322	13,322
Depreciation		
At the start of the year	5,694	5,694
Charge for the year	1,866	1,866
At the end of the year	7,560	7,560
Net book value		
At the end of the year	5,762	5,762
At the start of the year	5,725	5,725

All of the above assets are used for charitable purposes.

12 Intangible fixed assets

Cost	Software £	Total £
At the start of the year	153,763	153,763
At the end of the year	153,763	153,763
Depreciation		
At the start of the year	69,133	69,133
Charge for the year	15,376	15,376
At the end of the year	84,509	84,509
Net book value		
At the end of the year	69,254	69,254
At the start of the year	84,630	84,630

13 Listed investments

	2023 £	2022 £
Fair value at the start of the year	5,586,091	6,385,601
Additions at cost	–	–
Disposal proceeds	(100,000)	–
Net gain / (loss) on change in fair value	305,871	(762,417)
Settlement of fees	(36,332)	(37,093)
	5,755,630	5,586,091
Cash held by investment broker pending reinvestment	–	–
Fair value at the end of the year	5,755,630	5,586,091
Investments comprise:		
	2023 £	2022 £
Sarasin & Partners		
Long Term – Asset Allocation	4,339,516	4,100,271
Medium Term – Asset Allocation	1,031,120	1,013,954
Short Term – Asset Allocation	384,065	465,596
Cash	929	6,270
	5,755,630	5,586,091
Cost	5,579,833	5,673,848

14 Debtors

	2023 £	2022 £
Trade debtors	960	17,661
Prepayments	40,777	45,781
Publishing debtor	26,000	303,168
	67,737	366,610

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	114,240	98,076
Taxation and social security	15,101	12,784
Other creditors	3,317	1,097
Accruals	54,187	327,280
Deferred income – conference income	41,306	19,460
Deferred income – grants	24,780	–
Deferred income – memberships (1 year)	5,000	–
Deferred income – memberships (3 years) (note 16)	22,840	23,144
	280,771	481,841

Notes to the financial statements

For the year ended 31 December 2023

16 Deferred income – Memberships (3 years)

Deferred income comprises of 3 year membership subscriptions

	2023 £	2022 £
Balance at the beginning of the year	23,144	15,014
Amount released to income in the year	(23,144)	(15,014)
Amount deferred in the year	22,840	23,144
Balance at the end of the year	22,840	23,144

The deferred income is included within the creditors liability but separated out for the purpose of explaining the reason for the deferred income. As the memberships span 3 years a proportion of this is represented as a creditor due after one year (see note 17).

17 Creditors: amounts falling due after one year

	2023 £	2022 £
Deferred income – Memberships (3 years)	8,229	14,611
	8,229	14,611

18a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	(14,984)	90,000	–	75,016
Investments	4,545,630	1,210,000	–	5,755,630
Net current assets	(62,817)	–	78,258	15,441
Long term liabilities	(8,229)	–	–	(8,229)
Net assets at 31 December 2023	4,459,600	1,300,000	78,258	5,837,858

18b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	355	90,000	–	90,355
Investments	4,386,091	1,210,000	–	5,596,091
Net current assets	39,011	–	69,638	108,649
Long term liabilities	(14,611)	–	–	(14,611)
Net assets at 31 December 2022	4,410,846	1,300,000	69,638	5,780,484

19a Movements in funds (current year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Restricted funds:					
Discover Economics	69,638	76,450	(96,670)	28,840	78,258
Total restricted funds	69,638	76,450	(96,670)	28,840	78,258
Unrestricted funds:					
Designated funds:					
Investment Reserve		305,871	(36,332)	(269,539)	–
Fixed Asset Reserve	90,000	–	–	–	90,000
Working Capital Reserve	210,000	–	–	–	210,000
Programme Investment Reserve	500,000	–	–	–	500,000
Budgeted Deficit	500,000	–	–	–	500,000
Total designated funds	1,300,000	305,871	(36,332)	(269,539)	1,300,000
General funds:	4,410,846	1,445,007	(1,636,951)	240,699	4,459,600
Total unrestricted funds	5,710,846	1,750,878	(1,673,283)	(28,840)	5,759,600
Total funds	5,780,484	1,827,328	(1,769,953)	0	5,837,858

The narrative to explain the purpose of each fund is given at the foot of the note below.

19b Movements in funds (prior year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Discover Economics	23,437	98,526	(102,122)	49,797	69,638
Total restricted funds	23,437	98,526	(102,122)	49,797	69,638
Unrestricted funds:					
Designated funds:					-
Investment Reserve	-	-	(799,510)	799,510	
Fixed Asset Reserve	100,000	-	-	(10,000)	90,000
Working Capital Reserve	200,000	-	-	10,000	210,000
Programme Investment Reserve	1,000,000	-	-	(500,000)	500,000
Budgeted Deficit	300,000	-	-	200,000	500,000
Total designated funds	1,600,000	-	(799,510)	499,510	1,300,000
General funds	5,075,356	1,307,645	(1,422,848)	(549,307)	4,410,846
Total unrestricted funds	6,675,356	1,307,645	(2,222,358)	(49,797)	5,710,846
Total funds	6,698,793	1,406,171	(2,324,480)		5,780,484

Purposes of restricted funds

Discover Economics – Discover Economics is a RES campaign aimed at changing perceptions of economics among young people and attracting students from under-represented groups.

Purposes of designated funds

- Reserves required for operational reasons and therefore not available for general purposes, ie, funding of fixed assets and working capital used to carry out the Society's charitable purposes.
- Projected future expenditures that cannot be met from future income, ie, budgeted and projected deficits and known programme investments.
- If the situation arises, known commitments that have not been provided for as a liability in the accounts.

Purposes of general funds

- Potential future deficits beyond periods for which reliable budgets are available.
- Unforeseen variances vs budgeted income, eg, bad debts, loss of journals income.
- Potential losses in value of long-term investments. (The investment strategy seeks reasonable returns by investing in equities etc. with risk to capital value. This reserve recognises that over a foreseeable period there will be reductions in values from time to time).
- Emergency expenditures including, eg, settlement of legal claims, uninsured losses, pandemic and other emergency responses, taxation changes.
- Funds to invest in future development activities not yet specified.
- Commitments not provided for as liabilities in the accounts for which no designated reserve has been established.
- In extremis, to provide for orderly settlement of liabilities in the event of restructure or closure.

20 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2023 £	2022 £
Less than one year	36,169	24,543
One to five years	73,758	1,210
	109,927	25,753

A new lease was signed after the year end on 21 February 2024. The lease has been agreed for the next 3 years covering the period 19 January 2024 – 18 January 2027.

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The individual members or Trustees are not obligated to pay anything in the event of the Society winding up.

Accounts

REGISTERED CHARITY NUMBER: 231508 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
THE ROYAL ECONOMIC SOCIETY**

Royal Economic Society
2 Dean Trench Street
Westminster
London
SW1P 3HE

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FOR THE YEAR ENDED 31 DECEMBER 2022

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**REPORT OF THE TRUSTEE BOARD
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustee Board presents its report together with the Financial Statements of the Charity for the year ended 31 December 2022.

REGISTERED CHARITY NUMBERS: 231508 (England & Wales)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

MEMBERS OF THE TRUSTEE BOARD AND CHARITY TRUSTEES

PRESIDENT:	Prof Nicholas Crafts (from 27 May 2022)
PRESIDENT ELECT:	Prof Mary Morgan (from 27 May 2022)
TREASURER:	Andrew Farrell
CHAIR OF TRUSTEES:	Prof Sir David Greenaway (from 27 May 2022 to 2 September 2022)
COUNCILLORS:	Tera Allas Prof Imran Rasul Prof Miguel Costa-Gomes
CO-OPTED:	Tom Aldred Kofi Adjepong-Boateng (from 1 October 2022) Dr Conrad Copeland Assoc Prof Stefania Paredes-Fuentes Dr Steven Proud (from 1 October 2022)

TRUSTEE BOARD MEMBER SERVING AS CHARITY TRUSTEE DURING AN EARLIER PART OF THE YEAR

From 1 January to 27 May 2022:	Prof Sir Tim Besley Prof Mary Morgan (as Councillor) Prof Denise Osborn Prof Dame Carol Propper
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CHIEF EXECUTIVE (NON TRUSTEE): Mr Leighton Chipperfield

HEAD OFFICE: 2 Dean Trench Street
Westminster
London
SW1P 3HE

AUDITORS: Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London EC1Y 0TL

THE ROYAL ECONOMIC SOCIETY

BANKERS:

NatWest Bank plc
143 High Street
Bromley
Kent BR1 1YZ

INVESTMENT MANAGERS:

Sarasin and Partners
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

REFERENCE AND ADMINISTRATIVE DETAILS

The charity was founded in 1902 and is registered with the Charity Commission under charity number 231508 (England and Wales). The reference and administrative details of the Charity are shown on page 1 of the Financial Statements above.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Royal Economic Society is constituted by a Royal Charter of Incorporation dated 2 December 1902 as amended by a supplemental charter dated 26 January 1968 and byelaws as made in General Meetings of the Society from time to time, subject to the consent of the Privy Council. There are no specific restrictions imposed by the governing document.

The byelaws of the Society were revised by order of the Privy Council made on 19 July 2022 and taking immediate effect.

Appointment of Trustees

The Royal Economic Society Trustee Board comprises the President, President-Elect, Honorary Treasurer, Chair of Trustees, three representatives from Council and up to five trustees co-opted by Council on a proposal from the Trustee Board. The Trustee Board currently meets three times a year.

The trustees are legally responsible for the overall governance, management and policies of the Society, ensuring that the charitable objects for which it has been set up are met. All new members of the Trustee Board receive the Charity Commission's information on the responsibilities of Charity Trustees. Trustee Board members receive a briefing and induction pack on appointment, with further training undertaken on as required.

Since May 2017, the day-to-day running of the Society is delegated by the Trustee Board to the Chief Executive, who reports to the Chair of Trustees.

Members of the Council, which appoints some Trustee Board members as explained above, are nominated by members of the Society and considered by the Nominations Committee. The Nominations Committee comprises six elected members of Council (each of whom serves three years on the committee), the President-Elect and two Additional Members, with the Elections Officer acting as non-voting secretary. The Additional Members are either Life Vice-Presidents of the Society or individuals of high standing in the profession. The Nominations Committee draws up a list of candidates who are voted upon by the members of the Society to become members of Council for a term of five years. The Presidents Selection Committee, which nominates the incoming RES President-Elect, comprises all members of the Nominations Committee excluding the incumbent President-Elect.

Public Benefit

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The trustees have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Society and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Management and administration

In 2017 the Society relocated its office headquarters from the University of St Andrews to Westminster, London, and

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appointed its first directly employed staff.

Key management personnel remuneration

The Trustee Board (through its Remuneration Committee) reviews annually the pay of the Chief Executive. In view of the nature of the Society, the remuneration is also benchmarked with similar charities or with reference to sector reports to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. The Remuneration Committee also considers and makes recommendations to the Trustee Board for annual review of all employees' salaries.

Principal risks and uncertainties

The trustees have given consideration to the Society's major risks and satisfied themselves that systems or procedures are established in order to mitigate those risks.

During the year, the key risks that might impact on the Society's objectives and the internal procedures have been kept under review and a risk register is in place. This identifies external and internal risks. It is consistent with the guidance published by the Charity Commission in its guidance on risk management (CC26). The Trustee Board has reviewed and approved changes to the risk register and risk ratings therein.

In line with Charity Commission guidance, the risk register identifies the key categories of risk relating to governance, finance and operations.

a) Governance Risks

Proposals to update the Society's governance arrangements were approved at the Society's Annual General Meeting in 2021, with the main changes in place by the end of that year. The effectiveness of the new arrangements will be regularly reviewed.

b) Financial Risks

The fact that finance is a standing item of business for meetings of the Trustee Board and Council ensures that the appropriate financial information is regularly scrutinised. The Society's investments are held in a variety of unit trusts in order to minimise systematic risk and the investment policy is reviewed against performance at least every three years. Internal risks are minimised by the implementation of procedures for authorisation of all projects and financial transactions. A Finance Committee is in place, chaired by the Treasurer. This committee is charged with making recommendations to the Trustee Board on the Society's reserves and investment policies, advising the Treasurer on working capital requirements and reviewing the appointments of auditors and making recommendations to the Annual General Meeting.

c) Operational Risks

As the agent for the Trustee Board, the Chief Executive (working with the Chair of Trustees) has the responsibility for maintaining a sound system of internal control that supports the achievement of the Society's aims and objectives, whilst safeguarding its assets and ensuring proper application of its income to its charitable objects. The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Society's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 December 2022 and up to the date of approval of the annual report and accounts.

The Trustee Board has considered the major risks facing the Society in 2023 and the medium term and remains focussed on the challenges that arise for longer-term financial sustainability from changes in the academic publishing market. The principal risks have been identified as follows:

- The risks that will arise in the medium term from not being able to fund current expenditures from strong journal incomes or historic reserves.
- Limited staff and committee expertise in fundraising and income generation.
- Maintaining and developing member recruitment, engagement and retention for individual, corporate and group

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members.

- Managing pricing and costs to balance the effects of inflation and cost-of-living for members, customers and staff with financial sustainability.
- The effectiveness of governance structure, processes and impact measures to ensure optimal delivery of charitable benefit.
- Limited historic focus on dimensions of inclusion and diversity other than gender, including ethnicity, class, disability and potential risks related to accessibility of premises, website and social media.

These risks have and will be mitigated as follows:

- The development of a new strategy for 2024 and beyond that addresses these strategic risks.
- The development of a medium-term financial strategy and associated budgetary processes.
- An investment in member recruitment and retention, including development of institutional and group membership
- Bringing in additional expertise on income generation.
- Ongoing reviews of governance effectiveness
- Maintaining the Society's work on women in economics and extending it to other areas to increase diversity and inclusion.

Volunteers

The Society could not achieve its charitable objectives without the commitment and hard work of its volunteers, both Members and non-Members, many of whom give freely of their time to act as journal reviewers, committee members and volunteers to support our events and activities. The Society wishes to thank all those who have supported it over the last year.

Annual General Meeting

The Annual General Meeting was held online from 25-27 May 2022 with 87 members taking part (2021: 87). Amongst other decisions, members agreed to elect the Presidents and Councillors for the forthcoming year and to appoint Prof Sir David Greenaway as Chair of Trustees.

OBJECTIVES AND ACTIVITIES

Objects

The Royal Economic Society is established to promote and foster the study of economic science. The Society is also concerned with the application of the results of that study.

These objects are undertaken by means of publications, the Annual Conference, Postgraduate Conferences and helping to further the study of economics via free Public Lectures, a programme of various Grants and Projects, and an annual essay competition for Young Economists focused on schools.

The Trustee Board confirm that they have complied with the duty in section 17 of the Charities Act 2011, to have due regard to the Charity Commission's general guidance on public benefit. The Trustee Board believes that social welfare is advanced by promoting and fostering the study of economic science, and that its activities serve to educate the public, and particularly that section of the public that is interested in issues of economic policy. The results of the economic research that the Society supports are widely disseminated through its publications. Although the benefits of the Society's work are not restricted to its members, the subscription is deliberately set at a low level to encourage a broad base of membership, including those on lower incomes.

Strategy

In 2018 the Society launched a strategy for the period 2019-2023. The strategy set out four key priorities as follows:

- Enhancing the credibility and visibility of economics
- Supporting economists
- Improving diversity
- Working effectively.

The Society now measures its achievements against these priorities, with many of its activities delivering on more than

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one priority.

Activities to Achieve Objectives

The Society meets its objects by undertaking the following activities.

1. **Membership**

The Society has a membership scheme whereby anyone who is interested in the study of economics can join and receive the various benefits of membership.

2. **Publications**

The Society has two peer-reviewed journals, The Economic Journal and The Econometrics Journal. Publication of the journals transitioned to Oxford University Press at the beginning of 2019. Members of the Society can pay a higher fee to receive printed copies of The Economic Journal; members may also choose to receive a printed quarterly newsletter. Increasingly, timely information of interest to members and the general public is provided via the Society's website and social media channels. On-line access to The Economic Journal and The Econometrics Journal is available and is heavily used.

In addition, the Society has a commitment to publishing scholarly editions of classic works in economics. Its editions of the works of Ricardo, Malthus, Marshall, Edgeworth, and Keynes (also now available through online subscription) set an international standard in these matters.

3. **Conferences, education and training**

The Society organises several educational events during the year, subsidised primarily from the surplus generated by publication of the Economic Journal. The largest of these is the Annual Conference, which rotates around UK universities and is held around Eastertime. A student-led one-day Symposium of Early Career Researchers takes place annually, organised by a committee of PhD students. The RES Easter School, funded jointly with the Economic and Social Research Council, provides advanced training for doctoral students and early career professional economists. In recent times the Society has expanded its offering to provide online seminars to members and potential members.

CHUDE (Conference of Heads of University Departments of Economics) comprises Heads of Economics at universities in the UK. Its ultimate purpose is the promotion of research and teaching of economics, and more generally of the significance and importance of economics, in the UK. Bi-annual meetings offer a forum for discussion of issues of interest.

4. **Grant funding of activities**

Members are eligible to apply for a range of grants; these schemes are outlined in note 7 to the accounts. The postgraduate conference grant schemes provide support for individuals of limited means to meet the costs of attending these events.

5. **Outreach**

The RES conducts activities to improve the public understanding of economics and to promote the subject to school-age young people. These include an Annual Public Lecture, a Young Economist of the Year competition and a public engagement event entitled 'RES Presents'. The Society also partners with other organisations to this end, such as the annual Festival for Economics. The RES Discover Economics campaign, launched in 2019, seeks to attract more students from underrepresented groups into economics by broadening the appeal of the subject and changing perceptions of economics and economists.

ACHIEVEMENT AND PERFORMANCE

Review of activities

In line with the objects and strategy of the Society the key achievements during the year ended 31 December 2022 were as follows.

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The effect of the COVID-19 pandemic

The Society was pleased to return to a relatively full programme of activities following the disruption caused by the pandemic in 2020 and 2021. At the same time, certain activities continued to be held online (notably the Annual Conference) whilst travel restrictions and individual's own preferences continued to evolve.

Journals

In 2018, Oxford University Press was selected as the Society's journal publisher for a five-year period from January 2019. In 2022 this agreement was renewed for a further five years from January 2024.

The Economic Journal received a total of 1,673 submissions in 2022 (2021: 1,929). 87% of regular submissions that were sent to referees were returned to authors within four months of submission (2021: 90%); 0% of submissions took longer than six months (2021: 0%). The 2021 2-Year Impact Factor (released in June 2022) was 3.721, a substantial increase on the 2020 Impact Factor (3.178). The Economic Journal continues to be highly international, with 15% of author submissions from the United Kingdom (2021: 15%), 23% from the United States and Canada (2021: 25%), 39% from Europe (2021: 39%) and 23% from the Rest of the World (2021: 21%).

The total number of new submissions to the Econometrics Journal was 134 (2021: 149) and the number of accepted papers was 31 (2021: 40). The journal's 2021 2-Year Impact Factor (3.071) again placed it among the best in its field (top 32% Economics; top 15% Statistics & Probability). At the same time, the journal's longer run impact measures rose to record levels: the 2021 5-Year Impact Factor increased to 4.602 (2020: 3.080) and the Article Influence Score increased to 4.377 (2020: 3.251).

Other publishing activities

The Society convened a working group to review opportunities for launching a third journal. The working group developed a proposal which was discussed by the Society's Publications Committee and Trustee Board. A final decision will be made on the proposal in 2023.

In 2012 the Society published with Cambridge University Press the full 30 volumes of the Collected Writings of John Maynard Keynes in digital and paperback editions. Through a 2013 arrangement with the publisher, the Society has since provided the membership with free digital access to this important scholarly resource.

Membership

In November 2021 the RES transitioned to a tiered pricing model for membership. Under the model, those on lower incomes or no income pay a lower fee, while higher-earning members are asked to pay more.

A survey was conducted amongst current and recently lapsed members on the value of RES membership. A total of 855 responses were received and a working group was formed to make recommendations on how the value of membership could be increased to improve retention. As a result, communications resources in the office have been redeployed to focus on member recruitment and retention, with work ongoing to ensure member benefits are optimally attractive.

