

The Centre for Economic Policy Research

Financial Statements

Year Ended 30 September 2020

Charity registration number: 287287
Company registration number: 1727026

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Charity Reference and Administrative Details

Year Ended 30 September 2020

Charity registration number	287287
Company registration number	1727026
Trustees	Sir Charles Bean (Chair) Bronwyn Curtis Jean-Pierre Danthine John Fingleton Vittorio Grilli Patrick Honohan David Miles Lucrezia Reichlin Anthony Venable Andrew Woosley
Honorary President and Founder	Richard Portes
President	Beatrice Weder di Mauro
Chief Executive Officer & Company Secretary	Dr E M Ogden
Registered office	2 nd Floor 33 Great Sutton Street London EC1V 0DX
Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Solicitor	Bates, Wells 10 Queen Street Place London EC4R 1BE
Bankers	Royal Bank of Scotland plc 48 Haymarket London SW1Y 4SE

The Centre for Economic Policy Research

Trustees' Annual Report (Including Directors Report and Strategic Report)

Year Ended 30 September 2020

The Trustees present their report and the audited financial statements of the charity for the year ended 30 September 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice 'Accounting and Reporting by Charities' ('FRS 102 SORP') in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and the FRS102 SORP applicable from 1 January 2019.

Trustees of the charity

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end are as detailed on page 1 of the financial statements 'Charity Reference and Administrative Details'.

Objectives and activities and policies adopted to further the objectives

The Centre for Economic Policy Research (Centre or CEPR) was established in 1983 to 'promote and advance education for the public benefit in the efficient functioning of the national and international economy by conducting and promoting studies and research into open economies and the relations between them'. The Centre is pluralist and non-partisan, and promotes independent, objective analysis and public discussion, bringing economic and social research to bear on the analysis of medium- and long-term policy questions.

In order to advance these objectives, the Centre has established an extensive network of researchers, based mainly within Europe, who collaborate through the Centre in a range of research projects and related activities, including the dissemination of CEPR's research to private and public bodies and to the public at large. At the end of September 2020, the Centre had almost 1500 Research Fellows, Affiliates and Associates, based in several hundred institutions in over two dozen countries. They carry out research in areas ranging from open economy macroeconomics and international trade to economic history and industrial organisation.

The Centre provides common services for its network of researchers and for the users of its research, and it obtains funding for the activities it develops. In particular, the Centre undertakes the following activities:

- Development of projects and obtaining funding for them;
- Administration and execution of projects once funding has been obtained for them, and reporting to the donors on the activities undertaken and expenditures incurred under the projects;
- Organising workshops and seminars to promote scientific exchanges among researchers; and
- Dissemination of the results of the research to a wide audience in the private sector, the research and policy communities, government and civil society.

There has been no change in these policies during the current financial year.

The Centre organises workshops and conferences so that its researchers may meet with fellow researchers (and users of the research) in order to discuss and compare research findings. In the second half of the 19-20 financial year these meetings have taken place virtually as a result of the Covid-19 crisis. The Centre also distributes the results of this research in the first instance through its Discussion Paper series. These Discussion Papers are circulated widely to specialists in the research and policy communities and the private sector, so that the results of the research receive prompt and thorough professional scrutiny. Subscribers to CEPR's Discussion Paper series include university and college libraries, central banks, research institutions and private sector institutions.

In general, CEPR is a grant-taker rather than a grant-maker, but we have one project where we organise the giving of grants. *Private Enterprise Development in Low Income Countries* (PEDL) is a Department for International Development (now the Foreign, Commonwealth and Development Office, FCDO) funded initiative that aims to stimulate research on private-sector development in low-income countries. It has two main grant-giving programmes: Exploratory Research Grants (ERGs) and Major Research Grants (MRGs). Applications for both programmes are judged through a competitive process involving external referees. More information about the activities undertaken within PEDL is given on page 5 of this report.

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In spring 2020 CEPR was awarded a further project by the FCDO. *Structural Transformation and Economic Growth* (STEG) is a five-year academic research programme which will provide a deeper understanding of the fundamental economic processes of structural change and productivity growth in low- and middle-income countries. It commenced on 1 March 2020 and will start a competitive grant-giving programme in spring 2021. More information about STEG is given on page 6 of this report.

Public benefit statement

The Trustees 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. They have referred to the guidance when reviewing their aims and objectives and in planning their future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Public benefit is enshrined in CEPR's purpose, which is to produce excellent research that has policy relevance. The main activities that further the production of excellent research are as follows:

- We organise workshops and seminars, both face-to-face and online, to promote scientific exchanges among researchers;
- We publish a Discussion Paper series which is widely circulated in the academic world and beyond;
- We develop new projects and obtain funding for them; and
- We administer and execute projects once funding has been obtained, and then report to donors on the activities undertaken and expenditures incurred under the projects.

The following activities help disseminate the policy relevant research to a wide audience of policy makers in the public and private sectors through:

- web-based vehicles, especially through VoxEU.org, social media and email campaigns; and
- direct meetings with decision makers in groups of various sizes and formats, including through wider dissemination meetings.

