

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
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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
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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:

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.



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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

For the year ended 31 December 2021

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 £	Other £	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.