The Society continued to offer group membership in 2022, with 7 departments or other organisations taking up the scheme. A total of 1,147 individuals became RES members through group membership. The Society and the Government Economic Service agreed to explore a different partnership after the trial group membership expired, and the lower number of GES individuals becoming RES members in 2022 (672 cf 3,585 in 2021) reflects this. As a result, the Society's total membership reduced to 3,844 (2021: 7,295), largely in line with the size of the membership before the pandemic. The trend for members to opt for online only access to the journals continued, with 98% of members having an online membership (2021: 93%).

The expiration of the Government Economic Service's group membership trial was reflected in changes to the geographical composition of the membership, with 45% of members in the UK (2021: 72%), 23% located elsewhere in Europe (2021: 10%), 13% in the United States or Canada (2021: 7%), 1% in Japan (2021: 1%) and 17% in the Rest of the World (2021: 10%).

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Newsletter

New editions of the quarterly newsletter are made available to members via the RES website on publication, and to non-members after one month. Approximately 1,150 members chose to receive a printed edition. 2022 issues featured a range of topics including economics & natural experiments, tax reforms & climate policies, economic policies, the 2022 RES Annual Conference, and updates from the RES Women's Committee.

Easter Training School

The 2022 Easter School returned to an in-person event and was hosted by the University of Bristol from 4-6 April. This year's topic was Urban Economics with two invited speakers, Prof Guy Michaels (London School of Economics) and Prof Diego Puga (CEMFI). As well as providing the opportunity for participants to present their own work, Bristol hosted additional sessions on topics including Spatial Data and Evaluating Place-based Policies. 35 applications to attend the School were received and 26 participants attended. 45% of the participants were women. All participants rated the event overall as either 'Good' or 'Excellent'.

Symposium of Early Career Researchers

The 2022 symposium was held online from 29-30 June, with this year's event extended by a day to allow more papers to be presented. 174 papers were submitted and the committee selected 45 papers for presentation. In addition, Professor Dr Veronika Grimm provided a lecture on *The Economics of Renewable and Traditional Energy* and Prof Amanda Friedenberg gave a talk on "How to get published".

European Job Market for Economists (EJME)

The 2022 European Job Market for Economists took place online, continuing the partnership between the European Economic Association, the RES, and the Spanish Economic Association. Over 900 candidates and 100 institutions took part. In November the Society hosted a webinar entitled 'How to Prepare for the European Job Market for Economists', chaired by Prof Nick Crafts, with two hiring academics and two recent recruits providing insights to those who joined. 211 participants signed up and over 150 joined the webinar on the day, and a further 400 viewed the subsequent recording.

Grant funding of activities

Society members can apply for grants under the Knowledge Transfer Projects Grant (KTP), Research Dissemination Grant (RDG), Conference Grant (CG) and the Discover Economics Grant (DE) schemes. The authority to consider applications and award grants under these schemes is delegated to the Chair of the Education & Training Committee, within financial limits and the overall policy determined by the Trustee Board.

4 applications were made to the KTP scheme in 2022, none of which were successful as they did not meet the criteria. 18 applications were made to the RDG scheme in April 2022. 5 of these were successful and were awarded funding totalling £9000. The CG scheme received 28 applications. 21 of these were successful and were awarded funding totalling £6,835. The Discover Economics Grant Scheme received 13 applications. 9 of these were successful and were awarded a total of £7,978. In certain cases, the pandemic meant that the activity for which a grant was awarded did not take place or was postponed. Where the activity was postponed, funding was held over to a later date.

Diversity and Women's Committee

The Diversity Champion Prof Stefania Paredes-Fuentes, working closely with the Member Operations Director, continued to deliver the Diversity and Inclusion Programme approved by the Trustee Board. The programme encompasses a range of work to develop diversity, equality and inclusion (DEI) across the Society's activities and the wider discipline. For 2022 this included delivering two Consciously Inclusive Mentoring Programmes for the Women's Committee and Members; changes to how the Conference is delivered to improve diversity amongst the organising committee and speakers; a further year's collation of diversity data across RES activities; research on the diversity issues facing the economics discipline pipeline (to be launched in 2023); and developing the DEI resources page on the RES website. The Member Operations Director continues to sit on the Academic of Social Sciences/ESRC working group to share best practice on improving diversity across the social sciences.

The Mentoring Retreat run by the Women's Committee caters for UK-based early career female lecturers and advanced female PhD students. The retreat received over 100 applications, with 72 mentees and 25 mentors attending virtually. The retreat included sessions on 'Advice to my former self' and 'How to get published' alongside mentoring. All attendees rated the retreat programme as either 'Good' or 'Excellent'.

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The Women's Committee held a consultation event hosted by the Bank of England on the potential for a UK Women in Economics Network (UK WEN). The event generated support for a network to support the career development of UK-based women in economics across all sectors. The RES Trustee Board approved the launch of the network with 2023 on the basis that a sustainable model be developed for its work.

Outreach

Website

In late 2022 the RES website was migrated to a new content management system, creating a more seamless integration between the website and the customer relationship management system and providing greater flexibility for website editing and design. The website includes a Twitter feed and a video library of recordings from previous Annual Conferences, Annual Public Lectures and other events. The members-only part of the website was also redesigned to improve navigation. The website received approximately 425k visits (web users) in 2022 (2021:142k). Of these, 18k visits (2021: 4.2k) were to the members-only area.

Social media

The Society aims to reach a wider audience through its social media activity and maintains a presence on Twitter, LinkedIn and YouTube. The Society's number of Twitter followers increased to 17.3k (2021: 14.9k), whilst the Economic Journal's followers increased to 20.4k (2021: 18.0k). A LinkedIn account was established in 2020 and had gained 3,000 followers by the end of 2022. 66 videos were added to the Society's YouTube channel, with 55.2k views of videos on the channel (2021: 94k) and 7,272 subscribers.

Public outreach

The 2022 Annual Public Lecture was delivered by Prof Jagjit Chadha and chaired by Prof Sir Tim Besley (at University of Reading) and Prof Sir Anton Muscatelli (at University of Glasgow). A combined total of 254 students attended the lecture.

The Society opted not to hold its 'RES Presents' event but instead to review how it could be delivered in a more sustainable and impactful way in future. RES Presents will resume in 2023 and be timed to coincide with the Festival of Social Sciences run by the Economic and Social Research Council.

The Society again provided financial support to the Bristol Festival of Economics which was held in November 2022.

Young Economist of the Year competition

The Young Economist of the Year competition is open to students studying a range of further education qualifications and is directed at those who are UK based and studying in school years 12 or 13.

Submissions to the competition increased to 1179 entrants (2021: 1056). The Society promoted the competition through stakeholders, members, the Discover Economics campaign and direct to schools. Prof Katharine Rockett managed the initial shortlisting process and provided the 15 shortlisted entries to the final judging panel (Tim Besley, Ram Patra, Eileen Tipoe and Sajida Daud). The panel selected the winner for each of the essay titles and the best essay overall. Guidance to students on how to write their essay was provided on the RES website and additional resources including two videos produced by Ramin Nassehi on 'How to cite' and an interview with the 2021 competition winners.

The Society again partnered with the Financial Times, who sponsored the winner's prize and published a version of the winning essay on the FT website. An award ceremony for the winners of each category will be held at the 2023 Annual Public Lecture and the winners and shortlisted entrants were published on the website and on social media.

Annual Conference

Considering the impact of the coronavirus pandemic, the Society elected to hold its 2022 conference online. This virtual gathering was complemented by three in-person hubs geared towards PhD students and early career researchers. The hubs were hosted by the University of Reading, University of Manchester and Ashoka University, India.

This year's keynote speakers were Prof Sir Tim Besley, Prof Stefanie Stantcheva, Prof Serena Ng and Prof Nick Bloom. Alongside 340 accepted presentations and 20 special sessions, the Society was pleased to repeat its popular Lunchtime Chats format, which this year featured Diane Coyle, Partha Dasgupta, Ashwini Deshpande, Dani Rodrik, Stephanie Flanders and Noam Yuchtman. 915 delegates registered to attend with a further 250 attending one of the in-person hubs.

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88% of participants who provided feedback rated the conference as either “Excellent” or “Good”, a slight increase on 2021. When asked what participants have gained attending the conference, most responded with “An increased knowledge outside my specialist area”. Participants expressed a desire to return to an in-person format in future years to allow for easier interactions between delegates. The 2023 conference will return as in-person meeting and will be hosted by the University of Glasgow.

Discover Economics

The Society continued its support as a Founding Partner alongside The Health Foundation for Discover Economics, a campaign to help change perceptions of economics among young people and attract students from under-represented groups. Additional support was secured from the Bank of England, LSE Hub for Equal Representation and KPMG. Outreach continued to be delivered online with events aimed at 15-17 year olds. Themes included Black History Month; Careers in Economics; International Women’s Day; and an online CPD event with careers advisors. An in-person outreach project started in partnership with 31 universities involving current undergraduate economics students delivering subject specific outreach workshops to state school students. A teacher training programme was created in partnership with examination board OCR to train more teachers to deliver A-level economics with the first cohort to benefit in 2023.

Post event insights from the International Women’s Day event found that 73% of student participants rated the event as “Excellent”, 98% now believe there are economists like them and 99% would consider studying economics further.

An international school competition was delivered in partnership with Young Economic Summit with two UK schools reaching the final in Hamburg. The team from Sheffield Girls’ Sixth Form took the International Prize for their ‘Migration Education for the Misinformed Nation’ proposal. In 2023 the campaign intends to focus delivery on an evolved Young Economist of the Year competition.

The campaign’s social media presence grew with 2.8k followers on Twitter (2021: 2.2k), 1.3k followers on LinkedIn (2021: 0.5k), 0.6k followers on Instagram (2021: 0.1k) and 1.4k followers on TikTok (2021: 0.07k). A fortnightly e-newsletter continued with 990 subscribers (2021: 912).

Governance matters

At the Annual General Meeting, members ratified the appointment of Prof Sir David Greenaway as the Society’s inaugural Chair of Trustees. Regrettably Prof Greenaway resigned as Chair some months later due to ill-health and a process to recruit and select a Chair was restarted. Members will be invited to ratify the appointment of the new Chair at the 2023 Annual General Meeting.

In 2022 the inaugural meeting of the Standards of Conduct committee was held, chaired by Joe Grice. The Society received zero complaints in 2022 in relation to standards of conduct.

FINANCIAL REVIEW

Explanation of the Statement of Financial Activities and the Application of the Society's Funds

2022 presented multiple financial challenges for the Society's operations and investments, including uncertainty about in-person events as we came out of the pandemic, the effects of the February Russian invasion of Ukraine on equity and bond returns, the re-emergence of double-digit inflation, the disruption to financial markets with three Prime Ministers and four Chancellors of the Exchequer in the second half of year, and the continuing downward market pressure on margins in journal publishing.

With that background, the achievement of a net income excluding losses on investments of £136k, significantly lower than the £451k deficit in 2021 and the 2022 budget deficit of £333k was positive. Net losses on investments were £762k, with both equities and fixed interest suffering. Total net income for the year was a deficit of £899k, with a corresponding reduction in total funds and reserves.

Total Income in 2022 was £1,406k, a decline of 5.7% vs 2021 (£1,491k). Income from journals was £967k, a 9.2% decline vs 2021 (£1,065k). Membership income declined 19.2%, principally because of the exceptional institutional membership contribution in 2021 not being repeated as new arrangements for group and institutional membership were developed. Conference income increased 37% reflecting a partial return to in-person meeting alongside successful on-line arrangements. We were very grateful for support to Discover Economics work on increasing awareness of economics and diversity of students applying to university with significant contributions from the Bank of England, CAGE Research Centre, Health Foundation, KPMG, and the Hub for Equal Representation at the London School of Economics and Political Science.

Total Expenditure of £1,562k decreased from 2021 (£1,950k) but £482k of this reduction related to COVID support grants made by the Society in 2021. Excluding this, expenditure increased by £94k (6.4%), of which £44k related to Discover Economics expansion of activities, £30k to Journals and £20k to all other. It is a concern but not a surprise that in 2022 the net income from journals including allocated overheads was negative, at -£48k vs positive £80k in 2021.

Statement of Cash Flow

It was expected that the budgeted deficit would require funding by withdrawal of investment funds in the year. The cash flow was better than expected, with cash balances increasing by £28k to £234k and no withdrawal of investment funds required. Cash used by operating activities of £128k was moderated by the lower than budget deficit and a £110k reduction in receivables and was funded by interest and dividend income.

Balance Sheet and Use of Assets

Fixed asset movements consist of office equipment and software and are relatively minor. Working capital was reduced, mainly due to receivables.

Funds invested reduced to £5,586k from £6,386k, the £800k reduction consisting of £37k investment charges, £158k interest paid to RES bank account and £604k capital losses.

The £5,586k investments are held in three different portfolios with the same investment manager, Sarasin & Partners. The short-term portfolio value at 31/12/2022 is £466k, the medium-term £1,016k and the long-term £4,104k. The short-term is to support cash requirements in the coming year, the medium-term for years 2 to 5 ahead, and the long-term for the longer-term. The long-term portfolio return objective is inflation plus 4%. At 31st December 2022 it was invested 12.1% in fixed income, 67.8% equities, 4.6% property, 13.1% alternatives and 2.4% liquidity (cash).

The total portfolio nominal return in the year was negative, -9.5%. Taking account of inflation, real return was negative -17.8%. Three and five-year average nominal returns remained positive, at 1.9% and 3.1% respectively, but the five year real return, after inflation, on the long-term portfolio was just 0.9%.

The Society had very limited investment in the energy sector, consistent with the Society's ESG policy limiting investment in unsustainable fossil fuels. Unfortunately this sector was the only one with significant positive returns (43.6%) in 2022, and not being invested in it had a negative total return impact in 2022 of around 3% pts for the Society. It is expected that the 2022 energy sector returns will prove to be an exceptional "blip" that doesn't affect the relatively lower long-term returns of fossil fuels, subject to the international situation not deteriorating further.

THE ROYAL ECONOMIC SOCIETY

The medium-term portfolio, which has an investment objective of at least protecting against inflation, had disappointing negative return of -15.3% because of the effect of interest rate increases on the capital value of fixed income instruments.

Return on investment funds

The returns on funds invested were:

Calendar year	Annual income	Annual total return		
		One year	Three year	Five year
2018	2.8%	-6.3%	7.6%	6.2%
2019	2.9%	17.7%	7.3%	8.6%
2020	3.1%	8.4%	6.1%	9.7%
2021	2.8%	7.7%	11.2%	7.6%
2022	2.6%	-9.5%	1.9%	3.1%

Significant events since the year end

There have been no significant events since the year end that require reporting.

Reserves policy

The reserves consist of £70k restricted reserves being unspent external contributions for Discover Economics, £1,300k designated funds and £4,411k general funds. The general funds are in line with the Society's general funds target of £4.3m. Designated funds are established to provide for 2023 budget deficit, investment in known programmes, and fixed assets and working capital that are not available for general purposes.

Going Concern

The Board of Trustees actively reviews the status of the Society as a going concern each year. As at 31/12/2022 the Society had designated reserves sufficient for budgeted deficit for 2023 and general reserves equivalent to more than 2 years' expenditure. The Society has no loans, contingent liabilities or finance liabilities other than trade creditors. The Trustees confirm that the RES is a going concern.

Looking forwards

In line with its 2018 – 2023 strategy the Society has been budgeting for deficits to bring its historic reserves in line with its target reserves, using the excess of expenditure over income to increase capacity to deliver charitable benefit. A new strategy for 2024 – 2029 is in development that will ensure that by the end of that period charitable expenditures are taking one year with another, wholly funded by current income and return on investments without depletion of reserves.

PLANS FOR FUTURE PERIODS

During 2023 the Society will continue to focus on the four strategic priorities set out in its 2019-2023 strategy. These include the following initiatives:

- Return to an in-person Annual Conference
- Launch the Institutional Membership Programme and expand Group Membership
- Launch the Women in Economics network
- Launch a Schools Ambassador Programme for Discover Economics
- Develop professional development activities for those on teaching-only contracts in higher education
- Develop a new strategy to take effect from 2024

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustee Board is responsible for preparing the Report of the Charity Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

THE ROYAL ECONOMIC SOCIETY

The law applicable to charities in England & Wales and in Scotland requires the Trustee Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards 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 Trustee Board is responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Royal Charter. The Trustee Board is also responsible for safeguarding the assets of the charity and so for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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A Farrell
Honorary Treasurer
On behalf of the Trustee Board

Dated: 3 May 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Opinion

We have audited the financial statements of Royal Economic Society (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet, 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 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 charity'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
- Have been prepared in accordance with the requirements of the Charities Act 2011

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 Royal Economic Society'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 trustees' 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, except to the extent otherwise explicitly stated in our report, 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 trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees 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 charity 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 regulations made under section 154 of that Act.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

10 May 2023

Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Royal Economic Society

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Charitable activities							
Journals	2	966,897	–	966,897	1,064,559	–	1,064,559
Other Publishing Activities	2	2,632	–	2,632	3,927	–	3,927
Membership		135,924	–	135,924	168,385	–	168,385
Outreach		–	–	–	1,000	–	1,000
Annual Conference		43,967	–	43,967	46,218	–	46,218
Discover Economics	2	–	98,526	98,526	–	30,245	30,245
Investments	3	158,225	–	158,225	176,981	–	176,981
Total income		1,307,645	98,526	1,406,171	1,461,070	30,245	1,491,315
Expenditure on:							
Raising funds	4	37,093	–	37,093	39,049	–	39,049
Charitable activities							
Journals	4	1,015,192	–	1,015,192	984,801	–	984,801
Other Publishing Activities	4	1,700	–	1,700	1,638	–	1,638
Membership	4	302,526	–	302,526	743,408	–	743,408
Outreach	4	25,979	–	25,979	51,609	–	51,609
Annual Conference	4	77,450	–	77,450	72,314	–	72,314
Discover Economics	4	–	102,122	102,122	–	57,603	57,603
Total expenditure		1,459,940	102,122	1,562,062	1,892,820	57,603	1,950,423
Net income / (expenditure) before net gains / (losses) on investments		(152,295)	(3,596)	(155,891)	(431,750)	(27,358)	(459,108)
Net gains / (losses) on investments		(762,417)	–	(762,417)	319,077	–	319,077
Net income / (expenditure) for the year		(914,712)	(3,596)	(918,308)	(112,673)	(27,358)	(140,031)
Transfers between funds		(49,797)	49,797	–	(27,540)	27,540	–
Net income / (expenditure) before other recognised gains and losses		(964,509)	46,201	(918,308)	(140,213)	182	(140,031)
Reconciliation of funds:							
Total funds brought forward		6,675,355	23,437	6,698,792	6,815,568	23,255	6,838,823
Total funds carried forward		5,710,846	69,638	5,780,484	6,675,355	23,437	6,698,792

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The Royal Economic Society

Balance sheet

As at 31 December 2022

	Note	£	2022 £	£	2021 £
Fixed assets:					
Tangible assets	11		5,725		5,161
Intangible assets	12		84,630		100,007
Investments	13		5,586,091		6,385,601
			<u>5,676,446</u>		<u>6,490,769</u>
Current assets:					
Debtors	14	366,610		476,484	
Cash at bank and in hand		233,880		205,975	
		<u>600,490</u>		<u>682,459</u>	
Liabilities:					
Creditors: amounts falling due within one year	15	(481,841)		(465,907)	
Net current assets			<u>118,649</u>		<u>216,552</u>
Total assets less current liabilities			<u>5,795,095</u>		<u>6,707,321</u>
Creditors: amounts falling due after one year	17		(14,611)		(8,529)
Net assets excluding pension asset			<u>5,780,484</u>		<u>6,698,792</u>
Total net assets			<u>5,780,484</u>		<u>6,698,792</u>
The funds of the charity:	19a				
Restricted income funds			69,638		23,437
Unrestricted income funds:					
Designated funds	19a	1,300,000		1,600,000	
General funds	19a	4,410,846		5,075,356	
Total unrestricted funds			<u>5,710,846</u>		<u>6,675,356</u>
Total charity funds			<u>5,780,484</u>		<u>6,698,792</u>

Approved by the trustees on 3 May 2023 and signed on their behalf by

A Farrell
Honorary Treasurer

Statement of cash flows

For the year ended 31 December 2022

	2022 £	£	2021 £	£
Cash flows from operating activities				
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(918,308)		(140,031)	
Depreciation charges	1,516		1,302	
Amortisation charges	15,377		15,376	
(Gains)/losses on investments	762,417		(319,077)	
Dividends, interest and rent from investments	(158,225)		(176,981)	
Portfolio management fees	37,093		39,049	
(Profit)/loss on the disposal of fixed assets	340		–	
(Increase)/decrease in debtors	109,874		(57,912)	
Increase/(decrease) in creditors	22,016		8,111	
Net cash provided by / (used in) operating activities		(127,900)		(630,162)
Cash flows from investing activities:				
Dividends, interest and rents from investments	158,225		176,981	
Purchase of fixed assets	(2,420)		(3,123)	
Proceeds from sale of investments	–		300,000	
Net cash provided by / (used in) investing activities		155,805		473,858
Change in cash and cash equivalents in the year		27,905		(156,305)
Cash and cash equivalents at the beginning of the year		205,975		362,280
Cash and cash equivalents at the end of the year		233,880		205,975
Analysis of cash and cash equivalents and of net debt				
	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	205,975	27,905	–	233,880
Total cash and cash equivalents	205,975	27,905	–	233,880

1 Accounting policies

a) Statutory information

Royal Economic Society is a charitable royal charter company and is incorporated in England.