Strategic Report

Development, activities and performance against objectives during 2019/20

2019-20 has been a remarkable year for CEPR. It started as a relatively normal, although busy year, but CEPR underwent a major set of changes once the Covid-19 pandemic hit Europe, including a complete move to all CEPR staff working from home rather than from our central London offices from mid-March 2020 onwards.

Our activity increased enormously, in both publications and other outreach and in online events. In the 18 months to 30 September 2019 we produced an average of 67 Discussion Papers per month; between January and June 2020 the average was 106 per month. In March and April 2020 alone we produced three eBooks and three Policy Insights.

In February and March 2020 once it became clear to what extent the pandemic would affect the world, economists started producing detailed analysis of the likely economic effects. This was enormously helpful in improving our understanding of policy options, but the next step required more formal investigations, based on explicit theory and/or empirical evidence. We started to gather some of this new emerging literature into a new publication, *Covid Economics: Vetted and Real Time Papers*, which is vetted by Editors for quality and relevance. The publication aims to collate some of the best economic research on Covid-19 so that it might inform the academic and policy debate in an acute crisis when results need to circulate fast. It has been extremely well received by both the academic and policy-making communities and by the end of September 2020 we had produced 50 issues, which included 331 papers from a total of 810 submissions.

In more general terms, between 1 October 2019 and 30 September 2020, the Centre met all its stated objectives and targets in terms of research meetings and dissemination. The Centre published 1,297 CEPR Discussion Papers (18 months ended 30 September 2019:1,197); the direct cost of printing and mailing

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these was £nil (18 months ended 30 September 2019: £4,788)¹. We organised 22 physical conferences and research workshops (18 months ended 30 September 2019: 108), and 1 dissemination meeting presenting CEPR reports and other important policy-relevant analyses in London (18 months ended 30 September 2019: 18). Additionally, CEPR organized 29 conferences online, as well as 48 online seminar sessions and 32 online discussion meetings.

The costs of some of these workshops and conferences were covered by CEPR's own funds at a total direct cost of £12,669 (18 months ended 30 September 2019: £155,083). This figure excludes the costs of CEPR staff time in organising the meetings. A further £29,556 (18 months ended 30 September 2019: £336,350) was spent on meetings funded by grants from other sources. There are also substantial costs borne by our various meeting hosts without whom our mission for academic research excellence would be diminished. Note that the costs of these meetings are significantly lower in 2019/20 than in previous years as virtual meetings, whilst taking a significant amount of staff time to organise and host, incur very low direct costs.

An important part of the dissemination is the Centre's policy portal VoxEU.org. Launched in June 2007, Vox has become the premier internet site for analysis and discussion of key European and global policy issues. The primary audience is economists in the private and public sectors, media and academics. The site has averaged about 464,000 users per month according to Google Analytics. More information on VoxEU is given below. In the year to 30 September 2020 CEPR spent £125,334 (18 months to 30 September 2019: £142,349) on VoxEU, which includes payments to copy editors, the editor in chief and audio-visual expenditure.

During 2019/20, CEPR issued a number of publications focusing on the policy implications of the Centre's research, including three Policy Reports (18 months ended 30 September 2019: seven); nine Vox eBooks (18 months ended 30 September 2019: seven); one Global Trade Alert report (18 months ended 30 September 2019: three) and twelve Policy Insights (18 months ended 30 September 2019: three), together with three issues of the journal *Economic Policy* (18 months ended 30 September 2019: six).

More information on these publications is given later in this report.

Partnerships and collaboration

CEPR collaborates with a range of partner institutions and organisations in Europe and beyond, in pursuit of its charitable objectives. For example, many of the large-scale collaborative research projects undertaken by CEPR require close interaction and collaboration with university departments across Europe; joint workshops, conferences, training programmes and a range of dissemination activities are organised and undertaken cooperatively. As a result of these types of project-based initiatives, CEPR has developed and maintained a significant number of 'network-based' activities within its wider 'virtual' network of academics. CEPR works closely with a number of public and private sector organisations, including European central banks, corporate bodies and government departments and the European Commission, in staging joint workshops, seminars and other discussion and dissemination-based activities. CEPR manages the Euro Area Business Cycle Network (EABCN: <https://eabcn.org/>), a forum linking academic researchers and researchers in central banks and other policy institutions involved in the empirical analysis of the euro area business cycle. It is funded by 20 European central banks, including the ECB, plus the European Commission.

CEPR co-owns a journal, *Economic Policy*, together with the Center for Economic Studies of the University of Munich (CESifo) and the Fondation Nationale des Sciences Politiques (Sciences Po), published by Oxford University Press. Over the decades, *Economic Policy* has published some of the most widely cited studies on financial crises, deregulation, unions, the euro, unemployment and other pressing topics. Articles in the journal are commissioned from leading academic economists all over the world, with the brief

¹ Printing and mailing of hard copies of Discussion Papers ceased with effect from 1 January 2019, and so all subscribers to our Discussion Paper series receive papers electronically. There are therefore now no direct costs of printing and mailing, only the cost of the staff time in producing the papers.