The principal place of business is 2 Dean Trench Street

The presentation currency of the financial statements is in Pound Sterling (£).

b) Basis of preparation

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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Key judgements that the charity has made which have a significant effect on the accounts include the depreciation expense estimated on an annual basis based on the depreciation charges assigned to the individual class of asset.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern, and make this assessment in respect of a period of at least one year from the date of approval of the financial statements. The Royal Economic society holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash. Annual budgets are produced with prudent figures for both income and expenditure.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Subscriptions begin at the point of payment and are accounted for on an accruals basis

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) 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 bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services and other educational activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

• Journals	66%
• Other Publishing Activities	0%
• Membership	20%
• Outreach	2%
• Annual Conference	5%
• Discover Economics	7%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Equipment	25% reducing balance
• Software	10 years

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

1 Accounting policies (continued)

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

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

q) 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.

r) Defined Contribution Plans – Pension Scheme

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

2 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Economic Journal						
Sales of current volume to non-members	687,887	–	687,887	708,681	–	708,681
Sales of back numbers, royalties and misc	21,443	–	21,443	81,964	–	81,964
Submission fees	164,177	–	164,177	176,652	–	176,652
Sub-total for Economic Journal	873,507	–	873,507	967,297	–	967,297
Econometrics Journal						
Subscriptions	91,161	–	91,161	80,517	–	80,517
Sales of back numbers, rights and permission	2,229	–	2,229	2,514	–	2,514
Non-subscription income	–	–	–	14,231	–	14,231
Sub-total for Econometrics Journal	93,390	–	93,390	97,262	–	97,262
Sub-total for total journal income	966,897	–	966,897	1,064,559	–	1,064,559
Publishing Activities						
From Publishers	2,632	–	2,632	3,927	–	3,927
Sub-total for Other Publishing Activities	2,632	–	2,632	3,927	–	3,927
Discover Economics						
Grants	–	98,350	98,350	–	30,000	30,000
Gift Aid Donations	–	176	176	–	245	245
Sub-total for Discover Economics	–	98,526	98,526	–	30,245	30,245
Total income from charitable activities	969,529	98,526	1,068,055	1,068,486	30,245	1,098,731

3 Income from investments

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Dividends receivable from investments and unit trusts	158,225	–	158,225	176,981	–	176,981
	158,225	–	158,225	176,981	–	176,981

4a Analysis of expenditure (current year)

	Charitable activities								2022 Total £	2021	Total £
	Raising funds £	Economic Journal £	Econometrics Journal £	Other Publishing Activities £	Membership £	Outreach £	Annual Conference £	Discover Economics £			
Portfolio Management	37,093	–	–	–	–	–	–	–	37,093		39,049
Editor and Editorial Services	–	303,750	61,540	–	6,180	–	–	–	371,470		334,016
Retained by Publisher	–	123,841	16,409	–	–	–	–	–	140,250		155,666
Other Direct Costs	–	126,346	52,734	1,195	20,943	1,437	42,143	–	244,798		241,918
	37,093	553,937	130,683	1,195	27,123	1,437	42,143	–	793,611		770,649
Support Costs		28,668	224	–	3,723	15	12,291	71,775	116,696		99,907
RES Contribution	–	–	–	–	25,810	16,807	–	–	42,617		516,405
Management costs	–	237,657	53,399	487	230,200	7,448	22,205	29,278	580,675		543,618
Governance costs (note 6)	–	8,675	1,949	18	15,670	272	811	1,069	28,463		19,843
Total expenditure 2022	37,093	828,937	186,255	1,700	302,526	25,979	77,450	102,122	1,562,062		
Total expenditure 2021	39,049	824,885	159,916	1,638	743,408	51,609	72,314	57,603			1,950,423

The Royal Economic Society

Notes to the financial statements

For the year ended 31 December 2022

4b Analysis of expenditure (prior year)

	Charitable activities								
	Raising funds £	Economic Journal £	Econometrics Journal £	Other Publishing Activities £	Membership £	Outreach £	Annual Conference £	Discover Economics £	2021 Total £
Portfolio Management	39,049	–	–	–	–	–	–	–	39,049
Editor and Editorial Services	–	278,581	49,435	–	6,000	–	–	–	334,016
Retained by Publisher	–	138,609	17,057	–	–	–	–	–	155,666
Other Direct Costs	–	139,335	45,916	1,155	33,693	–	21,819	–	241,918
	39,049	556,526	112,408	1,155	39,693	–	21,819	–	770,649
Support Costs	–	25,062	341	–	4,138	730	29,166	40,470	99,907
RES Contribution	–	–	–	–	480,605	35,657	–	143	516,405
Management costs	–	234,730	45,506	466	211,262	14,686	20,578	16,392	543,618
Governance costs	–	8,568	1,661	17	7,711	536	751	598	19,843
Total expenditure 2021	39,049	824,885	159,916	1,638	743,408	51,609	72,314	57,603	1,950,423

Notes to the financial statements

For the year ended 31 December 2022

5a Grant making (current year)

	Grants to institutions £	Grants to individuals £	Support costs £	2022 £	2021 £
Cost					
Outreach					
Diversity	–	4,029	–	4,029	7,248
Competitions and awards	–	7,775	–	7,775	12,509
Institutional grants – Economics Network	–	–	–	–	10,000
Institutional grants – International Economic Association	728	–	–	728	1,503
Institutional grants – Academy of Social Sciences	1,069	–	–	1,069	1,510
Third Party Events	–	2,321	–	2,321	2,887
Membership					
Conference grant scheme	–	5,741	–	5,741	1,238
Small budget scheme	–	–	–	–	(670)
Special Project Grant Scheme	–	(1,250)	–	(1,250)	(4,426)
At the end of the year	1,797	18,616	–	20,413	31,800

5b Grant making (prior year)

	Grants to institutions £	Grants to individuals £	Support costs £	2021 £	2020 £
Cost					
Outreach					
Diversity	–	7,248	–	7,248	8,299
Competitions and awards	–	12,509	–	12,509	5,462
Institutional grants – CORE	–	–	–	–	15,000
Institutional grants – Economics Network	10,000	–	–	10,000	20,000
Institutional grants – International Economic Association	1,503	–	–	1,503	(4,575)
Institutional grants – Academy of Social Sciences	1,510	–	–	1,510	1,510
Third Party Events	–	2,887	–	2,887	1,682
Membership					
Conference grant scheme	–	1,238	–	1,238	250
Small budget scheme	–	(670)	–	(670)	2,223
Special Project Grant Scheme	–	(4,426)	–	(4,426)	(5,994)
At the end of the year	13,013	18,786	–	31,800	43,857

6 Governance costs

	2022 £	2021 £
Legal Fees	2,215	6,787
Audit fees	9,300	6,660
Professional fees	6,900	750
Council and committee Costs	10,050	5,646
	28,465	19,843

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	410,024	341,068
Redundancy and termination costs	12,521	–
Social security costs	42,356	32,206
Employer's contribution to defined contribution pension schemes	37,307	30,568
Other forms of employee benefits	2,792	2,129
	505,000	405,970

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£70,000 – £79,999	1	1

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel (the chief executive, operations manager and communications and engagement manager) were £215,581 (2021: £195,753).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £891 (2021: £541) incurred by 7 (2020: 6) members relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 10 (2021: 9).

9 Related party transactions

During the year, a grant award of £50,000 was made by the London School of Economics Hub for Equal Representation (LSEHER) to Discover Economics. Prof Oriana Bandiera is a Director of the LSEHER and is the partner of Prof Imran Rasul, a Trustee Board member of the Royal Economic Society.

Professor Nicholas Crafts is a Trustee Board member of the Royal Economic Society and the National Institute of Economic and Social Research (NIESR). NIESR owns 2 Dean Trench Street, where the Royal Economic Society rents office space at market value.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The following trustees received remuneration for their services to the charity, in accordance with the governing documents:

	2022	2021
	£	£
Prof Japp Abbring	-	12,960
Prof Gilat Levy	-	11,250
	<u>-</u>	<u>24,210</u>

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At the start of the year	11,385	11,385
Additions in year	2,420	2,420
Disposals in year	(2,386)	(2,386)
At the end of the year	<u>11,419</u>	<u>11,419</u>
Depreciation		
At the start of the year	6,224	6,224
Charge for the year	1,516	1,516
Eliminated on disposal	(2,046)	(2,046)
At the end of the year	<u>5,694</u>	<u>5,694</u>
Net book value		
At the end of the year	<u>5,725</u>	<u>5,725</u>
At the start of the year	<u>5,161</u>	<u>5,161</u>

All of the above assets are used for charitable purposes.

12 Intangible fixed assets

Cost	Software £	Total £
At the start of the year	153,763	153,763
At the end of the year	153,763	153,763
Depreciation		
At the start of the year	53,756	53,756
Charge for the year	15,377	15,377
At the end of the year	69,133	69,133
Net book value		
At the end of the year	84,630	84,630
At the start of the year	100,007	100,007

13 Listed investments

	2022 £	2021 £
Fair value at the start of the year	6,385,601	6,405,573
Additions at cost	–	–
Disposal proceeds	–	(300,000)
Net gain / (loss) on change in fair value	(762,417)	319,077
Settlement of fees	(37,093)	(39,049)
	5,586,091	6,385,601
Cash held by investment broker pending reinvestment	–	–
Fair value at the end of the year	5,586,091	6,385,601
Investments comprise:		
	2022 £	2021 £
Sarasin & Partners		
Long Term – Asset Allocation	4,100,271	4,680,981
Medium Term – Asset Allocation	1,013,954	1,240,428
Short Term – Asset Allocation	465,596	276,178
Cash	6,270	188,014
	5,586,091	6,385,601
Cost	5,673,848	5,855,664

14 Debtors

	2022 £	2021 £
Trade debtors	17,661	5,880
Prepayments	45,781	80,793
Publishing debtor	303,168	389,811
	366,610	476,484

15 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	98,076	100,610
Taxation and social security	12,784	4,897
Other creditors	1,097	1,097
Accruals	346,740	344,290
Deferred income (note 15)	23,144	15,014
	481,841	465,907

16 Deferred income

Deferred income comprises of 3 year membership subscriptions

	2022 £	2021 £
Balance at the beginning of the year	15,014	15,425
Amount released to income in the year	(15,014)	(15,425)
Amount deferred in the year	23,144	15,014
Balance at the end of the year	23,144	15,014

The deferred income is included within the creditors liability but separated out for the purpose of explaining the reason for the deferred income. As the memberships can span 3 years a proportion of this is represented as a creditor due after one year (see note 16).

17 Creditors: amounts falling due after one year

	2022 £	2021 £
Deferred income	14,611	8,529
	14,611	8,529

18a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	355	90,000	–	90,355
Investments	4,386,091	1,210,000	–	5,596,091
Net current assets	39,011	–	69,638	108,649
Long term liabilities	(14,611)	–	–	(14,611)
Net assets at 31 December 2022	4,410,846	1,300,000	69,638	5,780,484

18b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	5,168	100,000	–	105,168
Investments	4,885,601	1,500,000	–	6,385,601
Net current assets	193,115	–	23,437	216,552
Long term liabilities	(8,529)	–	–	(8,529)
Net assets at 31 December 2021	5,075,355	1,600,000	23,437	6,698,792

19a Movements in funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Discover Economics	23,437	98,526	(102,122)	49,797	69,638
Total restricted funds	23,437	98,526	(102,122)	49,797	69,638
Unrestricted funds:					
Designated funds:					
Investment Reserve	–	–	(799,510)	799,510	–
Fixed Asset Reserve	100,000	–	–	(10,000)	90,000
Working Capital Reserve	200,000	–	–	10,000	210,000
Programme Investment Reserve	1,000,000	–	–	(500,000)	500,000
Budgeted Deficit	300,000	–	–	200,000	500,000
Total designated funds	1,600,000	–	(799,510)	499,510	1,300,000
General funds:	5,075,356	1,307,645	(1,422,848)	(549,307)	4,410,846
Total general funds	5,075,356	1,307,645	(1,422,850)	(549,307)	4,410,846
Total unrestricted funds	6,675,356	1,307,645	(2,222,358)	(49,797)	5,710,846
Total funds	6,698,792	1,406,171	(2,324,481)	–	5,780,484

The narrative to explain the purpose of each fund is given at the foot of the note below.

19b Movements in funds (prior year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Discover Economics	23,255	30,245	(57,603)	27,540	23,437
Total restricted funds	23,255	30,245	(57,603)	27,540	23,437
Unrestricted funds:					
Investment reserve	5,905,573	319,077	(39,049)	(6,185,601)	
Covid Academic Support	500,000	-	-	(500,000)	-
Discover Economics	30,000	-	-	(30,000)	-
Fixed Asset Reserve				100,000	100,000
Working Capital Reserve				200,000	200,000
Programme Investment Reserve				1,000,000	1,000,000
2022 Budget Deficit				300,000	300,000
Total designated funds	6,435,573	319,077	(39,049)	(5,115,601)	1,600,000
General funds	379,995	1,461,070	(1,853,771)	5,088,061	5,075,356
Total unrestricted funds	6,815,568	1,780,147	(1,892,819)	(27,540)	6,675,356
Pension reserve	-	-	-	-	-
Total funds	6,838,823	1,810,392	(1,950,423)	-	6,698,792

Purposes of restricted funds

Discover Economics – Discover Economics is a RES campaign aimed at changing perceptions of economics among young people and attracting students from under-represented groups.

Purposes of designated funds

- Reserves required for operational reasons and therefore not available for general purposes, ie, funding of fixed assets and working capital used to carry out the Society's charitable purposes.
- Projected future expenditures that cannot be met from future income, ie, budgeted and projected deficits and known programme investments.
- If the situation arises, known commitments that have not been provided for as a liability in the accounts.

Purposes of general funds

- Potential future deficits beyond periods for which reliable budgets are available.
- Unforeseen variances vs budgeted income, eg, bad debts, loss of journals income.
- Potential losses in value of long-term investments. (The investment strategy seeks reasonable returns by investing in equities etc. with risk to capital value. This reserve recognises that over a foreseeable period there will be reductions in values from time to time).
- Emergency expenditures including, eg, settlement of legal claims, uninsured losses, pandemic and other emergency responses, taxation changes.
- Funds to invest in future development activities not yet specified.
- Commitments not provided for as liabilities in the accounts for which no designated reserve has been established.
- In extremis, to provide for orderly settlement of liabilities in the event of restructure or closure.

20 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Property 2022 £	2021 £
Less than one year	24,543	24,543
One to five years	1,210	25,753
	25,753	50,296

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The individual members or Trustees are not obligated to pay anything in the event of the Society winding up.

Accounts

REGISTERED CHARITY NUMBER: 231508 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
ROYAL ECONOMIC SOCIETY**

Royal Economic Society
2 Dean Trench Street
Westminster
London
SW1P 3HE

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FOR THE YEAR ENDED 31 DECEMBER 2021

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**REPORT OF THE TRUSTEE BOARD
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Trustee Board presents its report together with the Financial Statements of the Charity for the year ended 31 December 2021.

REGISTERED CHARITY NUMBERS: 231508 (England & Wales)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

MEMBERS OF THE TRUSTEE BOARD AND CHARITY TRUSTEES

PRESIDENT:	Prof Sir Tim Besley (from 28 May 2021)
PRESIDENT ELECT:	Prof Nicholas Crafts (from 28 May 2021)
TREASURER:	Andrew Farrell (from 28 May 2021)
SECRETARY GENERAL:	Prof Denise Osborn
EDITORS:	Prof Gilat Levy (until 28 May 2021) Prof Jaap Abbring (until 28 May 2021)
COUNCILLORS:	Tera Allas Prof Beata Javorcik (until 28 May 2021) Prof Mary Morgan (from 28 May 2021) Prof Imran Rasul Prof Miguel Costa-Gomes
CO-OPTED:	Tom Aldred (from 1 October 2021) Conrad Copeland (from 1 October 2021) Prof Denise Hawkes (until 28 May 2021) Prof Michael McMahon (until 28 May 2021) Helen Miller (until 28 May 2021) Prof Mary Morgan (until 28 May 2021) Assoc Prof Stefania Paredes-Fuentes Prof Almudena Sevilla (until 28 May 2021) Prof Jo Swaffield (until 28 May 2021)

TRUSTEE BOARD MEMBERS ALSO SERVING AS CHARITY TRUSTEES DURING AN EARLIER PART OF THE YEAR

From 1 January to 28 May 2021:	Prof Dame Rachel Griffith Susan Holloway Prof Dame Carol Propper
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CHIEF EXECUTIVE (NON TRUSTEE) Leighton Chipperfield

HEAD OFFICE: 2 Dean Trench Street
Westminster
London
SW1P 3HE

AUDITORS: Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London EC1Y 0TL

BANKERS:

National Westminster Bank plc
143 High Street
Bromley
Kent BR1 1YZ

INVESTMENT MANAGERS:

Sarasin and Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

REFERENCE AND ADMINISTRATIVE DETAILS

The charity was founded in 1902 and is registered with the Charity Commission under charity number 231508 (England and Wales). The reference and administrative details of the Charity are shown on page 1 of the Financial Statements above.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Royal Economic Society is constituted by a Royal Charter of Incorporation dated 2 December 1902 as amended by a supplemental charter dated 26 January 1968 and byelaws as made in General Meetings of the Society from time to time, subject to the consent of the Privy Council. There are no specific restrictions imposed by the governing document.

The byelaws of the Society were revised by order of the Privy Council made on 20 December 2011 and taking immediate effect. Prior to that date the Council of the Society (rather than the Trustee Board) had responsibility for the general management of its affairs.

Appointment of Trustees

Until the Annual General Meeting on 28 May 2021, the charity trustees of the Society were the members of Executive Committee, comprising a balance of honorary elected officers (President, Immediate Past President or President-Elect, and Honorary Treasurer), the Secretary General, Editors, five members appointed by the Council, and members co-opted by the Council on a proposal from the Executive Committee. No charity trustee received any remuneration in that capacity, but a minority were in receipt of honoraria in respect of specific offices held, under written agreement as to the terms of appointment made by the Executive Committee excluding the individuals concerned.

Following approval at the 2021 Annual General Meeting, the charity trustees of the Society are now the members of the Trustee Board, comprising the President, President-Elect, Honorary Treasurer, Secretary General, three representatives from Council and up to five trustees co-opted by Council on a proposal from the Trustee Board. Meetings of the Trustee Board in 2021 were chaired by the President. The Trustee Board currently meets three times a year.

The trustees are legally responsible for the overall governance, management and policies of the Society, ensuring that the charitable objects for which it has been set up are met. All new members of the Trustee Board receive the Charity Commission's Information on the responsibilities of Charity Trustees. Trustee Board members receive a briefing and induction pack on appointment, with further training undertaken on an ad-hoc basis as required.

Since May 2017, the day-to-day running of the Society is delegated by the Trustee Board to the Chief Executive, who reports to the Secretary General.

Members of the Council, which appoints some Trustee Board members as explained above, are nominated by members of the Society and considered by the Nominating Committee. The Nominating Committee comprises six elected members of Council (each of whom serves three years on the committee), the Presidential triumvirate and two Additional Members, with the Secretary-General acting as non-voting secretary. The Additional Members are either Life Vice-Presidents of the Society or individuals of high standing in the profession. The Nominations and Appointments Committee draws up a list of candidates who are voted upon by the members of the Society to become members of Council for a term of five years. The Presidents Selection Committee, which nominates the in-coming RES President-Elect, comprises all members of the Nominations Committee excluding the Presidential Triumvirate.

Public Benefit

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Management and administration

In 2017 the Society relocated its office headquarters from the University of St Andrews to new offices in Westminster, London, and appointed its first directly-employed staff.

Key management personnel remuneration

The Trustee Board (through its Remuneration Committee) review annually the pay of the Chief Executive. In view of the nature of the Society, the remuneration is also benchmarked with similar charities or with reference to sector reports to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. For information purposes the Remuneration Committee also receives details of the salaries of the other key management personnel.

Principal risks and uncertainties

The trustees have given consideration to the Society's major risks and satisfied themselves that systems or procedures are established in order to mitigate those risks. The major risks were considered to be: the strategy not being properly implemented; the potential for trustees' conflict of interest; the governance structure not being sufficiently effective; the ability of the office to continue its work during a prolonged period of remote working; and reduction in income from journal publications. Some of these risks have and will be mitigated as follows:

- The creation of operational plans to support the execution of the strategy
- The formal induction of all new trustees
- The updating of processes for managing trustee conflict of interest
- A governance review
- The creation of a new Publications Committee
- The development of initiatives to diversify income

During the year, the key risks that might impact on the Society's objectives and the internal procedures have been kept under review and a risk register is in place. This identifies external and internal risks. It is believed to be fully consistent with the guidance on risk published by the Charity Commission's guidance on risk management (CC26).

In addition to the above, the key categories of risk relate to governance, finance and operations:

a) Governance Risks

As noted above, proposals to update the Society's governance arrangements were approved at the Society's Annual General Meeting in 2021, with the main changes in place by the end of the year. The effectiveness of the new arrangements will be regularly reviewed.

b) Financial Risks

The fact that finance is a standing item of business for meetings of the Trustee Board ensures that the appropriate financial information is regularly scrutinised. The Society's investments are held in a variety of unit trusts in order to minimise systematic risk and the investment policy is reviewed against performance at least every three years. Internal risks are minimised by the implementation of procedures for authorisation of all projects and financial transactions. In 2018 a new Finance Committee was established, chaired by the Honorary Treasurer. This committee is charged with making recommendations to the Trustee Board on the Society's reserves and investment policies; advising the Honorary Treasurer on working capital requirements; and reviewing the appointments of auditors and making recommendations to the Annual General Meeting.

c) Operational Risks

As the agent for the Trustee Board, the Chief Executive (working with the Secretary General) has the responsibility for maintaining a sound system of internal control that supports the achievement of the Society's aims and objectives, whilst safeguarding its assets and ensuring proper application of its income to its charitable objects.

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to

achieve aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Society's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 December 2021 and up to the date of approval of the annual report and accounts.

Volunteers

The Society could not achieve its charitable objectives without the commitment and hard work of its volunteers, both Members and non-Members, many of whom give freely of their time to act as journal reviewers, committee members and volunteers to support our events and activities. The Society wishes to thank all those who have supported it over the last year.

Annual General Meeting

The Annual General Meeting was held online from 26-28 May 2021 with 87 members taking part (2020: 117). A live online meeting was convened on 26 May to discuss the proposed changes to governance arrangements. These included changes to the structure and size of the Trustee Board (see page 2), the creation of a Chair of Trustees position in 2022 to replace the Secretary-General role, and the introduction of a new complaints policy. The changes were subsequently approved by the AGM.

OBJECTIVES AND ACTIVITIES

Objects

The Royal Economic Society is established to promote and foster the study of economic science. The Society is also concerned with the application of the results of that study.

These objects are undertaken by means of publications, the Annual Conference, Postgraduate Conferences and helping to further the study of economics via free Public Lectures, a programme of various Grants and Projects, and an annual essay competition for Young Economists focused on schools.

The Trustee Board confirm that they have complied with the duty in section 17 of the Charities Act 2011, to have due regard to the Charity Commission's general guidance on public benefit. The Trustee Board believes that social welfare is advanced by promoting and fostering the study of economic science, and that its activities serve to educate the public, and particularly that section of the public that is interested in issues of economic policy. The results of the economic research that the Society supports are widely disseminated through its publications. Although the benefits of the Society's work are by no means restricted to its members, the subscription is deliberately set at a low level relative to that of most charitable learned societies so as to encourage a broad base of membership, including those on low incomes.

Strategy

In 2018 the Society launched a strategy for the period 2019-2023. The strategy sets out four key priorities as follows:

- Enhancing the credibility and visibility of economics
- Supporting economists
- Improving diversity
- Working effectively

The Society now measures its achievements against these priorities, with many of its activities delivering on more than one priority.

Activities to Achieve Objectives

The Society meets its objects by undertaking the following activities:

1. Membership

The Society has a membership scheme whereby anyone who is interested in the study of economics can join and receive the various benefits of membership.

2. Publications

The Society has two peer-reviewed journals, The Economic Journal and The Econometrics Journal. Publication of

the journals transitioned to Oxford University Press at the beginning of 2019. Members of the Society can pay a higher fee to receive printed copies of The Economic Journal; members may also choose to receive a printed quarterly newsletter. Increasingly, timely information of interest to members and the general public is being provided via the Society's website and social media channels. Online access to The Economic Journal and The Econometrics Journal is available and is heavily used.

In addition, the Society has a commitment to publishing scholarly editions of classic works in economics. Its editions of the works of Ricardo, Malthus, Marshall, Edgeworth, and Keynes (also now available through online subscription) set an international standard in these matters.

3. Conferences, education and training

The Society organises several educational events during the year, subsidised primarily from the surplus generated by publication of the Economic Journal. The largest of these is the Annual Conference, which rotates around UK universities and is held around Eastertime. A student-led one-day Symposium of Early Career Researchers takes place annually, organised by a committee of PhD students. The RES Easter School, funded jointly with the Economic and Social Research Council, provides advanced training for doctoral students and early career professional economists. In recent times the Society has expanded its offering to provide online seminars to members and potential members.

CHUDE (Conference of Heads of University Departments of Economics) comprises Heads of Economics at universities in the UK. Its ultimate purpose is the promotion of research and teaching of economics, and more generally of the significance and importance of economics, in the UK. Bi-annual meetings offer a forum for discussion of issues of interest. Prof Jo Swaffield completed her term as CHUDE chairperson at the end of 2021 and was succeeded by Assoc Prof Emiliya Lazarova.

4. Grant funding of activities

Members are eligible to apply for a range of grants; these schemes are outlined in note 7 to the accounts. The main and postgraduate conference grant schemes provide support for individuals of limited means to meet the costs of attending these events. The Society provides significant financial support to the activities of the Economics Network based at the University of Bristol. This provides important resources on economics to schools and school pupils, university students and, through its regular training events, to early career academic economists.

5. Outreach

The RES conducts activities to improve the public understanding of economics and to promote the subject to school-age young people: these include an Annual Public Lecture; a Young Economist of the Year competition and a public engagement event entitled 'RES Presents'. The Society also seeks to partner with other organisations where appropriate in this regard, such as the annual Festival for Economics. The RES Discover Economics campaign, launched in 2019, seeks to attract more students from underrepresented groups into economics by broadening the appeal of the subject and changing perceptions of economics and economists.

ACHIEVEMENT AND PERFORMANCE

Review of activities

In line with the objects and strategy of the Society the key achievements during the year ended 31 December 2021 were as follows.

The effect of the COVID-19 pandemic

As in 2020, the Society's activities in 2021 were heavily curtailed by the global pandemic and subsequent lockdowns in the United Kingdom. The Society's headquarters remained closed for much of the year, with staff working remotely and committee and Council meetings held virtually.

The Society's Annual Conference, Symposium of Early Career Researchers, Easter School, and Annual Public Lecture each took place online. Following the decision in 2020 to create a RES COVID Academic Support Fund, the fund was launched and disbursed a series of grants as set out on page 7.

Journals

In 2018, Oxford University Press was selected as the Society's new journal publisher for a five-year period from January 2019.

The Economic Journal had another successful year, with the total number of submissions (1,929) in line with 2020 (1,994). Ninety per cent of regular submissions that were sent to referees were returned to authors within four months of submission (2020: 67%); no submissions took longer than six months (2020: 16%). The 2020 Impact Factor (released in June 2021) was 3.178, a substantial increase on the 2019 Impact Factor (2.764). The Economic Journal continues to be highly international, with 15% of author submissions from the United Kingdom (2020: 15%), 25% from United States and Canada (2020: 25%), 39% from Europe (2020: 39%) and 21% from the Rest of the World (2020: 21%).

New submissions to The Econometrics Journal were stable at 149 (2020: 150) and accepted papers increased to 40 (2020: 32). The Journal's Impact Factor increased to 4.571 (from 2.139). This places it among the top 13% in Economics and the top 7% in Statistics & Probability, well ahead of other specialist econometrics journals. The journal's five-year Impact Factor increased to 3.080 (from 1.700) and its Article Influence Score to 3.251 (from 2.067).

Other publishing activities

In 2012 the Society published with Cambridge University Press the full 30 volumes of the Collected Writings of John Maynard Keynes in digital and paperback editions. Through a 2013 arrangement with the publisher, the Society has since provided the membership with free digital access to this important scholarly resource.

Membership

In 2021 the Society introduced group membership, offering university departments and organisations the opportunity to purchase membership of the RES for their staff or students. In its first full year the scheme proved successful, with six university departments and three other UK-based organisations – the Government Economic Service, the Institute for Fiscal Studies and the National Institute for Social and Economic Research – taking part. In total 4,021 individuals became RES members through group membership, with 3,585 of those coming from the Government Economic Service. The Society's membership as a whole increased to 7,295 (2020: 3,110), of whom 93% of members had an online membership (2020: 85%).

The introduction of group membership was reflected in changes to the geographical composition of the membership, with 72% of members in the UK (2020: 39%), 10% located elsewhere in Europe (2020: 24%), 7% in the United States or Canada (2020: 17%), 1% in Japan (2020: 2%) and 10% in the Rest of the World (2020: 18%).

Following a one-year postponement, in November 2021 the RES transitioned to a new income-based pricing model for membership. Under the model, those on low incomes or no income will pay less, whilst higher-earning members will be asked to pay more.

Newsletter

New editions of the quarterly newsletter are made available to members via the RES website after publication, and to non-members after one month. During 2021, the PDF of each newsletter was downloaded approximately 500 times. Approximately 1,300 members also chose to receive a printed edition. In 2021, Dr Jon Temple succeeded Prof Peter Howells as Newsletter Editor; this change coincided with an update to the newsletter design and format. 2021 issues featured a range of topics including the history of economic thought; the impact of COVID-19 on economics teaching and learning; and the Bank of England agenda for research.

Easter Training School

The 2021 Easter School took place virtually from 29 March-1 April led by Prof Eliana La Ferrara in conjunction with the University of Bristol. The training school included workshops provided by the Economic Observatory and the Centre for European Policy Studies, as well as peer to peer presentations. Twenty-seven participants attended including six from the Government Economic Service. Ninety-five per cent of attendees rated the school as 'good' or 'excellent'.

Symposium of Early Career Researchers

The 2021 symposium was held online on 18 May and attended by 50 students. PhD Students from Queens University Belfast designed the programme of lectures, networking and presentations. The organisers were grateful to Prof Andrew Clark and Prof Joachim Voth for their insightful presentations.

European Job Market for Economists (EJME)

The 4th European Job Market was held from 15-18 December 2021, continuing the partnership between the European Economic Association, the RES, and the Spanish Economic Association. Over 900 candidates and 100 institutions took part. In November the Society hosted a webinar entitled 'How to Prepare for the European Job Market for Economists', chaired by Prof Nick Crafts. One hundred and thirty nine participants joined the webinar in person with a further 350 watching the subsequent recording. During the EJME the Society hosted a 'Meet the Editors' webinar delivered by two editors from each journal (Ekaterina Zhuravskay and Francesco Lippi; Jaap Abbring and Victor Chernozhukov). Twenty participants joined in person with a further 400 watching the subsequent recording.

Grant funding of activities

Society members can apply for grants under the Knowledge Transfer Projects Grant (KTP), Research Dissemination Grant (RDG), Conference Grant and the Discover Economics Grant schemes. As noted in the 2020 report, the KTP and RDG grants schemes were introduced in 2021 to replace Special Project Grants. The authority to consider applications and award grants under these schemes is delegated to the Chair of Education & Training Committee, within financial limits and overall policy determined by the Trustee Board.

Two applications were made to the KTP scheme; both were successful with a total award of £3,701. Five applications were made to the RDG scheme in 2021, of which two were granted funding totalling £3,220. The Conference Grant Scheme received only three applications (2020: 11), reflecting the travel limitations imposed by the pandemic. All three applications were successful, with a total award of £1,058. The Discover Economics Grant scheme received seven applications in 2021, of which six were granted funding totalling £4,432. Due to the pandemic the Discover Economics Grant was not open for applications in 2020. For comparison, the number of applications made to the scheme in 2019 was twelve of which eight were granted funding totalling £11,375.

In certain cases, the pandemic meant that the activity for which a grant was awarded did not take place or was postponed. Where the activity was postponed, funding was held over to a later date.

The Society provided funding of £10,000 to the Economics Network, as well as funding to the International Economic Association and the Academy of Social Sciences by way of institutional membership of those organisations.

In 2020 the Trustee Board agreed to create a designated fund of up to £500k to support members who had been particularly affected by the impact of the COVID-19 pandemic on UK universities and academic departments, and to support innovations in teaching economics that arose from online/blended learning delivery during the pandemic. An awards panel considered applications in two rounds with the first round opening in January 2021 and the second round opening in April. The total value of applications received was £692k with £482k awarded. Awards were made to 56 PhD students at eighteen universities (totalling £345k) and to nine early career economists at six universities (totalling £55k). Teaching innovation grants were made to seven academic departments totalling £82k.

Diversity and Women's Committee

The Diversity Champion Prof Stefania Paredes-Fuentes, working closely with the Member Operations Director, developed a Diversity and Inclusion Programme which was approved by the Trustee Board. This programme encompasses a range of work to develop equality, diversity and inclusion (EDI) across RES activities and the wider discipline. For 2021, this included an audit of diversity data in relation to RES activities; a review of the Conference Programme and Programme Committee in relation to EDI; and developing a dedicated EDI resources page on the RES website.

The Member Operations Director joined an Academy of Social Sciences/ESRC working group to share best practice on improving diversity across the social sciences.

The Women's Committee produced its Silver Anniversary report on the status of women in economics. In October the RES hosted a webinar on the report's findings. Chaired by Prof Tim Besley, the event featured a short summary of the report's findings, delivered by co-author Dr Victoria Bateman, along with a panel of speakers. The RES and the Women's Committee are most grateful for the excellent work of the co-authors Victoria Bateman, Danula Kankanam Gamage, Erin Hengel and Xianyu Liu.

The Mentoring Retreat run by the Women's Committee is organised for early career female lecturers and advanced female PhD students based in the UK. In 2021 the retreat was held online with video interactions between early career female researchers and senior female academics. Seventeen mentees attended the retreat.

Outreach

Policy webinar series

In partnership with the Government Economic Service the RES launched a policy webinar series. The first two sessions in the series dealt with racial inequalities and spatial inequalities respectively. Over 700 individuals registered to attend these sessions. One further webinar was held in the first quarter of 2022.

Website

The RES website is a popular platform with its content and navigation regularly reviewed for optimum engagement. The website includes a Twitter feed and a video library of recordings from previous Annual Conferences, Annual Public Lectures and other events. The website received 142k visits in 2021 (2020:142k) Of these, 4.2k visits (2020: 1.3k) were members accessing the member area of the site.

Social media

The Society aims to reach a wider audience through its social media activity and maintains a presence on Twitter, LinkedIn and YouTube. The Society's number of Twitter followers increased to 14.9k (2020: 8.9k), whilst the Economic Journal's followers increased to 18k (2020: 13.7k). A LinkedIn account was established in 2020 and has gained 1.3k followers. A total of 45 videos were added to the Society's YouTube channel, with 94k views of videos on the channel (2020: 92k) and 6.5k subscribers.

Public outreach

RES Presents was held as a virtual event in June 2021 on the topic of Brexit. 265 individuals registered for the event, with 100 joining live and 146 watching the subsequent recording.

The 2021 Annual Public Lecture was held virtually in May, delivered by Prof Diane Coyle and chaired by Prof Carol Propper. Three hundred and sixty six individuals registered for the free event, with 175 joining live and approximately 90 students watching the event with their teacher. The recording of the lecture was subsequently made available on the RES website and was viewed 125 times in the two weeks following the lecture.

The Society provided financial support to the Bristol Festival of Economics which ran as an in-person event in Bristol in November 2021. RES and Discover Economics staff attended the festival and engaged with attendees.

Young Economist of the Year competition

The Young Economist of the Year competition is open to students studying a range of further education qualifications and is directed at those who are UK based and studying in school years 12 or 13.

In 2021, submissions to the competition declined to 1056 entrants, from 1531 applications in 2020 (2019: 1,339; 2018: 1,298; 2017: 1,046). The Society promoted the competition through stakeholders, members, the Discover Economics campaign and direct to schools. Prof Katharine Rockett managed the initial shortlisting process and provided the 15 shortlisted entries to the final judging panel (Carol Propper, Ram Patra, Jagjit Chadha, Martin Sandbu and Gemma Tetlow). The panel selected the winner for each of the essay titles and the best essay overall. Guidance to students on how to write their essay was further refined in 2021. The Society again partnered with the Financial Times, who sponsored the winner's prize and published a version of the winning essay on the FT website. An award ceremony for the winners of each category was held at Imperial College Business School, with the names of the winners and shortlisted entrants published on the website and on social media.

Annual Conference

The Society took the decision to hold the 2021 conference virtually, with a focus on achieving the same quality and variety of sessions as an in-person event. The conference took place from 12-14 April and attracted over 900 attendees (2019: 751) from 45 countries (2019: 36). The format of the conference allowed for additional sessions to be added, including a 'Lunchtime chats' format; this included Tim Besley, Angus Deaton, Diane Coyle, Jean Tirole, Mervyn King and Rachel Glennerster and was very well received. Four hundred and fifty one papers were presented during the conference, with a video library of the main sessions subsequently made available to attendees. As in previous years, keynote presentations were subsequently made available to a wider audience on the Society's YouTube channel. 72% of respondents rated the overall experience as 'excellent' or 'good' (2019: 88%); the Society attributes this decrease to the virtual format and expects feedback to improve when the conference returns to its usual format.

Discover Economics

The Society continued its support as a Founding Partner for Discover Economics, a campaign to help change perceptions of economics among young people and attract students from under-represented groups. Due to the pandemic, outreach continued to be delivered online with events aimed at 15-17 year olds. Themes included Black History Month; Careers in Economics; Pride Month; and an online CPD event with careers advisors. A teacher training programme has been created in partnership with examination board OCR to train more teachers to deliver A-level economics.

Post event insights from the Black History Month event found that 79% of student participants rated the event as excellent, 100% now believe there are economists like them and 100% would consider studying economics further.

An international school competition was launched in partnership with Young Economic Summit with two UK schools making it to the online final with students from across Germany. In 2022 the campaign intends to support two school groups to attend an in-person final in Hamburg.

The campaign's social media presence grew with 2,252 followers on Twitter, 470 followers on LinkedIn and with new channels launched on Instagram (142 followers) and TikTok (73 followers). A fortnightly e-newsletter was launched and has 912 subscribers.

FINANCIAL REVIEW

Explanation of the Statement of Financial Activities and the Application of the Society's Funds

The Trustee Board considers that the key figure in the Statement of Financial Activities (see page 15) is the deficit before investment gains of £(459,108) compared with a £59,054 deficit in 2020. The Board had budgeted for a deficit in this year of £(647,000); this included a budgeted £500k for the COVID Academic Support Fund.

Journal and investment income were both higher than forecast, with the former increasing to £1,064,559 (2020: £924,574). Economic Journal submission fees raised £176,652 (2020: £95,908) following increases to the fees payable by non-members. Membership income increased to £168,385 (2020: £88,369) following the reintroduction of the Annual Conference and the launch of the Group Membership Programme. Annual Conference income (£46,218) was lower than for the previous conference in 2019 (£231,883) as a result of it being held online.