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of illuminating topical policy issues by combining the insights of modern economics with the best available evidence.

Sources of funding

CEPR's income for its charitable activities is a mix of 'restricted' and 'unrestricted' funds. The restricted income, which is the main source of funding for CEPR's research activities, is derived predominantly from projects CEPR administers for the Foreign, Commonwealth and Development Office (FCDO) and the European Commission.

FCDO currently funds two large research projects as mentioned above: Private Enterprise Development in Low Income Countries (PEDL), and Structural Transformation and Economic Growth (STEG).

PEDL is a grant-giving initiative that aims to stimulate research on private-sector development in low-income countries (LICs). As part of the PEDL initiative, CEPR launched a programme of Exploratory Research Grants (ERGs) in early 2012. These are smaller grants (between £10,000 and £40,000) which are designed to attract 'new entrants' to this research field and to fund potentially promising avenues of research which have not yet been tested in larger research proposals. There have been 32 standard rounds of funding through to September 2020, in addition to four special rounds specifically for researchers from LICs, five special rounds for PhD students, one for research related to climate change and social compliance, one focused on the impacts of COVID-19 and one for projects involving literature reviews. PEDL also ran a special 'scale-up' round aimed at providing extra funding to promising ERGs: eight ERGs received 'scale-up' funding. In total, as of 30 September 2020 PEDL has awarded 233 ERGs. 170 ERGs have been completed, with several others nearing completion. Since the first round of Major Research Grants (MRGs) in the autumn of 2012, PEDL has awarded a total of 44 major grants across seven rounds with an average size of around £250,000.

CEPR has established procedures for awarding PEDL grants and for managing them post-award. MRGs are awarded following a four-step evaluation process, whereby each proposal is refereed once and then, if shortlisted, is subject to a more detailed refereeing process together with a review by the MRG Evaluation Committee. Holders of MRGs are required to provide narrative and financial reports to PEDL on an annual basis, and a more detailed final report within three months of the end of the grant. They are also required to submit an Impact Report 12 months after the end of the award which details the scientific, economic and societal impacts as well as any unexpected impacts of the project.

Since ERGs are relatively small, their evaluation takes place via a streamlined fast track procedure. The proposals are evaluated by a Committee which meets virtually and is chaired by the Scientific Co-ordinator of PEDL, Professor Chris Woodruff (University of Oxford and CEPR). The progress of ERGs is monitored through a system of interim and final reports with similar content to those required for MRGs. The reports are reviewed by the Scientific Coordinator whose approval is necessary for the disbursement of funds.

So far, PEDL-funded projects have generated over 139 working papers and 70 publications in peer-reviewed journals, including top economics journals such as the *American Economic Review*, the *Quarterly Journal of Economics*, *Econometrica* and the *Journal of Political Economy*.

As part of its effort to disseminate the findings from awarded projects to the wider policy and research community, PEDL also publishes short policy briefs called *Research Notes*. As of September 2020 PEDL has published 95 Research Notes. PEDL encourages its grantees to engage with policymakers – both government and private sector actors – in order to increase the visibility and potential policy impact of their research. A survey conducted in September 2020 indicated that 170 PEDL project teams are engaged in sustained discussions or are closely collaborating with policymakers, and that it is very likely that 41 policies or practices in low income and lower middle-income countries have been strongly affected by PEDL research.

It is clear that the PEDL initiative has been instrumental in significantly increasing the quantity of research carried out on private sector firms in developing countries and has also been highly successful at attracting younger researchers and particularly PhD students into this field of economics.

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As mentioned above, in early 2020 CEPR was awarded a further project by FCDO, *Structural Transformation and Economic Growth* (STEG). Led by Doug Gollin (Oxford University) and Joe Kaboski (Notre Dame University). STEG is a five-year academic research programme which will provide a deeper understanding of the fundamental economic processes of structural change and productivity growth in low- and middle-income countries. STEG's research will help developing country governments, NGOs and the private sector to design and implement strategies, policies and programmes that better facilitate productivity gains, structural change, and both sustained and sustainable growth. It is being implemented by a consortium led by CEPR and including Oxford University, Notre Dame University, the African Center for Economic Transformation, the Yale Research Initiative on Innovation and Scale, and Groningen Growth and Development Centre of the University of Groningen.

CEPR's 'unrestricted' funds come from two principal sources – membership fees from central banks, government institutions and corporates and income from the sale of publications (mainly academic Discussion Papers). We also receive contributions to our administrative and management costs (or 'overheads') from our 'restricted' project activities. These funds typically support our unfunded research initiatives (such as our annual Programme Symposia events), one-off research and dissemination activities (including dissemination meetings in London and elsewhere) and our ongoing office, administrative and personnel costs. A list of institutional supporters is given in Appendix 1 on page 37.

CEPR's impact

In keeping with the ethos of the charity, the key objective of CEPR since its inception in 1983 has been to promote research excellence with policy relevance – the aim being to inform the public debate on important economic issues. To this end, the CEPR researchers who make up our network collaborate on the production, funding and dissemination of research – forming a 'producers' cooperative' where the whole is greater than the sum of the parts. While the Centre has no in-house researchers, it acts as a 'think-net' of researchers who are deeply involved in basic research as well as in the analysis of policy options and outcomes.