Income and expenditure for the Discover Economics campaign is held in a restricted fund. As in 2020, the campaign benefitted from a £30,000 grant from the Health Foundation. Discover Economics expenditure increased to £57,603 (2020: £7,045) following the first full year of employing a Campaign Manager and the expansion of communications activities.

Investment income recorded in the Statement of Financial Activities is £176,981 (2020: £199,847). Unrealised investment gains are not recognised as incoming resources for budgeting purposes. The Trustee Board regards operating deficits as sustainable as long as total funds continue to grow over the medium term, but is working to diversify income, in order to keep the level of deficit in balance with investment growth while continuing to support activities which benefit its members.

The Economic Journal produced a surplus for the year of £142,412 (2020: £57,289 deficit) after the apportionment of support costs. Revenue increased by £134,517 compared to 2020, while costs decreased by £65,184. The Econometrics Journal produced a deficit of £62,654 (2020: £92,917 deficit) after the apportionment of support costs. Revenue increased by £5,468 and costs fell by £24,795.

The Society subsidises the Annual Conference which had a deficit of £26,096 (2020: £40,756 deficit) including support costs. The move to hold the Symposium of Early Career Researchers, Easter School, and Annual Public Lecture online limited the financial deficit of each activity (deficits of £1,412, £5,095 and £825 respectively including support costs).

A total of £482,467 was awarded against the COVID Academic Support Fund. Excluding this fund, other grants to institutions and individuals totalled £31,800 (2020: £43,857) as detailed in note 5 to the accounts. This expenditure is mostly discretionary, and so can readily be adjusted in the light of changes to the Society's overall financial position.

All of these charitable activities directly support and promote the objects of the Society.

Use of Assets

In June 2019 the Trustee Board approved a new Investment Policy Statement prepared by the Finance Committee. This includes an ethical investment policy statement. Sarasin & Partners LLP manage the investment reserve, which is now held in three funds - a long-term portfolio in the Charity Assets Endowment Fund valued at £4,682k, a medium-term portfolio in the Charity Assets Income and Reserves fund valued at £1,241k, and £462k in investment grade corporate bonds and cash to meet the short-term cash requirements of the Society. The Sarasin Charity Asset Investment Funds have a bespoke ethical policy.

The investments provide an important source of income to support the Society's activities. Investment income currently accounts for 12% (2020: 16%) of annual gross income. The market value of the Investment portfolio decreased by £19,972, of which £39,049 was accounted for by fees and £300,000 was funds withdrawn (see note 12).

While the Society assesses the performance of its investment portfolio by reference to total return, considering one year, three year and five-year bases, only income is taken into account when budgeting, on a conservative basis and to avoid large fluctuations from year to year.

Performance of the Society's investment portfolio (return on opening valuation) over the last five years has been as follows:

Calendar year	Annual income	Annual total return		
		One year	Three year	Five year
2017	2.7%	11.9%	11.1%	10.8%
2018	2.8%	-6.3%	7.6%	6.2%
2019	2.9%	17.7%	7.3%	8.6%
2020	3.1%	8.4%	6.1%	9.7%
2021	2.8%	7.7%	11.2%	7.6%

Annual total return is calculated on a simplified basis as capital appreciation plus income as a percentage of year start opening balance. Prior years' figures are restated. These results are considered satisfactory, given the Society's objects and performance in previous years. They will continue to be monitored annually by the Finance Committee, reporting to the Trustee Board.

Significant events since the year end

Since the year end there have been no significant events that require reporting.

Reserves policy

Total reserves at the balance sheet date are £6,698,792 (2020: £6,838,823). These included Restricted Reserves with respect to Discover Economics £23,255, Designated Reserves £1,600,000, target level General Reserves £4,500,000 and other General Reserves £575,536.

During 2021 the Trustee Board, advised by the Finance Committee, adopted a revised Reserves Policy in line with the Charity Commission Guidance establishing designated reserves for fixed asset and working capital requirements, 2022 budget deficit and a programme investment fund. It also established a target level of general reserves sufficient to cover a similar level of budget deficits through 2026, to provide for potential downturns in valuation of the long-term investment portfolio and other adverse events and other investments not yet specified. The Board considers that inflation risk and global political risks have increased significantly post-balance sheet date and that no action is required to reduce reserves to target level.

The Society is aware of risks to its historic business model that arise from changes in the academic publishing market and has both set aside funds for investment in new and/or changed lines of activity and is adapting its fees and pricing structure to mitigate against adverse effects on net income. The Society is developing its membership base to secure and enhance both its membership income and its salience to academic, professional economists and students of economics.

The Society has no debt other than trade debtors and does not rely on any external financing facilities. The Trustees have approved a detailed income and expenditure budget for 2022 and there are controls in place to manage expenditures in line with budget. The Royal Economic Society holds liquid funds in cash, short-term investment portfolio and medium-term investment portfolio sufficient to cover designated reserves, and the longer-term portfolio is held in marketable investments via Sarasin Partners LLP. There are no investments in complex or novel financial instruments.

Overall the reserves are at a level sufficient to ensure the continuity of current activities, to provide funds for adverse events and for future investments and to provide assurance that the Society is a going concern.

PLANS FOR FUTURE PERIODS

During 2022 the Society will continue to focus on the four strategic priorities set out in its 2019-2023 strategy. Strategic initiatives to support the four priorities include the following:

- Develop a new model for RES Presents
- Research to improve the value of RES membership to individuals
- Further expansion of the group membership programme
- Review opportunities to expand the Society's publishing programme
- Establish a new Standards of Conduct committee
- Expand the Society's diversity initiatives
- Appoint the Society's first Chair of Trustees

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Trustee Board is responsible for preparing the Report of the Charity Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and in Scotland requires the Trustee Board to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards 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 Trustee Board is responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Royal Charter. The Trustee Board is also responsible for safeguarding the assets of the charity and so for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

A Farrell

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A Farrell
Honorary Treasurer
On behalf of the Trustee Board

Dated: 2022
12/05/2022

Opinion

We have audited the financial statements of Royal Economic Society (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, balance sheet, 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 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 charity'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
- Have been prepared in accordance with the requirements of the Charities Act 2011

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 Royal Economic Society'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 trustees' 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, except to the extent otherwise explicitly stated in our report, 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 trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; 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 set out in the trustees' annual report, the trustees 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 charity 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 regulations made under section 154 of that Act.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Sayer Vincent LLP

Date 13 May 2022

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Royal Economic Society
Statement of financial activities (Incorporating an Income and expenditure account)

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies		-	-	-	1,720	-	1,720
Charitable activities							
Journals	2	1,064,559	-	1,064,559	924,574	-	924,574
Other Publishing Activities	2	3,927	-	3,927	3,264	-	3,264
Membership		168,385	-	168,385	89,369	-	89,369
Outreach		1,000	-	1,000	1,000	-	1,000
Annual Conference		46,218	-	46,218	3,989	-	3,989
Discover Economics	2	-	30,245	30,245	-	30,000	30,000
Investments	3	176,981	-	176,981	199,847	-	199,847
Total Income		1,461,070	30,245	1,491,315	1,223,763	30,000	1,253,763
Expenditure on:							
Raising funds	4	39,049	-	39,049	37,455	-	37,455
Charitable activities							
Journals	4	984,801	-	984,801	1,074,780	-	1,074,780
Other Publishing Activities	4	1,638	-	1,638	4,686	-	4,686
Membership	4	743,408	-	743,408	51,886	-	51,886
Outreach	4	51,609	-	51,609	92,220	-	92,220
Annual Conference	4	72,314	-	72,314	44,745	-	44,745
Discover Economics	4	-	57,603	57,603	-	7,045	7,045
Total expenditure		1,892,820	57,603	1,950,423	1,305,772	7,045	1,312,817
Net income / (expenditure) before net gains / (losses) on Investments		(431,750)	(27,358)	(459,108)	(82,009)	22,955	(59,054)
Net gains / (losses) on Investments		319,077	-	319,077	323,159	-	323,159
Net Income / (expenditure) for the year		(112,673)	(27,358)	(140,031)	241,150	22,955	264,105
Transfers between funds		(27,540)	27,540	-	-	-	-
Net income / (expenditure) before other recognised gains and losses		(140,213)	182	(140,031)	241,150	22,955	264,105
Net movement in funds		(140,213)	182	(140,031)	241,150	22,955	264,105
Reconciliation of funds:							
Total funds brought forward		6,815,568	23,255	6,838,823	6,574,418	300	6,574,718
Total funds carried forward		6,675,355	23,437	6,698,792	6,815,568	23,255	6,838,823

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.
Movements in funds are disclosed in Note 20 to the financial statements.

**Royal Economic Society
Balance sheet**

As at 31 December 2021

	Note	£	2021 £	£	2020 £
Fixed assets:					
Tangible assets	10		5,161		3,339
Intangible assets	11		100,007		115,383
Investments	12		6,385,601		6,405,573
			<u>6,490,769</u>		<u>6,524,295</u>
Current assets:					
Debtors	13	476,484		418,572	
Cash at bank and in hand		205,975		362,280	
		<u>682,459</u>		<u>780,852</u>	
Liabilities:					
Creditors: amounts falling due within one year	14	(465,907)		(460,422)	
Net current assets			<u>216,552</u>		<u>320,430</u>
Total assets less current liabilities			<u>6,707,321</u>		<u>6,844,725</u>
Creditors: amounts falling due after one year	16		<u>(8,529)</u>		<u>(5,902)</u>
Net assets			<u>6,698,792</u>		<u>6,838,823</u>
Total net assets			<u><u>6,698,792</u></u>		<u><u>6,838,823</u></u>
The funds of the charity:	18a				
Restricted income funds			23,437		23,255
Unrestricted Income funds:					
Designated funds		1,600,000		6,435,573	
General funds		5,075,356		379,995	
		<u></u>	<u>6,675,356</u>	<u></u>	<u>6,815,568</u>
Total unrestricted funds			<u>6,675,356</u>		<u>6,815,568</u>
Total charity funds			<u><u>6,698,792</u></u>		<u><u>6,838,823</u></u>

Approved by the trustees on 2022 and signed on their behalf by
12/05/2022



A Farrell
Honorary Treasurer

**Royal Economic Society
Statement of cash flows**

For the year ended 31 December 2021

	2021 £	£	2020 £	£
Cash flows from operating activities				
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	(140,031)		264,105	
Depreciation charges	1,302		807	
Amortisation charges	15,376		15,376	
(Gains)/losses on investments	(319,077)		(323,159)	
Dividends, interest and rent from investments	(176,981)		(199,847)	
Portfolio management fees	39,049		37,455	
(Increase)/decrease in debtors	(57,912)		(69,903)	
Increase/(decrease) in creditors	8,111		50,458	
Net cash provided by / (used in) operating activities		(630,162)		(224,708)
Cash flows from investing activities:				
Dividends, interest and rents from investments	176,981		199,847	
Proceeds from the sale of fixed assets	-		-	
Purchase of fixed assets	(3,123)		(1,371)	
Proceeds from sale of investments	300,000		-	
Purchase of investments	-		-	
Net cash provided by / (used in) investing activities		473,858		198,476
Change in cash and cash equivalents in the year		(156,305)		(26,232)
Cash and cash equivalents at the beginning of the year		362,280		388,512
Cash and cash equivalents at the end of the year		205,975		362,280
Analysis of cash and cash equivalents and of net debt				
	At 1 January 2021 £	Cash flows £	Other non-cash changes £	At 31 December 2021 £
Cash at bank and in hand	362,280	(156,305)	-	205,975
Total cash and cash equivalents	362,280	(156,305)	-	205,975

1 Accounting policies

a) Statutory information

Royal Economic Society is a charitable royal charter company and is incorporated in England.

The principal place of business is 2 Dean Trench Street

b) Basis of preparation

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) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and Charities Act 2011.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

Key judgements that the charity has made which have a significant effect on the accounts include the depreciation expense estimated on an annual basis based on the depreciation charges assigned to the individual class of asset.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern, and make this assessment in respect of a period of at least one year from the date of approval of the financial statements. The Royal Economic Society holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash. Annual budgets are produced with prudent figures for both income and expenditure.

1 Accounting policies (continued)

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income for single year memberships and the first year of three-year memberships is recognised in full in the year in which it is received.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) 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 bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

For the year ended 31 December 2021

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

• Journals	51%
• Other Publishing Activities	0%
• Membership	39%
• Outreach	3%
• Annual Conference	4%
• Discover Economics	3%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

For the year ended 31 December 2021

1 Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £100. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|-------------|----------------------|
| ● Equipment | 25% reducing balance |
| ● Software | 10 years |

m) Listed Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not have derivatives or other complex financial instruments.

n) Debtors

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

o) Cash at bank and in hand

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

p) Creditors and provisions

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

q) 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.

r) Defined Contribution Plans – Pension Scheme

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred.

For the year ended 31 December 2021

2 Income from charitable activities

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Economic Journal						
Sales of current volume to non-members	708,681	-	708,681	601,923	-	601,923
Sales of back numbers, royalties and other	81,964	-	81,964	114,672	-	114,672
Submission fees	176,652	-	176,652	95,908	-	95,908
JSTOR Revenue	-	-	-	20,277	-	20,277
Sub-total for Economic Journal	967,297	-	967,297	832,780	-	832,780
Econometrics Journal						
Subscriptions	80,517	-	80,517	81,120	-	81,120
Sales of back numbers, rights and permission	2,514	-	2,514	10,674	-	10,674
Non-subscription income	14,231	-	14,231	-	-	-
Sub-total for Econometrics Journal	97,262	-	97,262	91,794	-	91,794
Publishing Activities						
From Publishers	3,927	-	3,927	2,106	-	2,106
Liberty Fund	-	-	-	1,158	-	1,158
Sub-total for Other Publishing Activities	3,927	-	3,927	3,264	-	3,264
Discover Economics						
Grants	-	30,000	30,000	-	30,000	30,000
Gift Aid Donations	-	245	245	-	-	-
Sub-total for Discover Economics	-	30,245	30,245	-	30,000	30,000
Total Income from charitable activities	1,068,486	30,245	1,098,731	927,838	30,000	957,838

3 Income from Investments

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Dividends receivable from investments and unit trusts	176,981	-	176,981	199,847	-	199,847
	176,981	-	176,981	199,847	-	199,847

For the year ended 31 December 2021

4a. Analysis of expenditure (current year)

	Charitable activities								
	Raising funds £	Economic Journal £	Econometrics Journal £	Other Publishing Activities £	Membership £	Outreach £	Annual Conference £	Discover Economics £	2021 Total £
Portfolio Management	39,049	-	-	-	-	-	-	-	39,049
Editor and Editorial Services	-	278,581	49,435	-	6,000	-	-	-	334,016
Retained by Publisher	-	138,609	17,057	-	-	-	-	-	155,666
Other Direct Costs	-	139,335	45,916	1,155	33,693	-	21,819	-	241,918
	39,049	556,526	112,408	1,155	39,693	-	21,819	-	770,649
Support Costs	-	25,062	341	-	4,138	730	29,166	40,470	99,907
RES Contribution	-	-	-	-	480,605	35,657	-	143	516,405
Management costs	-	234,730	45,506	466	211,262	14,686	20,578	16,392	543,618
Governance costs	-	8,568	1,661	17	7,711	536	751	598	19,843
Total expenditure 2021	39,049	824,885	159,916	1,638	743,408	51,609	72,314	57,603	1,950,423
Total expenditure 2020	37,455	890,069	184,711	4,686	51,886	92,220	44,745	7,045	

For the year ended 31 December 2021

4b Analysis of expenditure (prior year)

	Raising funds £	Charitable activities							2020 Total £
		Economic Journal £	Econometrics Journal £	Publishing Activities £	Membership £	Outreach £	Annual Conference £	Discover Economics £	
Portfolio Management	37,455	-	-	-	-	-	-	-	37,455
Editor and Editorial Services	-	267,911	57,510	-	15,239	-	-	-	340,660
Retained by Publisher	-	128,987	16,523	-	-	-	-	-	145,510
Other Direct Costs	-	141,726	42,378	2,967	15,831	-	22,925	-	225,826
	37,455	538,624	116,411	2,967	31,070	-	22,925	-	749,451
Support Costs	-	24,886	532	-	5,301	-	5,403	7,045	43,168
RES Contribution	-	-	-	-	(3,521)	47,378	-	-	43,857
Management costs	-	317,018	65,807	1,669	18,519	43,544	15,942	-	462,499
Governance costs	-	9,541	1,961	50	517	1,298	475	-	13,843
Total expenditure 2020	37,455	890,069	184,711	4,686	51,886	92,220	44,745	7,045	1,312,817

For the year ended 31 December 2021

5a Grant making (current year)

	Grants to institutions £	Grants to individuals £	2021 £
Outreach			
Diversity	-	7,248	7,248
Competitions and awards	-	12,509	12,509
Institutional grants – CORE	-	-	-
Institutional grants – Economics Network	10,000	-	10,000
Institutional grants – International Economic Association	1,503	-	1,503
Institutional grants – Academy of Social Sciences	1,510	-	1,510
Third Party Events	-	2,887	2,887
Membership			
Conference grant scheme	-	1,238	1,238
Small budget scheme	-	(670)	(670)
Special Project Grant Scheme	-	(4,426)	(4,426)
Total	13,013	18,786	31,800

5b Grant making (prior year)

	Grants to institutions £	Grants to individuals £	2020 £
Outreach			
Diversity	-	8,299	8,299
Competitions and awards	-	5,462	5,462
Institutional grants – CORE	15,000	-	15,000
Institutional grants – Economics Network	20,000	-	20,000
Institutional grants – International Economic Association	(4,575)	-	(4,575)
Institutional grants – Academy of Social Sciences	1,510	-	1,510
Third Party Events	-	1,682	1,682
Membership			
Conference grant scheme	-	250	250
Small budget scheme	-	2,223	2,223
Special Project Grant Scheme	-	(5,994)	(5,994)
Total	31,935	11,922	43,857

For the year ended 31 December 2021

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	341,068	302,109
Social security costs	32,206	28,239
Employer's contribution to defined contribution pension schemes	30,568	22,836
Other forms of employee benefits	2,129	7,816
	405,970	361,000

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£70,000 – £79,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel (the chief executive, operations manager and communications and engagement manager) were £195,753 (2020: £196,223).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the current year (2020: £30,627). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £527 (2020: £507) incurred by 7 (2020: 4) members relating to attendance at meetings of the trustees.

7 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 9 (2020: 8).

8 Related party transactions

There are no related party transactions to disclose for this financial year (2020: none).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

The following trustees received remuneration for their services to the charity, in accordance with the governing documents:

	2021 £	2020 £
Prof Japp Abbring	12,960	12,960
Prof Gilat Levy	11,250	17,667
	24,210	30,627

9 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

For the year ended 31 December 2021

10 Tangible fixed assets

	Computer equipment £	Total £
Cost		
At the start of the year	8,262	8,262
Additions in year	3,123	3,123
Disposals in year	-	-
At the end of the year	11,385	11,385
Depreciation		
At the start of the year	4,923	4,923
Charge for the year	1,301	1,301
Eliminated on disposal	-	-
At the end of the year	6,224	6,224
Net book value		
At the end of the year	5,161	5,161
At the start of the year	3,339	3,339

All of the above assets are used for charitable purposes.