Research excellence

For over three decades CEPR has played a key role in establishing the scientific excellence of economics in Europe. The Directors of each of the Centre's Programme Areas are all leaders in their fields. Together with CEPR leadership, they play a key role in ensuring the high quality of the Centre's workshops, conferences and publications, as well as ensuring that CEPR researchers meet high standards in terms of publication output. They also play a catalytic role in launching research initiatives and moving CEPR researchers into promising new areas. The scientific honours that have been awarded to its Fellows bear testimony to the Centre's commitment to research excellence.

Six CEPR Research Fellows have won the Nobel Prize for Economics: Paul Krugman (City University of New York) in 2008; Christopher Pissarides (LSE) in 2010; Jean Tirole (Toulouse School of Economics) in 2014 and Abhijit Banerjee (MIT), Esther Duflo (MIT) and Michael Kremer (Harvard) in 2019. Duflo led CEPR's Development Economics programme from its formation in 2006 until 2015. She is only the second woman to win the Nobel Prize for Economics.

The Yrjö Jahnsson Prize is awarded every second year by the European Economics Association (EEA) to an outstanding young European economist. Since its inception in 1993, all winners of the prize have been CEPR Research Fellows, including the winners of the 2019 prize, Oriana Bandiera (London School of Economics and CEPR Programme Director for Development Economics) and Imran Rasul (University College London and a Research Fellow in the Public Economics and Development Economics programmes).

The EEA also awards the Birgit Grodal Award on a biannual basis to a European-based female economist who has made a significant contribution to the economics profession. All five recipients of the prize to date have been CEPR researchers, including the 2020 winner, Eliana La Ferrara (Bocconi University), the Director of CEPR's Development Economics programme, for her significant contributions in studying the role of trust, norm enforcement and identity in economics.

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The Bernácer Prize is awarded annually to European economists under the age of 40 who have made outstanding contributions in the fields of macroeconomics and finance. All winners have also been CEPR Research Fellows, including the most recent winner, Loukas Karabarbounis (University of Minnesota) for his influential research on the interaction between labour and capital market imperfections and macroeconomic outcomes. Karabarbounis is a Research Fellow in CEPR's Macroeconomics and Growth programme.

Since 2000 all but three Presidents of the European Economic Association have been CEPR Research Fellows.

CEPR Networks and Initiatives

CEPR manages several networks which are an important part of our research output. These include EABCN, which is discussed above and Household Finance, led by Michael Haliassos (Goethe University – see <https://cepr.org/content/cepr-network-household-finance>).

In autumn 2018 CEPR launched a new mechanism for the undertaking of collaborative research, *Research and Policy Networks* (RPNs), the main aim being to stimulate research on a particular issue by building a community of interested researchers. An RPN consists of 15-30 experts who have an interest in a topic of high policy relevance and who want to work together for a period of at least three years. To date we have launched seven RPNs, information on which can be found at <https://cepr.org/content/cepr-rpn-summary>.

CEPR has been active in seeking to redress gender imbalances in the economics profession and in highlighting the work of women. In April 2019 CEPR launched the *CEPR Women in Economics Initiative*, in partnership with UBS, which shines a light on quality research and policy-making from leaders in their field. With fresh thinking and diverse perspectives, these women are paving the way to influence the current and next generation of leaders and economists. One researcher is profiled each month in a set of short videos in which the researcher explains their work. The first profile was of Marianne Bertrand (University of Chicago Booth and CEPR), followed by Esther Duflo (MIT and CEPR), who subsequently won the Nobel Prize. The full set of interviews can be found at <https://www.youtube.com/user/VOXViewsCEPR>.

We are also working to increase the number of women involved in CEPR's network. This is discussed in more detail on page 14.

Enlarging our European Footprint

We are keen to increase our European "footprint" and have been working on fostering closer collaboration with institutions in Brussels, Frankfurt, Berlin and Paris. These collaborations will provide a regional platform for CEPR Researchers and will allow CEPR to deepen its ties with the local academic and policy communities. The regional representations will leverage CEPR activities as well as promote new joint initiatives.

In January 2019 we launched a CEPR Brussels office, based at ECARES at the Université Libre de Bruxelles, and appointed Bram de Rock, the Director of ECARES, as our Brussels Representative. Since then we have held several successful Brussels launch meetings for CEPR reports and aim to build on these activities in the year ahead.

In autumn 2019 CEPR initiated the creation of an *Association* under French law, which will provide a vehicle for a potential expansion in France. The Association had its constituting General Assembly on 5 November 2019 and was formally established on 14 November 2019. The pandemic has slowed the development of our French hub, but discussions are now underway once more and we are making plans to launch a Paris office early in 2021.

Discussions are under way to establish other regional hubs, with one in Frankfurt likely to be established in early 2021 and possibly Berlin later in 2021.

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Policy relevance and dissemination

CEPR is committed to enhancing the quality of policymaking in Europe and beyond. It does this by facilitating the participation of the best economists in policy debates and working hard to get the results into the hands of decision-makers. Because CEPR draws on such a large and widely dispersed network of researchers, the Centre is able to produce a wide range of research that not only addresses key European and global policy issues, but also reflects a broad spectrum of individual viewpoints and perspectives drawn from civil society.

Professor Ugo Panizza (Graduate Institute Geneva) is CEPR Vice-President with responsibility for RPNs and policy reports. His role is to ensure that our research addresses the most pertinent policy questions and in turn that our output of policy-relevant research increases, which has clearly been the case in 2019-2020.

Output

There are three main elements of our policy output: reports on different aspects of economic policy, published annually as part of a series; CEPR Policy Insights; and VoxEU eBooks.

In the last 12 months 130,000 copies of Vox eBooks have been downloaded, a remarkable increase on the 75,000 copies downloaded in the previous 3.5 years.

The **Geneva Reports on the World Economy** are annual monographs focusing on reform of international financial and monetary systems. Launched in 1999 by the International Centre for Monetary and Banking Studies (ICMB) in cooperation with CEPR, each report is written by a team of internationally known economists.

The 22nd Report, *Banking Disrupted? Financial Intermediation in an Era of Transformational Technology*, was published in September 2019. Authored by Kathryn Petralia (Kabbage), Thomas Philippon (NYU Stern School of Business and CEPR), Tara Rice (Bank for International Settlements) and Nicolas Véron (Bruegel and Peterson Institute for International Economics), the report reviews the financial services landscape and how it has changed over the past few decades, discusses the competition from FinTech and Big Tech, and considers critical public policy questions surrounding the future of banking.

The publication of the 23rd report has been delayed due to the postponement of the underlying conference, which was due to take place in May 2020. The report will now be published in late 2020.

In June 2019 CEPR launched a new report series, **The Future of Banking**, jointly with the IESE Business School in Barcelona, and supported by Citi. The second report in this series was published in June 2020. *The Bank Business Model in the Post-Covid-19 World*, by Xavier Vives (IESE Business School), Elena Carletti (Bocconi), Stijn Claessens (Bank for International Settlements) and Antonio Fatás (INSEAD), tackles the mounting challenges faced by the banking sector and examines the competitive responses of the different players – incumbents and new entrants. It also analyses the policy and regulatory issues associated with the digital world and suggests future policy options for reform.

CEPR Policy Insights (PI) are tightly argued policy essays aimed at economists working in governments, international organisations, the private sector, academics and the media. They provide a more in-depth analysis than that in a Vox column, but not as developed as would be the case in a report or eBook. They are an effective way of widely disseminating a short piece of research and are thus becoming a publication vehicle of choice for policy-relevant pieces of output from top economists.

In 2019-20 12 PIs were published, a large increase on the previous year; a full list can be found at https://cepr.org/active/publications/policy_insights/pilist.php.

VoxEU eBooks collect the thinking of world-leading economists, practitioners and specialists to shed light on pressing economic problems and to suggest solutions. The pioneering format allows the right people to address the right questions at the right time and distribute the results freely on the VoxEU.org website. This CEPR innovation has been imitated by think tanks across the globe.

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There were nine VoxEU eBooks produced in 2019-20, five of which dealt specifically with the fall-out from Covid-19. Two were published at the very beginning of the pandemic: *Economics in the Time of COVID-19*, on 6 March 2020, and *Mitigating the COVID Economic Crisis: Act Fast and Do Whatever It Takes*, on 18 March 2020, both edited by Richard Baldwin and Beatrice Weder di Mauro. These volumes were published extremely quickly and were the first attempts to collate top economists' views on what should be done in the face of the crisis, and how to do it. The first volume addressed some key questions concerning the economic impact emerging from the pandemic. How, and how far and fast, will the economic damage spread? How bad will it get? How long will the damage last? What are the mechanisms of economic contagion? And, above all, what can governments do about it? The second volume looked beyond a mere analysis of the economic damage caused by the global pandemic and presented policy programmes necessary to mitigate the crisis; leading economists from around the world were unanimous that the case for decisive and coordinated fiscal stimulus was overwhelming.

Other issues covered by eBooks included the economics of the second world war; the economics of aging populations; women in economics and Covid-19 in developing economies. A list of recent eBooks can be found at <https://voxeu.org/epubs>.

VoxEU

As mentioned above, the Centre is also active in fostering web-based dissemination and policy debate via its site VoxEU.org, whose goal is to raise the level of the policy debate by making it easier for researchers to draw out the policy implications of their research and ensuring that this work is more accessible to professional economists and the interested public in government, the private sector, academics and journalism.

VoxEU has been a clear success on the supply side: since June 2007 Vox has published over 8900 columns by more than 8300 authors. The site has also been a success on the demand side and is now routinely ranked as among the most influential economic 'blogs' in the world, enjoying an average of about 464,000 visitors per month (between 30 September 2019 and 01 Oct 2020 Vox received over 7.5 million distinct visits). The countries with the largest VoxEU audience are the US, UK, India, Canada, Germany, Italy, Australia, Philippines, France, South Africa, Spain and the Netherlands.