11 Intangible fixed assets

	Software £	Total £
Cost		
At the start of the year	153,763	153,763
Additions in year	-	-
Disposals in year	-	-
At the end of the year	153,763	153,763
Depreciation		
At the start of the year	38,380	38,380
Charge for the year	15,376	15,376
Eliminated on disposal	-	-
At the end of the year	53,756	53,756
Net book value		
At the end of the year	100,007	100,007
At the start of the year	115,383	115,383

For the year ended 31 December 2021

12 Listed Investments

	2021 £	2020 £
Fair value at the start of the year	6,405,573	6,119,869
Additions at cost	-	-
Disposal proceeds	(300,000)	-
Net gain / (loss) on change in fair value	319,077	323,159
Settlement of fees	(39,049)	(37,455)
	6,385,601	6,405,573
Fair value at the end of the year	6,385,601	6,405,573

Investments comprise:

	2021 £	2020 £
Sarasin & Partners		
Long Term	4,680,981	4,363,443
Medium Term	1,240,428	1,258,929
Short Term	276,178	576,725
Cash	188,014	206,476
	6,385,601	6,405,573
Cost	5,855,664	5,993,784

13 Debtors

	2021 £	2020 £
Trade debtors	5,880	50,626
Sundry debtors	80,793	33,557
Publishing	389,811	334,389
	476,484	418,572

14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	100,610	108,714
Taxation and social security	4,897	5,705
Other creditors	1,097	1,097
Accruals	344,290	329,481
Deferred income (note 15)	15,014	15,425
	465,907	460,422

15 Deferred Income

Deferred Income comprises of 3 year membership subscriptions

	2021 £	2020 £
Balance at the beginning of the year	15,425	16,181
Amount released to income in the year	(15,425)	(16,181)
Amount deferred in the year	15,014	15,425
Balance at the end of the year	15,014	15,425

The deferred income is included within the creditors liability but separated out for the purpose of explaining the reason for the deferred income. As the memberships can span 3 years a proportion of this is represented as a creditor due after one year (see note 16)

For the year ended 31 December 2021

16 Creditors: amounts falling due after one year

	2021 £	2020 £
Deferred Income	8,529	5,902
	8,529	5,902

17a Analysis of net assets between funds (current year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	5,168	100,000	-	105,168
Investments	4,885,601	1,500,000	-	6,385,601
Net current assets	193,115	-	23,437	216,552
Long term liabilities	(8,529)	-	-	(8,529)
Net assets at 31 December 2021	5,075,355	1,600,000	23,437	6,698,792

17b Analysis of net assets between funds (prior year)

	General unrestricted £	Designated £	Restricted £	Total funds £
Fixed assets	118,722	-	-	118,722
Investments	-	6,435,573	-	6,435,573
Net current assets	267,175	-	23,255	290,430
Long term liabilities	(5,902)	-	-	(5,902)
Net assets at 31 December 2020	379,995	6,435,573	23,255	6,838,823

For the year ended 31 December 2021

18a Movements in funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Discover Economics	23,255	30,245	(57,603)	27,540	23,437
Total restricted funds	23,255	30,245	(57,603)	27,540	23,437
Unrestricted funds:					
Designated funds:					
Investment Reserve	5,905,573	319,077	(39,049)	(6,185,601)	-
COVID Academic Support	500,000	-	-	(500,000)	-
Discover Economics	30,000	-	-	(30,000)	-
Fixed Asset Reserve	-	-	-	100,000	100,000
Working Capital Reserve	-	-	-	200,000	200,000
Programme Investment Reserve	-	-	-	1,000,000	1,000,000
2022 Budget Deficit	-	-	-	300,000	300,000
Total designated funds	6,435,573	319,077	(39,049)	(5,115,601)	1,600,000
General funds:	379,995	1,461,070	(1,853,771)	5,088,061	5,075,356
Total general funds	379,995	1,461,070	(1,853,771)	5,088,061	5,075,356
Total unrestricted funds	6,815,568	1,780,147	(1,892,820)	(27,540)	6,675,356
Total funds	6,838,823	1,810,392	(1,950,423)	-	6,698,792

Purposes of restricted funds

Discover Economics – Discover Economics is a RES campaign aimed at changing perceptions of economics among young people and attracting students from under-represented groups.

Purposes of designated funds

- Fixed Asset Reserve – a designated fund equivalent to the value of fixed assets recognising that such funds are not available for general purposes
- Working Capital Reserve – funds required for working capital not available for general purposes
- Programme Investment Reserve – a reserve for investment in activities to generate future surpluses and to support reduction of underlying deficits and improve long-term financial sustainability
- 2022 Budget deficit – a reserve to recognise the requirement to fund the budgeted deficit for 2022.
- If the situation arises, known commitments that have not been provided for as a liability in the accounts.

18b Movements in funds (prior year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Discover Economics	300	30,000	(7,045)	-	23,255
Total restricted funds	300	30,000	(7,045)	-	23,255
Unrestricted funds:					
Designated funds:					
Investment reserve	6,119,869	323,159	(37,455)	(500,000)	5,905,573
Covid Academic Support	-	-	-	500,000	500,000
Discover Economics	-	-	-	30,000	30,000
Total designated funds	6,119,869	323,159	(37,455)	30,000	6,435,573
General funds	454,549	1,223,763	(1,268,317)	(30,000)	379,995
Total unrestricted funds	6,574,418	1,546,922	(1,305,772)	-	6,815,568
Total funds	6,574,718	1,576,922	(1,312,817)	-	6,838,823

For the year ended 31 December 2021

19 Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods

	Property 2021 £	2020 £
Less than one year	24,543	1,138
One to five years	25,753	-
	50,296	1,138

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The individual members or Trustees are not obligated to pay anything in the event of the Society winding up.

Accounts

REGISTERED CHARITY NUMBER: 231508 (England and Wales)

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE ROYAL ECONOMIC SOCIETY**

Royal Economic Society
2 Dean Trench Street
Westminster
London
SW1P 3HE

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FOR THE YEAR ENDED 31 DECEMBER 2020

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**REPORT OF THE EXECUTIVE COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Executive Committee presents its report together with the Financial Statements of the Charity for the year ended 31 December 2020.

REGISTERED CHARITY NUMBERS: 231508 (England & Wales)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS
MEMBERS OF THE EXECUTIVE COMMITTEE AND CHARITY TRUSTEES**

PRESIDENT:	Prof Dame Carol Propper (from 6 May 2020)
PAST PRESIDENT:	Prof Dame Rachel Griffith (from 6 May 2020) (co-opted)
PRESIDENT ELECT	Prof Sir Tim Besley (from 6 May 2020)
TREASURER:	Mrs Susan Holloway
SECRETARY GENERAL:	Prof Denise Osborn
EDITORS:	Prof Gilat Levy (from 1 June 2020) Prof Jaap Abbring Prof Barbara Petrongolo (until 1 June 2020)
COUNCILLORS:	Tera Allas Prof Beata Javorcik Prof Mary Morgan Prof Imran Rasul Prof Miguel Costa-Gomes (from 6 May 2020) Prof Frank Windmeijer (until 6 May 2020)
CO-OPTED:	Prof Michael McMahon Helen Miller Prof Jo Swaffield Prof Denise Hawkes (from 1 January 2020) Assoc Prof Stefania Paredes-Fuentes (from 1 October 2020) Prof Almudena Sevilla (from 30 April 2020) Prof Sarah Smith (until 30 April 2020)

**EXECUTIVE COMMITTEE MEMBER ALSO SERVING AS CHARITY TRUSTEE DURING AN EARLIER PART OF THE
YEAR**

From 1 January to 6 May 2020:	Prof Lord Nicholas Stern
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CHIEF EXECUTIVE (NON TRUSTEE)	Mr Leighton Chipperfield
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HEAD OFFICE:	2 Dean Trench Street Westminster London SW1P 3HE
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AUDITORS:	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL
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BANKERS:

NatWest Bank plc
143 High Street
Bromley
Kent BR1 1YZ

INVESTMENT MANAGERS:

Sarasin and Partners
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

REFERENCE AND ADMINISTRATIVE DETAILS

The charity was founded in 1902 and is registered with the Charity Commission under charity number 231508 (England and Wales). The reference and administrative details of the Charity are shown on page 1 of the Financial Statements above.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

The Royal Economic Society is constituted by a Royal Charter of Incorporation dated 2 December 1902 as amended by a supplemental charter dated 26 January 1968 and byelaws as made in General Meetings of the Society from time to time, subject to the consent of the Privy Council. There are no specific restrictions imposed by the governing document.

The byelaws of the Society were revised by order of the Privy Council made on 20 December 2011 and taking immediate effect. Prior to that date the Council of the Society (rather than the Executive Committee) had responsibility for the general management of its affairs.

Appointment of Trustees

The charity trustees of the Society are the members of its Executive Committee, comprising a balance of honorary elected officers (President, Immediate Past President or President-Elect, and Treasurer), the Secretary General, Editors, five members appointed by the Council, and members co-opted by the Council on a proposal from the Executive Committee. At the AGM in 2016, as recommended by Council, it was agreed that the terms of the Presidency be altered to a triumvirate of three individuals serving as President, Immediate Past President and President Elect respectively. The member of the triumvirate who does not serve automatically as a trustee is automatically co-opted onto the Board. No charity trustee receives any remuneration in that capacity, but a minority are in receipt of honoraria in respect of specific offices held, under written agreement as to the terms of appointment made by the Executive Committee excluding the individuals concerned.

The trustees are legally responsible for the overall governance, management and policies of the Society, ensuring that the charitable objects for which it has been set up are met. The Executive Committee currently meets three times a year. The current size of the Executive Committee is 18, including 5 representatives from Council. Meetings of the Executive Committee are chaired by the President.

All new members of the Executive Committee receive the Charity Commission's Information on the responsibilities of Charity Trustees. Executive Committee members receive a briefing and trustee induction pack on appointment, with further training undertaken on an ad-hoc basis as required.

Since May 2017, the day-to-day running of the Society is delegated by the Executive Committee to the Chief Executive, who reports to the Secretary General.

Members of the Council, which appoints some Executive Committee members as explained above, are nominated by members of the Society and considered by the Nominating Committee. The Nominating Committee comprises six elected members of Council (each of whom serves three years on the committee), the Presidential triumvirate and two Additional Members, with the Secretary-General acting as non-voting secretary. The Additional Members are either Life Vice-Presidents of the Society or individuals of high standing in the profession. The Nominating Committee draws up a list of candidates who are voted upon by the members of the Society to become members of Council for a term of five years. The Presidents Selection Committee, which nominates the in-coming RES President-Elect, comprises all members of the

Nominations Committee excluding the Presidential Triumvirate.

Management and administration

In 2017 the Society relocated its office headquarters from the University of St Andrews to new offices in Westminster, London, and appointed its first directly-employed staff.

Key management personnel remuneration

The Executive Committee (through its Remuneration Committee) review annually the pay of the Chief Executive. In view of the nature of the Society, the remuneration is also benchmarked with similar charities or with reference to sector reports to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles. For information purposes the Remuneration Committee also receive details of the salaries of the other key management personnel.

Principal risks and uncertainties

The trustees have given consideration to the Society's major risks and satisfied themselves that systems or procedures are established in order to mitigate those risks. The major risks were considered to be: the new strategy not being properly implemented; the potential for trustees' conflict of interest; the governance structure not being sufficiently effective; the ability of the office to continue its work during a prolonged period of remote working; and reduction in income from journal publications. Some of these risks have and will be mitigated as follows:

- The creation of operational plans to support the execution of the strategy
- The formal induction of all new trustees
- The updating of processes for managing trustee conflict of interest
- A governance review
- The creation of a new Publications Committee
- The rollout of initiatives to diversify income

During the year, the key risks that might impact on the Society's objectives and the internal procedures have been kept under review and a risk register is in place. This identifies external and internal risks. It is believed to be fully consistent with the guidance on risk published by the Charity Commission's guidance on risk management (CC26).

In addition to the above, the key categories of risk relate to governance, finance and operations:

a) Governance Risks

Proposals for change to the Society's governance arrangements, with a view to reducing risk while increasing the effective use of funds for charitable activities, were approved by the Privy Council, which made new byelaws effective from 20 December 2011. In 2020 a working group reviewed the structure of the Society's trustee board and made recommendations for certain modifications. It is intended that these modifications will be put to the Society's Annual General Meeting in 2021.

b) Financial Risks

The fact that finance is a standing item of business for meetings of the Executive Committee and Council ensures that the appropriate financial information is regularly scrutinised. The Society's investments are held in a variety of unit trusts in order to minimise systematic risk and the investment policy is reviewed against performance at least every three years. Internal risks are minimised by the implementation of procedures for authorisation of all projects and financial transactions. In 2018 a new Finance Committee was established, chaired by the Honorary Treasurer. This committee is charged with making recommendations to the Executive Committee on the Society's reserves and investment policies; advising the Honorary Treasurer on working capital requirements; and reviewing the appointments of auditors and making recommendations to the Annual General Meeting.

c) Operational Risks

As the agent for the Executive Committee, the Chief Executive (working with the Secretary General) has the responsibility for maintaining a sound system of internal control that supports the achievement of the Society's aims and objectives, whilst safeguarding its assets and ensuring proper application of its income to its charitable objects.

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement

of the Society's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 December 2020 and up to the date of approval of the annual report and accounts.

Volunteers

The Society could not achieve its charitable objectives without the commitment and hard work of its volunteers, both Members and non-Members, many of whom give freely of their time to act as journal reviewers, committee members and volunteers to support our events and activities. The Society wishes to thank all those who have supported it over the last year.

OBJECTIVES AND ACTIVITIES

Objects

The Royal Economic Society is established to promote and foster the study of economic science. The Society is also concerned with the application of the results of that study.

These objects are undertaken by means of publications, the Annual Conference, Postgraduate Conferences and helping to further the study of economics via free Public Lectures, a programme of various Grants and Projects, and an annual essay competition for Young Economists focused on schools.

The Executive Committee confirm that they have complied with the duty in section 17 of the Charities Act 2011, to have due regard to the Charity Commission's general guidance on public benefit. The Executive Committee believes that social welfare is advanced by promoting and fostering the study of economic science, and that its activities serve to educate the public, and particularly that section of the public that is interested in issues of economic policy. The results of the economic research that the Society supports are widely disseminated through its publications. Although the benefits of the Society's work are by no means restricted to its members, the subscription is deliberately set at a low level relative to that of most charitable learned societies so as to encourage a broad base of membership, including those on low incomes.

Strategies to Achieve Objectives

The Society meets its objects by undertaking the following activities:

1. Membership

The Society has a membership scheme whereby anyone who is interested in the study of economics can join and conferences are held where lectures and discussions on economic subjects take place.

2. Publications

The Society has two peer-reviewed journals, The Economic Journal and The Econometrics Journal. Publication of the journals transitioned to Oxford University Press at the beginning of 2019. Members of the Society can pay a higher fee to receive printed copies of The Economic Journal; members may also choose to receive a printed quarterly Newsletter. Increasingly, timely information of interest to members and the general public is being provided through the Society's website and via social media channels. On-line access to The Economic Journal and The Econometrics Journal is available and is heavily used.

In addition, the Society has a commitment to publishing scholarly editions of classic works in economics. Its editions of the works of Ricardo, Malthus, Marshall, Edgeworth, and Keynes (also now available through online subscription) set an international standard in these matters.

3. Conferences, lectures and training

The Society organises several educational events during the year, subsidised primarily from the surplus generated by publication of the Economic Journal. The largest of these is the Annual Conference, which rotates around UK universities and is held around Eastertime. A student-led one-day Symposium of Early Career Researchers takes place immediately after the Annual Conference. An annual public lecture is also held in two different locations.

The RES Easter School, funded jointly with the Economic and Social Research Council, provides advanced training for doctoral students and young professional economists.

4. **Grant funding of activities**

Members are eligible to apply for a range of grants or project sponsorship. The main grant schemes are all outlined in note 9 to the accounts. The main and postgraduate conference grant schemes provide support for individuals of limited means to meet the costs of attending these events. The Society provides significant financial support to the activities of the Economics Network based at the University of Bristol. This provides important resources on Economics to schools and school pupils, university students and, through its regular training events, to early career academic economists.

ACHIEVEMENT AND PERFORMANCE

Review of activities

In line with the objects of the Society the key achievements during the year ended 31 December 2020 were as follows:

Strategy

In 2018 the Society launched a new strategy for the period 2019-2023. The strategy sets out four key priorities as follows:

- Enhancing the credibility and visibility of economics
- Supporting economists
- Improving diversity
- Working effectively

The Society now measures its achievements against these priorities, with many of its activities delivering on more than one priority.

The effect of the COVID-19 pandemic

In common with every other comparable organisation, the Society's activities in 2020 were heavily curtailed by the global pandemic and subsequent lockdowns in the United Kingdom. The Society's headquarters were temporarily closed when the first lockdown was announced in March, with staff working remotely and committee and Council meetings held virtually for the remainder of the year.

With regret, the Society chose to cancel its Annual Conference, Symposium of Early Career Researchers, Easter School, and Annual Public Lecture. Certain aspects of each event have been carried forward, with each planned to run virtually in 2021. At the same time the Society sought to support the community in other ways, including through the creation of a COVID webinar series and the initiation of a new COVID academic support fund; these are described below.

Membership

In 2020 the Society had a membership of 3,110 (2019: 3,989). 85% of members have an online membership (2019: 85%).

The primary reasons for the decline in membership were the cancellation of this year's Annual Conference in Belfast (UK members declined from 1,776 in 2019 to 1,222 in 2020), and a higher number of Economic Journal authors choosing not to become members. The largest decline was in the number of one-year online members, which decreased from 1,562 in 2019 to 1,080 in 2020. The Society expects that the reinstatement of the Annual Conference in 2021 will at least partially reverse this reduction.

The impact of cancelling the Annual Conference is particularly noticeable in the geographical composition of the membership, with only 39% of members in the UK (2019: 45%). 24% were located elsewhere in Europe (2019: 23%), 17% in the United States or Canada (2019: 13%), 2% in Japan (2019: 2%) and 18% in the Rest of the World (2019: 18%).

All members have the option of receiving print copies of the RES Newsletter, which is available in both pdf and html formats across the Society's website (www.res.org.uk). We aim to keep members and the general public more informed about RES news, events and grants and to continue to introduce new resources, especially in the education career and training sections, such as our links to the Economics Network. The website also has sections dedicated to the Economic Journal, the Econometrics Journal, the Annual Conference and to the broad range of Society activities.

Enhancing the credibility and visibility of economics

COVID-19 webinar series

In discussion with the GES and the Bank of England, in April the RES launched a webinar series on the economic implications of the pandemic and the policy response. Speakers were drawn from academia, the public and the private sector and included Andy Haldane, Nicholas Stern, Angus Deaton, Anna Vignoles, Gus O'Donnell, Paul Johnson, Jean Tirole, Daron Acemoglu, Carol Propper and Rachel Griffith. Over four months the RES convened sixteen webinars with several thousand attendees joining live or viewing the recordings subsequently via the website.

Website

Following the launch of the Society's new website in 2018, office staff have worked to further develop the content on the site. The website now includes a library of video recordings from previous Annual Public Lectures and digital versions of the Society newsletter dating back to 2015. The website received 142,000 (2019: 160,000) visitors during the year, with over 92,000 (2019: 55,000) views of RES videos on YouTube.

Social media

Over the last three years the RES has increased its use of social media, specifically Twitter. The Society maintains two Twitter accounts, one for the RES and its activities and the other for the Economic Journal. As a result of increased activity on both accounts, a total of over 8,900 new followers were added in 2020 (2019: 3,900). In 2020 the Society extended its use of social media by registering on LinkedIn, and currently has 700 registered followers.

Public outreach

The pandemic unfortunately led to the cancellation of this year's RES Presents and Annual Public Lecture. The Society was however pleased to once again provide financial support for the Bristol Festival of Economics which ran as a virtual event in November. As in previous years the Society sponsored a session; this year's speakers were John Kay and Mervyn King.

Young Economist of the Year competition

The Young Economist of the Year competition is open to A-Level students in Years 12 and 13. To make the competition more attractive to a wider range of students the format was changed in 2018, expanding the number of prizes and essay questions. This year saw 1,531 entries to the competition, an increase on previous years (2019: 1,339; 2018: 1,298; 2017: 1,046). This was the second year the Society had promoted the competition direct to schools. Katharine Rockett (Essex) oversaw the initial judging process, with a final judging panel (Rachel Griffith, Jagjit Chadha, Martin Sandbu, Michèle Belot and Gemma Tetlow) deciding the winner and runners-up. The Society again partnered with the Financial Times for this year's competition, who provided the winner's prize and published a version of the winning essay on their website.

Teaching

As in 2019, RES provided funding to CORE Economics Education to support activities to train and build networks among those who wish to begin using the open-access platform CORE.

Supporting economists

Membership

During 2020 the Society explored ways to increase membership and the income it derives from membership subscriptions. A working group was convened to consider the optimum ways to go about this. The Society initiated discussions with a number of organisations on possible group membership for their employees or students. An agreement was reached with the Institute of Fiscal Studies to provide RES membership for their employees, with arrangements with further organisations due to be announced in 2021. The Executive Committee also agreed to a recommendation from the working group that the RES should move to an income-based pricing model in line with some other organisations, but that implementation should be postponed until 2022 to limit the financial impact on members following the pandemic.