The number of Vox columns has increased dramatically in this reporting period: we published 1,123 in 19/20, compared to 1,110 in the previous 18-month reporting period. Much of this is due to Covid-19, but the increased volume of submissions has continued through the summer and into the autumn.

In the past year we have continued our focus on increasing VoxEU's audience through more effective and frequent use of social media and, combined with the increase in output through the website and the interest generated by the pandemic, this has had a clear positive effect on page views and user number figures, which are up 63% and 105% in the last 12 months. Our busiest day in this period saw over 41,000 page views for one column alone (<https://voxeu.org/article/unmasked-effect-face-masks-spread-covid-19>); over half of the views came from Twitter.

From early April Vox has featured a dedicated Covid-19 page where all content with a bearing on the crisis has been collected and curated (<https://voxeu.org/pages/covid-19-page>).

We are working on identifying how best the power and reach of social media can be harnessed through targeted campaigns to increase dissemination across specific audience groups, for example among younger people. We are experimenting with use of paid advertising campaigns through social media to promote CEPR and VoxEU and to support dissemination of our major initiatives to new audiences. Use of a variety of media, including video and sound-clips is proving successful on social media and we are exploring ways in which animation and infographics could also be used. We are bringing a unified look to our campaigns and our work on our new website will compliment and reinforce our social media, multimedia and press outreach.

The Covid-19 crisis has also made CEPR invest significant amounts of resources (both staff and financial) in further improving our audio-visual content. Whilst the last CEPR physical meeting took place on 28 February 2020, we have had an explosion in online webinars and academic seminars and have organised

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over 100 such meetings since mid-March 2020. Some of these are one-off meetings; others form regular series of events. Most have been recorded and livestreamed either on YouTube or Facebook, or posted on our YouTube channel afterwards. We now have 11 regular academic seminar series, on subjects including Gender Economics, Political Economy, Household Finance and Industrial Organization. One of the main benefits of these series for academics is that many economics departments do not have a large enough audience for a series which covers a specific area of economics, but running a virtual series can garner an audience of hundreds of economists across the world. For this reason, many of these online seminars and webinars may even continue even once in-person meetings are possible.

Audio and video output have also increased dramatically. In the 19-20 period we produced 96 VoxEU video interviews and 59 podcasts, as compared to 116 and 73 in the previous 18-month period. The audiences for both our podcasts and videos has roughly doubled in the last 12 months.

VoxDev

VoxDev, launched in June 2017, is a platform for economists, policymakers, practitioners, donors, the private sector and others interested in development to discuss key policy issues. Expert contributors provide insightful commentary, analysis, and evidence on a wide range of policy challenges in formats that are accessible to a wide audience interested in development. The aim is to put evidence from decades of academic research into the hands of decision-makers and civil society in developing countries in a way that they can be easily accessed and actually put to use, ultimately encouraging the design and implementation of more evidence-based policy.

VoxDev is a collaboration between CEPR, the International Growth Centre at LSE, and the PEDL programme. The Editor-in-Chief is Tavneet Suri (MIT), supported by an Editorial Board which includes Chris Woodruff (University of Oxford, and the Scientific Co-ordinator of the PEDL project).

Since inception VoxDev has published 391 columns, 110 videos and 87 audio pieces. Its most popular column (by Prashant Bharadwaj and Saumitra Jha) garnered over 48,000 views. It has almost 11,000 followers on both Facebook and Twitter, and over 2,000 individuals have signed up to receive its weekly newsletter.

Links with Policy-Makers

CEPR continues to have strong links with UK policy-makers through its close partnerships with the Department for International Trade, the Foreign, Commonwealth and Development Office and the Bank of England. CEPR researchers have been active in advising UK policy-makers on the most effective strategies to deal with Brexit. We also have very strong connections with EU policy-makers (governments and central banks) and with the European Commission and ECB.

Various CEPR Research Fellows are in positions of leadership in governments and international organisations around the EU, including Beata Javorcik, Chief Economist of the EBRD and Programme Director of CEPR's International Trade and Regional Economics programme; Philip Lane, Chief Economist of the ECB and Research Fellow in the International Macroeconomics and Finance programme; Philippe Martin, Chair of the French Council of Economic Analysis and Vice-President of CEPR; and Isabel Schnabel, ECB Board member and a Research Fellow in the Financial Economics programme.

Financial review (including reserves policy)

At 30 September 2020, the Centre held funds totalling £2,132,794 (2019 - £1,418,806). Of this, £975,493 (2019 - £672,335) represented accumulated donations, subscriptions and membership fees for general funds, of which £205,128 is held in a designated systems and infrastructure development fund (2019 - £50,338) and restricted funds of £1,157,301 (2019 - £746,471) were held for specific, on-going projects.

At the balance sheet date, the Centre may have incurred costs on some projects with restricted funding, for which funding has been contractually negotiated and is due to be received but has not yet been received. The total amount in deficit as at 30 September 2020 is £nil (2019: £42,291), which has been netted off within the restricted year-end balance of £1,157,301 (2019 - £746,471) – see note 19.

The Centre for Economic Policy Research

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Reserves policy

The Trustees have reviewed the reserves policy and have agreed that CEPR should hold unrestricted reserves for the following purposes:

1. to enable the organisation to operate at full capacity for four months (previously 3 months) even if all income were to cease, recognising that shifts in support do occur and that four months of leeway would enable the organisation to identify new emergency funding sources, and that it would be necessary for the organisation to continue to operate at near to full capacity during this time.
2. to enable the organisation to meet its statutory obligations and wind up in an orderly fashion if all income were to cease, and the Trustees so ordered.

Based on the above the Trustees believe that, at the balance sheet date, CEPR needed to hold approximately £600,000 in reserves to meet the stated obligations. At 30 September 2020 CEPR had unrestricted reserves of £770,365 and a designated reserve of £205,128.

Risk management

The Trustees confirm that they have reviewed the major risks to which the charity is exposed and are satisfied that appropriate action has been taken to mitigate those risks. A risk register is maintained and reviewed on a six-monthly basis. The Risk Register looks at various risks under the headings Governance; Operational; Financial; Environmental and External; and Regulatory Compliance, and particular attention is given to those risks judged to carry the highest likelihood of occurrence and/or have the greatest severity of impact.

Foreign Exchange: CEPR is subject to exchange rate fluctuation risk as a large portion of its income is denominated in euros. In the year to 30 September 2020 there was a foreign exchange loss of £23,990 (18 months to 30 September 2019: gain of £5,477).

Brexit: The Trustees are aware that the UK's decision to leave the EU will impact CEPR's operations. They are undertaking a review of what the overall effects on CEPR might be, and as reported above work is underway to set up offices in other European capitals.

Covid-19: In June 2020 management developed an additional risk framework to take account of the new risks emanating from Covid-19, and in September 2020 the Trustees approved a protocol for a limited return of some CEPR staff to the office. Thus far, Covid-19 has had only a positive effect on our operations in that we have been able to have our staff 'work from home' and simultaneously vastly increase our output. However we are closely monitoring our income streams from both the financial sector and from the sale of subscriptions to the CEPR Discussion Paper series (which are mostly to academic institutions), in case either of these are impacted in the coming months.

Change in the UK's overseas aid commitment: The Trustees are also aware that the decision to cut the overseas aid budget from 0.7% to 0.5% of GNP will impact CEPR's project funding from FCDO. Budgets will be revised as and when more information becomes available.

Plans for future periods

CEPR will continue to seek funding for its ongoing research and dissemination activities. We will also seek to increase both the number of central bank and corporate members and the average level of subscriptions. In 2019 we introduced a new level of corporate membership: *Partnership*. CEPR partners gain full access to all CEPR academic and policy activities by designating a senior representative as a CEPR Associated Fellow. They often collaborate on a specific research programme or publication and have the opportunity to publish on VoxEU, as well as have a deeper involvement with VoxEU by utilising its social media channels, Blogs&Reviews pages and debates. Four institutions are now CEPR Partners.

We will also continue to forge new partnerships and alliances with relevant institutions in the academic and policy communities. One element of this is to improve the ways in which we disseminate our research to the policy communities. We are currently working on a new website, which will bring together www.cepr.org

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and www.voxeu.org into one site which will focus on both research production and dissemination. We expect the new site to launch in the first half of 2021.

Finally, as discussed elsewhere in this report, in seeking to enlarge our European footprint we have set up an Association under French law. In 2021 we envisage a major expansion in our activities in France, particularly in Paris.

Covid-19 has led to major changes in the way we operate, including ensuring that CEPR can operate completely off-site. We hope to return to our physical offices early in 2021, although this will clearly depend on the progression of the pandemic. It has also led to a major expansion in our output and improvements in the way we disseminate research, which will be further developed in the next 12 months. With this in mind the Trustees have approved a transfer of £200,000 to our Designated Reserve to be spent on improvements to CEPR's website, the further development of our digital dissemination capabilities and to kickstart promising new research initiatives.

Structure, governance and management

The Centre for Economic Policy Research is a registered charity (No. 287287). It is also a company registered in England (No. 1727026) and limited by guarantee. The activities of the Centre are governed by its Memorandum and Articles of Association and the Trustees of the charity are elected by the Members of the limited company.

The Centre's Memorandum and Articles of Association provides that the Centre is not permitted to attempt to influence legislation by propaganda or otherwise and is not permitted to participate directly or indirectly or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office. CEPR research may include views on policy, but the Trustees of the Centre do not give prior review to its publications and CEPR takes no institutional positions on economic policy matters.

Role of the Trustees

The Trustees meet quarterly to provide advice on management and policy issues.