Journals

In 2018, Oxford University Press was selected as the Society's new journal publisher for a five-year period from January 2019.

The Economic Journal had another successful year, with the total number of submissions (1,944) substantially higher than

in 2019 (1,722). 67% of regular submissions that were sent to referees were returned to authors within four months of submission (2019: 61%); 16% took longer than six months (2019: 16%). The 2019 Impact Factor (released in June 2020) was 2.764, slightly lower than the 2018 Impact Factor, 2.926. In July 2020 the Journal introduced a short paper article type, with a maximum of 6,000 words and 5 exhibits. Short papers are held to the same quality standards as regular submissions, and the same editorial decision processes in terms of refereeing apply. The Economic Journal continues to be highly international, with 15% of author submissions from the United Kingdom (2019: 15%), 25% from United States and Canada (2019: 24%), 39% from Europe (2019: 37%) and 21% from the Rest of the World (2019: 23%).

New submissions to The Econometrics Journal increased to 150 (2019: 131), and accepted papers increased to 32 (2019: 30). The journal's Impact Factor increased to 2.139, making it one of the highest-cited specialist econometrics journals in the field. The Journal's five-year Impact Factor increased to 1.700 (from 1.358) in 2019 and its Article Influence Score increased to 2.067 (from 1.966).

In 2012, the Society published with Cambridge University Press the full 30 volumes of the Collected Writings of John Maynard Keynes in digital and paperback editions and, through a new arrangement with the publisher in 2013, the Society has provided the membership with free digital access to this important scholarly resource.

Newsletter

The Society again produced four issues of its popular newsletter, including features on the history of economic thought; the impact of COVID-19 on economics teaching and learning; and the Bank of England agenda for research. After many years of service Newsletter Editor Prof Peter Howells stood down at the end of the 2020. The Society warmly thanks Prof Howells for his invaluable efforts over many years.

Annual Conference and Symposium of Early Career Researchers

The Society took the difficult decision to cancel these events, which were due to have been held at Queen's University Belfast in April 2020. The RES is most grateful for the understanding of those who had planned to attend or present research at the conference, and in particular for the support of Queen's University and partner organisations in Belfast. The Society looks forward to returning to Belfast for a future conference.

Annual Easter School

The Society took the difficult decision to cancel this year's Easter School, which was the last due to be held at the University of Essex under the directorship of Prof Eric Smith. The Society is most grateful to Prof Smith, to Prof Eliana La Ferrara (who was due to be the lecturer) and to UK Research and Innovation (who provide funding for the Easter School) for their understanding. The 2021 Easter School will take place virtually in conjunction with the University of Bristol, with Prof La Ferrara as lecturer.

European Job Market

The 3rd European Job Market was held from 14-18 December 2020, continuing the partnership between the European Economic Association, the RES, and the Spanish Economic Association. As a result of the pandemic, the job market was held virtually. 1130 candidates registered to attend, with 122 departments listed on the EJM website as supporters. In October the RES hosted a webinar entitled 'Preparing to succeed in the European Job Market for Economists'. The webinar was chaired by Prof Sir Tim Besley, with 633 registrants.

Grant funding of activities

During the year the Society supported a large number of projects, spending a total of £43,857 (2019: £160,260) before the allocation of support costs. Individual members of the Society can apply for grants under the Special Project Grants, Conference Grants and the Small Budget Scheme. Authority to accept applications on these is delegated to the Secretary General (Special Project Grants) and Professor Sir Anton Muscatelli (Conference Grants and Small Budget Schemes), within financial limits and overall policy determined by the Executive Committee.

A total of 9 applications were made to the Special Projects Grants Scheme during 2019, of which 2 were granted funding totalling £4,000. These awards were made to people at 2 different institutions. Due to the pandemic, neither event was held as planned in 2020 and both are held over to a future date. Although three rounds of applications were available, no applications were received after the January round due to the pandemic. For comparison, the number of applications made to the scheme in 2019 was 19 of which 13 were successful, with awards totalling £32,600.

The number of applications for the Small Academic Expenses scheme decreased this year with 5 applications being

received (2019: 10). The quality of the applications was high and the funds awarded were £2,250. The Conference Grant Scheme received 11 applications in 2020 – a decrease of 65% from 2019 (31 applications were received in 2019). A total of £2,490 was awarded to conference grants. Out of the 11 applications made 8 applications were successful, the vast majority of successful applicants being early career economists, at Ph.D or early post-doctoral level. The majority of applications came from the UK, 64% from the UK and 36% from overseas (7 UK and 4 Overseas).

The Society also used grants to promote economics through funding the CORE initiative and the Economics Network. The Network's activities include organising a biennial conference on economics education; running GTA and early career workshops; and publishing the Economic Review, a magazine for A-Level students of economics.

During 2020 the Society conducted a review of its grant programmes. Changes were announced towards the end of the year that will better align the grant programmes with the Society's strategic aims of supporting economists and improving diversity in the discipline. These include the introduction of RES Knowledge Transfer Projects (KTPs) grants and a Research Dissemination grants programme replacing the Special Project Grants. The Small Academic Expenses scheme will be discontinued. After many years managing the Small Academic Expenses and Conference Grant schemes, Prof Anton Muscatelli stepped down from this role at the end of 2020. The Society warmly thanks Prof Muscatelli for his invaluable work.

RES COVID Academic Support Fund

In 2020 the Executive Committee agreed to create a fund to support members who have been particularly affected by the impact of the COVID-19 pandemic on UK universities and academic departments, and to support innovations in teaching economics that have arisen from online/blended learning delivery during 2020. Applications will open in 2021 for the 2020-2021 and 2021-2022 academic years.

Conference of Heads of University Departments of Economics

CHUDE comprises Heads of Economics at universities in the UK. Its ultimate purpose is the promotion of research and teaching of Economics, and more generally of the significance and importance of Economics, in the UK. Bi-annual meetings offer a forum for discussion of issues of interest, have representatives from the Government Economic Service and the Bank of England, and offer a vehicle for widening engagement with Economics among schools, colleges and business. Its Chairperson (currently Prof Jo Swaffield) is co-opted to the Society's Executive Committee.

Improving diversity

Discover Economics

The Society continued its support as a Founding Partner for Discover Economics, a campaign launched in 2019 to help change perceptions of economics among young people and attract students from under-represented groups. Although the pandemic delayed the rollout of the campaign's schools ambassador programme, the campaign co-chairs Prof Sarah Smith and Prof Arun Advani and Campaign Manager Dr Maeve Cohen were able to complete an impressive range of activities. These included hosting a range of events in person (pre-Covid) and online reaching more than 500 students; launching a revamped website and continuing to build a social media presence; producing research on the career destinations of economics graduates; running social media campaigns during Black History Month and LGBT History Month; and setting up networks of Discover Economics Champions.

In 2021 the campaign intends to: produce research on the barriers to young people choosing economics A-level; work with partners to train more teachers to be able to deliver A-level economics across the UK; pilot a student ambassador scheme supporting undergraduate economists to go into schools and encourage young people to study economics; work with careers advisors to educate them of the benefits of young people studying economics; continue to support academics to run outreach events from their university; continue to build and support its network of champions.

Diversity Champion

Following a competitive process the Society appointed Assoc Prof Stefania Paredes-Fuentes in 2020 as its inaugural Diversity Champion. The remit of the role includes promoting and monitoring diversity across all activities of the Society, including membership of the Society and its committees, selection of speakers and appointment of editors, and advising RES committees, as appropriate, on promoting diversity through their activities. The Diversity Champion is a co-opted member of the Executive Committee.

Ethnicity report

The RES partnered with the Institute of Fiscal Studies, CAGE, MiSoC and others to produce a report which shed light on levels of ethnic diversity within the academic economics profession in the UK. The report found nearly a quarter of UK academic economists (24 per cent) conducting research are from non-White backgrounds, an increase of 5 percentage points since 2012. It is also found clear differences in the type of roles held by ethnic minority staff compared to White employees, as is the case across much of UK academia. Black economists are 64 per cent less likely to work in Russell Group institutions than White economists, and ethnic minority economists are less likely to hold senior academic or managerial positions. The research reinforced the importance of the Discover Economics campaign and underscored the Society's commitment to improving diversity in the field.

Women's Committee

Regrettably the Women's mentoring event and the Women's Committee session at the RES Annual Conference also fell victim to the pandemic. Prof Almudena Sevilla succeeded as Prof Sarah Smith as Chair. New committee members were recruited and three new sub-committees created, dealing with Mentoring, Data Monitoring and Communication & Engagement.

Code of conduct

A working group was formed in 2020 to revisit the Society's code of conduct and to consider the processes and possible sanctions that should be put in place in relation the code. The working group's suggestions were approved by the Executive Committee, with recommendations on these matters due to be put to the Annual General Meeting in 2021.

Working effectively

Governance

In 2019 the Executive Committee convened a working group to benchmark its governance arrangements against modern best practice. The working group made a series of recommendations for improvements to the Society's processes and governance documentation which were enacted in 2020. In 2020 the working group reviewed the structure of the Society's trustee board and made recommendations for certain modifications. It is intended that these modifications will be put to the Society's Annual General Meeting in 2021.

A new Education and Training Committee was convened and held its first meeting in 2020.

Annual General Meeting

The Society's 2020 Annual General Meeting was held from 4-6 May 2020 as an online meeting. A total of 117 members took part in the meeting, by some distance exceeding the attendance at previous in-person AGMs. Following this success, the Society intends to hold future AGMs online.

Auditors

The RES undertook a review of its auditing arrangements, with a working group making recommendations to the Executive Committee. Following a competitive process, the Society selected Sayer Vincent as its auditor for the 2020 accounts; a recommendation was approved at the Annual General Meeting.

FINANCIAL REVIEW

Explanation of the Statement of Financial Activities and the Application of the Society's Funds

The Executive Committee considers that the key figure in the Statement of Financial Activities (see page 15) is the deficit before asset revaluations of £59,054 compared with a £285,685 deficit in 2019. The Committee had budgeted for a deficit in this year of £(490,000). Journal and investment income were both higher than forecast. The cancellation of the conference and other events, which are usually subsidised by the Society, together with fewer applications for grants, all as a result of the pandemic, resulted in lower expenditure than anticipated. Journal income increased to £924,574 (2019: £844,768). Membership income fell to £88,369 (2019: £103,738), partly as a result of the conference cancellation, but the decrease was more than offset by Economic Journal submission fees which raised £95,908 (2019: £25,972).

Investment income recorded in the Statement of Financial Activities is £199,847 (2019: £167,798). Unrealised investment gains are not recognised as incoming resources for budgeting purposes. The Executive Committee regards operating deficits as sustainable as long as total funds continue to grow over the medium term, but is working to diversify income, in order to keep the level of deficit in balance with investment growth while continuing support activities which benefit.

As usual, the major element of expenditure was on contracted publishing activities. The Economic Journal has produced a deficit for the year of £57,289 (2019: £27,519 surplus) after the apportionment of support costs. Revenue increased by £72,324 compared to 2019, while costs increased by £157,132. The Econometrics Journal produced a deficit of £92,917 (2019: £114,527 deficit) after the apportionment of support costs. Revenue increased by £7,482 and costs fell by £14,128.

The Society subsidises the Annual Conference which had a deficit of £40,756 (2019: £115,697 deficit). Payments received before cancellation were either refunded, held over to 2021 or donated. Some expenditure was unavoidable, although obviously much lower than usual, although a number of deposits are being held over for a future conference. No grants were made available to enable postgraduate students to attend, totalling £NIL in 2020 (2019: £42,279). The Society's income also helped cover the much reduced expenditure on Postgraduate Activities of £658 (2019: £17,199) and the Society's Annual Public Lecture was postponed, so the cost was £NIL (2019: £14,719) including support costs.

Grant funding decreased to £47,378 (2019: £72,404) on outreach and to a return of expenditure of £3,521 (2019: £87,856 grants) on the membership as detailed in note 9 to the accounts. The negative expenditure was the result of grants which were accrued from 2019 but subsequently not claimed as a result of the pandemic. This year's spending included £38,299 on initiatives to promote diversity in the profession, and the Society continued to support the Economics Network and CORE. This expenditure is mostly discretionary, and so can readily be adjusted in the light of changes to the Society's overall financial position.

All of these charitable activities directly support and promote the objects of the Society.

Use of Assets

In June 2019 the Executive Committee approved a new Investment Policy Statement prepared by the Finance Committee. This now includes an ethical investment policy statement. Sarasin & Partners manage the investment reserve, which is now held in three funds - a long-term portfolio in the Charity Assets Endowment Fund valued at £4,363,443, a medium-term portfolio in the Charity Assets Income and Reserves fund valued at £1,258,929, and £783,201 in investment grade corporate bonds and cash to meet the short-term cash requirements of the Society. The Sarasin Charity Asset Investment Funds have a bespoke ethical policy.

The investments provide an important source of income to support the Society's activities. Investment income currently accounts for 15.9% (2019: 12.3%) of annual gross income. The market value of the investment portfolio increased by £323,159 before fees of £37,455 (see note 14).

While the Society assesses the performance of its investment portfolio by reference to total return, considering one year, three year and five-year bases, only income is taken into account when budgeting, on a conservative basis and to avoid large fluctuations from year to year.

Performance of the Society's investment portfolio (return on opening valuation) over the last five years has been as follows:

Calendar year	Annual income	Annual total return		
		One year	Three year	Five year
2015	2.6%	4.9%	9.5%	6.9%
2016	2.8%	20.6%	11.0%	11.8%
2017	2.8%	13.6%	12.9%	12.5%
2018	2.8%	-0.2%	11.0%	9.2%
2019	2.9%	23.0%	11.7%	12.0%
2020	3.2%	8.5%	10.0%	12.8%

These results are considered satisfactory, given the Society's objects and performance in previous years. They will continue to be monitored annually by the Finance Committee, reporting to the Executive.

Significant events since the year end

Since the year end there have been no significant events that require reporting.

Reserves policy

Total reserves at the balance sheet date are £6,838,823 (2019: £6,574,718). Of this, unrestricted free reserves available are £379,995 (2019: £454,549). The Executive Committee maintains the Society's reserves to provide income to support the ongoing activities of the Society. In June 2019, the Executive Committee approved a new Reserves Policy, prepared by the Finance Committee. Given the continuing uncertainty over the impact of Plan S (an initiative from a consortium of funding agencies to accelerate a transition from journal subscriptions to an Open Access model), and the forecast deficits in the short term, the Executive Committee believes that the target level of reserves for 2020 and 2021 should be £6m - representing at least 36 months expenditure (£4.5m) plus £1.5m to cover additional discretionary expenditure over the next few years. This discretionary expenditure includes a £500,000 COVID Academic Support fund to be spent in 2021 to support members who have been particularly affected by the impact of the COVID-19 pandemic on UK universities and academic departments, and to support innovations in teaching economics that have arisen from online/blended learning delivery during 2020.

The Royal Economic Society holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash. Annual budgets are produced with prudent figures for both income and expenditure. For this reason the trustees are satisfied that the Society is a going concern.

PLANS FOR FUTURE PERIODS

During 2021, the Society will continue to focus on the four strategic priorities set out in its 2019-2023 strategy. These include the following initiatives:

- Running the Society's first ever virtual Annual Conference
- Relaunching the Society newsletter
- Concluding group membership arrangements and finding ways to reduce the dependency on publishing income
- Launching the Society's new grant schemes
- Launching the COVID Academic Support Fund
- Making further improvements to the Society's website, including a membership directory
- Subject to approval at the 2021 AGM, introducing changes to the trustee board structure.

Public Benefit

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

ACCOUNTING AND REPORTING RESPONSIBILITIES

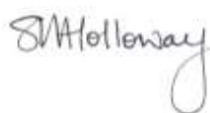
The Executive Committee is responsible for preparing the Report of the Charity Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales and in Scotland requires the Executive Committee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity 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 in the Charities SORP;
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards 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 Executive Committee is responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Royal Charter. The Executive Committee is also responsible for safeguarding the assets of the charity and so for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.



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S Holloway
Honorary Treasurer
On behalf of the Executive Committee

Dated: 5 May 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Opinion

We have audited the financial statements of Royal Economic Society (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet, 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 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 charity'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
- Have been prepared in accordance with the requirements of the Charities Act 2011

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 Royal Economic Society'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 trustees' 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, except to the extent otherwise explicitly stated in our report, 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 trustees' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees 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 charity 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 regulations made under section 154 of that Act.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the audit committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
- Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

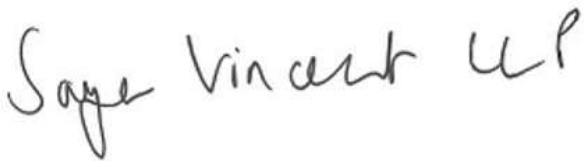
REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE ROYAL ECONOMIC SOCIETY

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

A handwritten signature in dark ink that reads "Sayer Vincent LLP". The signature is written in a cursive, flowing style.

Date: 6 May 2021
Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

		31.12.20 Restricted funds	31.12.20 Unrestricted funds	31.12.20 Total funds	31.12.19 Total restricted & unrestricted funds
	Notes	£	£	£	£
INCOME FROM					
Donations		-	1,720	1,720	-
Charitable activities					
Economic Journal	3	-	832,780	832,780	760,456
Econometrics Journal	3	-	91,794	91,794	84,312
Publishing Activities	3	-	3,264	3,264	3,046
Membership		-	88,369	88,369	103,738
Outreach		-	1,000	1,000	1,000
Annual Conference		-	3,989	3,989	231,883
Easter School		-	1,000	1,000	12,000
Discover Economics	3	30,000	-	30,000	300
Investment Income	4	-	199,847	199,847	167,798
Total		<u>30,000</u>	<u>1,223,763</u>	<u>1,253,763</u>	<u>1,364,533</u>
EXPENDITURE ON					
Raising funds	5	-	37,455	37,455	16,477
Charitable activities	6				
Economic Journal		-	890,069	890,069	732,937
Econometrics Journal		-	184,711	184,711	198,839
Publishing Activities		-	4,686	4,686	1,697
Newsletter		-	42,556	42,556	41,993
Membership		-	2,788	2,788	132,637
Outreach		-	92,220	92,220	106,204
Annual Conference		-	44,745	44,745	347,580
Postgraduate Activities		-	658	658	17,199
Job Market		-	1,145	1,145	3,158
Easter School		-	4,739	4,739	36,778
Discover Economics		7,045	-	7,045	-
Public Lecture		-	-	-	14,719
Total		<u>7,045</u>	<u>1,305,772</u>	<u>1,312,817</u>	<u>1,650,218</u>
Net expenditure before investment gains		22,955	(82,009)	(59,054)	(285,685)
Net gains on investments		-	323,159	323,159	820,433
NET INCOME		22,955	241,150	264,105	534,748
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>300</u>	<u>6,574,418</u>	<u>6,574,718</u>	<u>6,039,970</u>
TOTAL FUNDS CARRIED FORWARD		23,255	6,815,568	6,838,823	6,574,718

CONTINUING OPERATIONS

None of the Charity's activities were acquired or discontinued during the current and previous years.

Total Recognised Gains and Losses

The Charity has no recognised gains or losses other than the net incoming resources for the current and previous years.

In the previous year total funds included £300 of restricted income in relation to Discover Economics and no restricted expenditure.

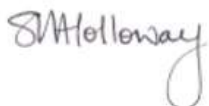
These notes form part of these financial statements

THE ROYAL ECONOMIC SOCIETY

**BALANCE SHEET
AT 31 DECEMBER 2020**

		31.12.20 Total funds £	31.12.19 Total funds £
FIXED ASSETS	Notes		
Tangible assets	12	3,339	2,774
Intangible assets	13	115,383	130,760
Investments	14	<u>6,405,573</u>	<u>6,119,869</u>
		6,524,295	6,253,403
CURRENT ASSETS			
Debtors	15	418,572	348,669
Cash at bank		<u>362,280</u>	<u>388,512</u>
		780,852	737,181
CREDITORS			
Amounts falling due within one year	16	(460,422)	(407,055)
		<u>320,430</u>	<u>330,126</u>
NET CURRENT ASSETS			
		6,844,725	6,583,529
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	17	(5,902)	(8,811)
NET ASSETS		<u>6,838,823</u>	<u>6,574,718</u>
FUNDS	18		
Unrestricted funds		379,995	454,549
Designated funds		6,435,573	6,119,869
Restricted funds		<u>23,255</u>	<u>300</u>
		<u>6,838,823</u>	<u>6,574,718</u>
TOTAL FUNDS		<u>6,838,823</u>	<u>6,574,718</u>

The financial statements were approved by the Board of Trustees on 5 May 2021 and were signed on its behalf by:



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S Holloway - Trustee

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities:			
Cash used in operations	1	<u>(224,708)</u>	<u>(431,586)</u>
Net cash used in operating activities		<u>(224,708)</u>	<u>(431,586)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,371)	(370)
Purchase of fixed asset investments		-	(6,820,249)
Sale of fixed asset investments		-	7,120,023
Interest received		-	(3)
Dividends received		<u>199,847</u>	<u>167,798</u>
Net cash provided by investing activities		<u>198,476</u>	<u>467,199</u>
Change in cash and cash equivalents in the reporting period		(26,232)	35,613
Cash and cash equivalents at the beginning of the reporting period		<u>388,512</u>	<u>352,899</u>
Cash and cash equivalents at the end of the reporting period		<u><u>362,280</u></u>	<u><u>388,512</u></u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW
FROM OPERATING ACTIVITIES

	31.12.20	31.12.19
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	264,105	534,748
Adjustments for:		
Depreciation charges	807	801
Amortisation charges	15,376	15,376
Interest received		3
Dividends received	(199,847)	(167,798)
(Gain) / loss on investments	(323,159)	(830,490)
Portfolio management fees	37,455	16,477
(Increase) / Decrease in debtors	(69,903)	(183,990)
Increase / (Decrease) in creditors	50,458	183,287
Net cash provided by (used in) operating activities	(224,708)	(431,586)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, 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), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are prepared in Sterling, which is the functional currency of the charity. All amounts have been rounded to the nearest pound, unless otherwise indicated.

Going concern

The outbreak of COVID-19 which took place during the financial year, has still continued to have an impact post year ended 31 December 2020. This has resulted in a pandemic causing extensive disruption across the globe. The UK Government enforced a lockdown from 23 March 2020 and after gradually easing measures, enforced a second lockdown from 5 November 2020 until 2 December 2020. A further national lockdown was announced on 4 January 2021. The Society has continued to take consideration for the effects of the COVID-19 outbreak, and adapted the charities activities alongside the government lockdown and social distance measures, including hosting the 2020 annual conference virtually.

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements. The Royal Economic Society holds significant reserves and has liquid assets in the form of investments which are readily available to convert into cash. Annual budgets are produced with prudent figures for both income and expenditure. For this reason the trustees are satisfied that the Society is a going concern.

Membership subscriptions

Subscriptions begin at the point of payment and are accounted for on an accruals basis.

Resources expended

Expenditure is accounted for on an accruals basis.

- Expenditure on raising funds

Expenditure on raising funds comprises those costs of generating income from all sources other than undertaking charitable activities.

- Charitable activities

Charitable activities are those costs incurred directly in carrying out the charitable objectives.

- Governance costs

Governance costs comprise the costs of running the charity, including strategic planning for its future developments, also external audit and the preparation of statutory accounts. Governance costs are apportioned on a percentage basis using the direct cost allocation.

- Support costs

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Where support costs cannot be attributed directly, they are apportioned on a percentage basis using the direct cost allocation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES contd.

Grants

Grants are treated as expenditure once they are approved and offered to the recipient, except in cases where the offer is conditional; such grants being recognised as expenditure only when the conditions are fulfilled.

Investment income

Investment income comprises distributions and interest received and receivable.

Investment reserve

All profits or losses on disposals and revaluation of investments are credited or debited to this account.

Investments

Quoted investments are stated in the financial statements as closing market value.

Intangible fixed assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Equipment has been written down at 25% on a reducing balance basis, purchases over £100 are capitalised. Software has been written down at 10 years straight line basis.

Financial instruments

The company enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

a) Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

c) Impairment of financial assets

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

d) Trade and other creditors

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES contd.

Financial instruments - contd

d) Trade and other creditors - contd

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

Employee benefits

a) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the charity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined contribution plans

Contributions to defined contribution pension schemes are charged to the Statement of Financial Activities as incurred

Accounting estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates inherently contain a certain degree of uncertainty. Actual results may differ from these estimates under different assumptions or conditions.

These estimates and assumptions affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. We evaluate these estimates and judgments on an on-going basis and base our estimates on historical experience, current and expected future outcomes, third-party evaluations and various other assumptions that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. We revise material estimates if changes occur in the circumstances or there is new information or experience on which an estimate was or can be based.

Estimates significantly impact financial instruments, and the presentation of items of income and expenditure and cash-flows.

Fund accounting

General funds are available for use at the discretion of the general objectives of the organisation.

All income and expenditure is shown in the Statement of Financial Activities.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Operating Leases

Rentals payable under operating leases are payable over the lease term on a straight line basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. INCOME FROM CHARITABLE ACTIVITIES

ECONOMIC JOURNAL	Year Ended 31.12.20 £	Year Ended 31.12.19 £
Sales of current volume to non-members	601,923	606,836
Sales of back numbers, royalties and misc.	114,672	101,019
Submission fees	95,908	25,972
JSTOR Revenue	<u>20,277</u>	<u>26,629</u>
	<u>832,780</u>	<u>760,456</u>

ECONOMETRICS JOURNAL	Year Ended 31.12.20 £	Year Ended 31.12.19 £
Subscriptions	81,120	81,055
Sales of back numbers, rights and permission	<u>10,674</u>	<u>3,257</u>
	<u>91,794</u>	<u>84,312</u>

PUBLISHING ACTIVITIES	Year Ended 31.12.20 £	Year Ended 31.12.19 £
From Publishers	2,106	2,402
Liberty Fund	<u>1,158</u>	<u>644</u>
	<u>3,264</u>	<u>3,046</u>

The Liberty Fund receipt is the release of the 7 year licence fee received, which expires on 21 May 2022.

DISCOVER ECONOMICS	Year Ended 31.12.20 £	Year Ended 31.12.19 £
Grants	<u>30,000</u>	<u>300</u>
	<u>30,000</u>	<u>300</u>

Total income for Discover Economics was £30,000 (2019: £300) of which £30,000 (2019: £300) was attributable to restricted funds.

4. INVESTMENT INCOME

	Year Ended 31.12.20 £	Year Ended 31.12.19 £
Dividends receivable from investments and unit trusts	<u>199,847</u>	<u>167,798</u>
	<u>199,847</u>	<u>167,798</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. RAISING FUNDS

Investment management costs	Year Ended 31.12.20 £	Year Ended 31.12.19 £
Portfolio management	<u>37,455</u>	<u>16,477</u>

£37,455 (2019: £16,477) of the above costs were attributable to unrestricted funds.

6. CHARITABLE ACTIVITY COSTS

Current year

	Direct costs (See note 7) £	Support costs (See note 8) £	Grant funding of activities (See note 9) £	Totals 31.12.20 £
Economic Journal	563,510	326,559	-	890,069
Econometrics Journal	116,943	67,768	-	184,711
Publishing Activities	2,967	1,719	-	4,686
Newsletter	26,943	15,613	-	42,556
Membership	5,286	1,023	(3,521)	2,788
Outreach	-	44,842	47,378	92,220
Annual Conference	28,328	16,417	-	44,745
Postgraduate Activities	417	241	-	658
Job Market	725	420	-	1,145
Easter School	3,000	1,739	-	4,739
Discover Economics	<u>7,045</u>	<u>-</u>	<u>-</u>	<u>7,045</u>
	<u>755,164</u>	<u>476,341</u>	<u>43,857</u>	<u>1,275,362</u>

£1,268,317 (2019: £1,633,741) of the above costs were attributable to unrestricted funds and £7,045 (2019: £nil) of the above costs were attributable to restricted funds.

Prior year comparatives

	Direct costs (See note 7) £	Support costs (See note 8) £	Grant funding of activities (See note 9) £	Totals 31.12.19 £
Economic Journal	499,671	233,266	-	732,937
Econometrics Journal	135,556	63,283	-	198,839
Publishing Activities	1,157	540	-	1,697
Newsletter	28,628	13,365	-	41,993
Membership	2,568	42,213	87,856	132,637
Outreach	-	33,800	72,404	106,204
Annual Conference	236,958	110,622	-	347,580
Postgraduate Activities	11,725	5,474	-	17,199
Job Market	2,153	1,005	-	3,158
Easter School	25,073	11,705	-	36,778
Public Lecture	<u>10,035</u>	<u>4,684</u>	<u>-</u>	<u>14,719</u>
	<u>953,254</u>	<u>519,957</u>	<u>160,260</u>	<u>1,633,741</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. DIRECT COSTS OF CHARITABLE ACTIVITIES**Current year**

	Editor and editorial services	Retained by publisher	Other direct costs	Total direct costs 31.12.20
	£	£	£	£
Economic Journal	267,911	128,987	166,612	563,510
Econometrics Journal	57,510	16,523	42,910	116,943
Publishing Activities	-	-	2,967	2,967
Newsletter	15,239	-	11,704	26,943
Membership	-	-	5,286	5,286
Annual Conference	-	-	28,328	28,328
Postgraduate Activities	-	-	417	417
Job Market	-	-	725	725
Easter School	-	-	3,000	3,000
Discover Economics	-	-	7,045	7,045
Public Lecture	-	-	-	-
	<u>340,660</u>	<u>145,510</u>	<u>269,006</u>	<u>755,164</u>

Prior year comparatives

	Editor and editorial services	Retained by publisher	Other direct costs	Total direct costs 31.12.19
	£	£	£	£
Economic Journal	233,165	127,329	139,177	499,671
Econometrics Journal	52,110	15,176	68,270	135,556
Publishing Activities	-	-	1,157	1,157
Newsletter	15,239	-	13,389	28,628
Membership	-	-	2,568	2,568
Annual Conference	-	-	236,958	236,958
Postgraduate Activities	-	-	11,725	11,725
Job Market	-	-	2,153	2,153
Easter School	-	-	25,073	25,073
Public Lecture	-	-	10,035	10,035
	<u>300,514</u>	<u>142,505</u>	<u>510,505</u>	<u>953,524</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. SUPPORT COSTS

	Year Ended 31.12.20 £	Year Ended 31.12.19 £
MANAGEMENT		
Professional Fees	18,475	12,706
Staff Costs	354,563	368,785
Office Costs	32,981	31,827
Comms Costs	39,913	62,499
Council and Committees	82	-
Bank Charges	588	762
Depreciation	16,184	23,853
Exchange Rate Variance	(406)	-
GOVERNANCE		
Professional Fees	10,992	8,315
Council and Committees	2,969	10,931
Total	<u>476,341</u>	<u>519,679</u>

**9. GRANT FUNDING OF ACTIVITIES
OUTREACH**

	Year Ended 31.12.20 £	Year Ended 31.12.19 £
Diversity	8,299	23,865
Conference grant scheme	-	-
Competitions & awards	5,462	10,941
Institutional grants - CORE	15,000	15,000
Institutional grants - Economics Network	21,510	15,000
Institutional grants - International Economic Association	(4,575)	4,575
Third Party Events	1,682	3,023
Total Expenditure	<u>47,378</u>	<u>72,404</u>

	Year Ended 31.12.20 £	Year Ended 31.12.19 £
MEMBERSHIP		
Conference grant scheme	250	7,606
RES events postgraduate grants	-	42,279
Small budget scheme	2,223	5,474
Special Project Grant Scheme	(5,994)	32,497
Total Expenditure	<u>(3,521)</u>	<u>87,856</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10.. EXECUTIVE COMMITTEE' REMUNERATION AND BENEFITS

The Executive Committee (who are also considered key management personnel) hold an Annual Dinner for those who serve the Society, the cost of which totalled £nil (2019: £602). The following trustees received remuneration for their services to the charity, in accordance with the governing documents:

	Year Ended 31.12.20	Year Ended 31.12.19
	£	£
Prof Jaap Abbring	12,960	12,960
Prof Gilat Levy	17,667	-
Prof Morten Ravn	-	11,250
Prof Barbara Petrongolo	-	26,950
	<u>30,627</u>	<u>51,160</u>

Executive Committee expenses

Travel and subsistence expenses totalling £507 were reimbursed to 4 trustees (2019: £2,848 was reimbursed to 8 trustees).

11. STAFF COSTS

	Year Ended 31.12.20	Year Ended 31.12.19
	£	£
Wages and salaries	302,109	301,200
Social Security costs	28,239	28,808
Pension costs	22,836	22,671
Other Staff Costs	7,816	16,106
	<u>361,000</u>	<u>368,785</u>

The average monthly number of employees during the year was as follows:

Year Ended 31.12.20	Year Ended 31.12.19
8	8

The total amount of employee benefits received by key management personnel is £196,223 (2019: £180,102). Key management personnel are considered to be the Chief Executive, Operations Manager and Communications and Engagement Manager.

One employee earned £70,000 - £80,000 in the year (2019: £70,000 - £80,000). Pension costs were £7,701 (2019: £7,004).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. TANGIBLE FIXED ASSETS

	Equipment
	£
COST	
At 1 January 2020	6,889
Additions	<u>1,373</u>
At 31 December 2020	<u>8,262</u>
 DEPRECIATION	
At 1 January 2019	4,115
Charge for year	<u>808</u>
At 31 December 2020	<u>4,923</u>
 NET BOOK VALUE	
At 31 December 2020	<u>3,339</u>
At 31 December 2019	<u>2,774</u>

Fixed assets are held as unrestricted for the furtherance of the Charity's general charitable objectives and charged to project activity through depreciation charges in accordance with the accounting policies.

13. INTANGIBLE FIXED ASSETS

	Software
	£
COST	
At 1 January 2020 and 31 December 2020	<u>153,763</u>
 AMORTISATION	
At 1 January 2020	23,003
Charge for year	<u>15,376</u>
At 31 December 2020	<u>38,380</u>
 NET BOOK VALUE	
At 31 December 2020	<u>115,383</u>
At 31 December 2019	<u>130,760</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2020	6,119,869
Gains on investments	323,159
Settlement of fees	<u>(37,455)</u>
At 31 December 2020	<u>6,405,573</u>
 NET BOOK VALUE	
At 31 December 2020	<u>6,405,573</u>
At 31 December 2019	<u>6,119,869</u>

At 31 December 2020 overseas investments had a market value of £2,436,510 representing 38% of the portfolio.

The basis of valuation is market value as at 31 December 2020 and is analysed as follows:

14. FIXED ASSET INVESTMENTS contd

Unit Trusts:	Cost Value £	Market Value at 31.12.20 £
Sarasin & Partners		
Long Term – Asset Allocation	3,999,892	4,363,443
Medium Term – Asset Allocation	1,200,000	1,258,929
Short Term – Asset Allocation	587,416	576,725
Cash Held by Investment Managers	<u>206,476</u>	<u>206,476</u>
	<u>5,993,784</u>	<u>6,405,573</u>

15. DEBTORS

	Year Ended 31.12.20 £	Year Ended 31.12.19 £
Trade debtors	50,626	6,339
Sundry debtors	33,557	17,440
Taxation and social security	-	1,476
Publishing	<u>334,389</u>	<u>323,414</u>
	<u>418,572</u>	<u>348,669</u>

Sundry debtors includes a balance of £7,000 which relates to a deposit paid for the 2024 Annual Conference. This deposit was originally for the 2020 Annual Conference but due to the effects of the pandemic, it has been confirmed that it can be held for a later date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31.12.20	Year Ended 31.12.19
	£	£
Trade creditors	108,714	29,978
Taxation and social security	5,705	-
Accruals and deferred income	344,906	376,571
Other creditors	1,097	506
	<u>460,422</u>	<u>407,055</u>

Deferred income

	Year Ended 31.12.20	Year Ended 31.12.19
	£	£
Deferred income at 1 January 2019	16,181	19,455
Resources deferred in the year	15,425	10,421
Amounts released from previous periods	<u>(16,181)</u>	<u>(13,695)</u>
	<u>15,425</u>	<u>16,181</u>

Deferred income is included within accruals and deferred income and relates to income received in advance for Journal membership subscriptions over a 3 year period.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Year Ended 31.12.20	Year Ended 31.12.19
	£	£
Deferred income	5,902	8,811

18. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	454,549	(44,554)	(30,000)	379,995
Designated Investment reserve	6,119,869	285,704	(500,000)	5,905,573
Designated fund – COVID Academic Support			500,000	500,000
Designated fund – Discover Economics			30,000	30,000
	<u>6,574,418</u>	<u>211,150</u>	<u>-</u>	<u>6,815,568</u>
Restricted funds				
Discover Economics	<u>300</u>	<u>22,955</u>	<u>-</u>	<u>23,255</u>
	<u>300</u>	<u>22,955</u>	<u>-</u>	<u>23,255</u>
TOTAL FUNDS	<u>6,574,718</u>	<u>264,105</u>	<u>-</u>	<u>6,838,823</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. MOVEMENT IN FUNDS contd

Net movement in funds, included in the above are as follows:

	Income	Expenditure	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	1,223,763	(1,268,317)	-	(44,554)
Investment reserve	-	(37,455)	323,159	285,704
	1,223,763	(1,305,772)	323,159	241,150
Restricted funds				
Discover Economics	30,000	(7,045)	-	22,955
	30,000	(7,045)	-	22,955
TOTAL FUNDS	1,253,763	(1,312,817)	323,159	264,105

Comparative information in respect of the preceding period is as follows:

	At 1.1.19	Net movement in funds	Transfers between funds	At 31.12.19
	£	£	£	£
Unrestricted funds				
General fund	434,340	(285,985)	306,194	454,549
Designated Investment reserve	5,605,630	820,433	(306,194)	6,119,869
	6,039,970	534,448	-	6,574,418
Restricted funds				
Discover Economics	-	300	-	300
	-	300	-	300
TOTAL FUNDS	6,039,970	534,748	-	6,574,718

Net movement in funds, included in the above are as follows:

	Income	Expenditure	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	1,364,233	(1,650,218)	-	(285,985)
Investment reserve	-	-	820,433	820,433
	1,364,233	(1,650,218)	820,433	534,448
Restricted funds				
Discover Economics	300	-	-	300
	300	-	-	300
TOTAL FUNDS	1,364,533	(1,650,218)	820,433	534,748

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. MOVEMENT IN FUNDS contd**Restricted Fund – Discover Economics**

Discover Economics is a new three-year campaign aimed at changing perceptions of economics among young people and attracting students from under-represented groups. The first phase of the campaign (2020-21) will develop the website and ambassador programme and engage partner organisations to increase the range of opportunities for students.

Designated Investment reserve

Funds are held in an investment portfolio providing a source of income to support the Society's activities.

Designated funds – COVID Academic Support

The Society has agreed to designate this amount to support members who have been affected by the impact of the COVID-19 pandemic.

Designated funds – Discover Economics

The Society agreed to match the funding received for the Discover Economics grant from its own reserves.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds	Designated Investment Reserve	Restricted Funds	At 31.12.20
	£	£	£	£
Fixed assets	118,722	-	-	118,722
Investments	-	6,405,573	-	6,405,573
Current assets	727,597	-	53,255	780,852
Current liabilities	(460,422)	-	-	(460,422)
Non-current liabilities	(5,902)	-	-	(5,902)
TOTAL FUNDS	379,995	6,405,573	53,255	6,838,823

	General Funds	Designated Investment Reserve	Restricted Funds	At 31.12.19
	£	£	£	£
Fixed assets	133,534	-	-	133,534
Investments	-	6,119,869	-	6,119,869
Net current assets	736,881	-	300	737,181
Current liabilities	(407,055)	-	-	(407,055)
Non-current liabilities	(8,811)	-	-	(8,811)
TOTAL FUNDS	454,549	6,119,869	300	6,574,718

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20. LEASE AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Year Ended 31.12.20 £	Year Ended 31.12.19 £
Within one year	1,138	20,127
Between one and five years	-	6,262
	<u>1,138</u>	<u>26,389</u>

During the year £20,127 (2019: £15,095) was paid in connection to the lease of the London Office.

21. RELATED PARTY DISCLOSURES

During the year Stefania Paredes Fuentes, who is a trustee, received £3,801 (2019: £nil) in regards to a special projects grant. Stefania Paredes Fuentes took no part in the decision-making for this grant award.

There were no further related party transactions for the year ended 31 December 2020 (2019: NIL) other than those described in note 10.