There are two sub-committees of Trustees to provide more scrutiny in key areas and to allow the full Board to devote more time to strategic issues. These sub-committees are the Finance, Audit and Risk Committee (FARCo), of which the members are Andrew Woosey (Chair), Bronwyn Curtis and David Miles, and the Appointments and Remuneration Committee (ARCo), of which the members are Tony Venables (Chair), Jean-Pierre Danthine and Lucrezia Reichlin. In 2019-20 FARCo met once physically and thereafter FARCo business was amalgamated with the full quarterly Trustees meetings which took place virtually as a result of Covid restrictions.

Recruitment and induction of new Trustees

We seek to recruit Trustees from a wide range of backgrounds (for example, in terms of gender, age and location). At 30 September 2020 20% of CEPR's Trustees were female and 60% were from outside the UK.

Potential new Trustees of CEPR, identified by the existing Trustees, receive a letter of invitation from the Chair, which contains the following information:

- A description of the work and activities of the Centre, its current focus and position in terms of its development strategy and future plans, etc;
- A description of the status of CEPR, i.e. as an educational charity and a limited company;
- A description of the role and responsibilities of the Trustees, including the duration of term of office. It is explained that the Trustees are responsible to the Charity Commission for England and Wales for the Centre's activities. Since the Centre is also a limited company, the Trustees are Directors of the Company and so legally responsible for the conduct of the Centre's business and its solvency; and
- A description of the role of the Members of the limited company.

The Centre for Economic Policy Research

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Other relevant material is also sent with the letter. If the invitation is accepted the new Trustee is then sent the CEPR Memorandum and Articles of Association by the Company Secretary, which outlines in more detail the role and powers of the Board and Members, as well as the procedures for meetings etc. They are also sent the current set of audited accounts. New Trustees are provided with the Charity Commission guideline document *Responsibilities of Charity Trustees (CC3)*; and all Trustees are provided with the Charity Commission documents *Internal Financial Control for Charities (CC8)* and the *Hallmarks of a Well-run Charity (CC10)*. New Trustees are encouraged to seek any clarification on any matter from the Company Secretary or President.

New Trustees are then formally appointed by resolution of the Members for an initial term of four years, renewable (twice) by resolution of the Members for a further four years.

Changes in Trustees

During the year ended 30 September 2020 there were no changes in the Trustee body.

Appointment of CEPR leadership

The Trustees are responsible for the appointment of the President and for setting their remuneration. The President reports to the Trustees on matters that directly affect the overall finances and direction of CEPR. The President appoints the Vice-Presidents; the Chair of the Appointments Committee; leaders of CEPR Networks, the CEPR Co-Chair of Economic Policy; the Editor of VoxEU; and the Chair of the Business Cycle Dating Committee. The President also appoints the CEO and the Chief Financial Officer.

CEPR's President, Beatrice Weder di Mauro appointed a further Vice-President in January 2020: Philippe Martin (SciencesPo and Conseil d'Analyse Économique) became Vice-President with responsibility for CEPR's presence in Europe. He joins Maristella Botticini (Università Bocconi) as Vice-President for Researcher Appointments; Hélène Rey (London Business School) as Vice-President, Special Projects, with a particular focus on women and younger researchers; and Ugo Panizza (Graduate Institute Geneva) as Vice-President for New Ventures.

The day-to-day management of CEPR's operations is led by the CEO, Tessa Ogden, who heads the current staff of 17.

Environmental, social and governance considerations

In recent years CEPR has devoted considerable thought to its ESG responsibilities. In the environmental sphere, we stopped printing CEPR Discussion Papers in 2018, and now very rarely print CEPR reports and eBooks. Our carbon footprint from flying has fallen dramatically since March 2020, and given the growth of online meetings technology it is very unlikely to return to previous levels.

We have pushed hard to increase the involvement of women in the CEPR network, including the *Women in Economics* initiative which is discussed elsewhere in this report. In 2019-20 we increased our focus on the role of race in economics, given the prominence of these issues. In September 2020 we published an eBook on *Publishing and Measuring Success in Economics* (edited by Sebastian Galiani and Ugo Panizza), which included two chapters on whether economics has a race problem (see <https://voxeu.org/content/publishing-and-measuring-success-economics>).

We are also planning to create a Research and Policy Network on *Diversity in Economics*, with the expectation that this will lead into the creation of a programme area dealing with similar issues. At the same time, CEPR will develop a diversity policy which will lay out how we will avoid discriminating against people, and how we will create a safe and inclusive atmosphere for our staff and researchers.

Remuneration policy for key management personnel

As mentioned above, in 2016 the Chair of the Trustees established a sub-committee of Trustees (ARCo) to deal with personnel issues, including the appointments and remuneration of the President and Chief Executive Officer. The President consults with the Chair of ARCo to agree on the appropriate salary increases for the CEO and CFO, who in turn set the remuneration of the rest of the staff.

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CEPR Staff

At the end of the 2019/20 financial period, the Centre employed 13 full-time plus three part-time staff who have all worked from home since March 2020. These staff provide the services described above to the research network and to the users of the Centre's research.

CEPR scientific organisation

The research carried out by the Centre falls broadly within ten programme areas:

- Financial Economics
- Industrial Organisation
- International Macroeconomics and Finance
- Monetary Economics and Fluctuations
- Macroeconomics and Growth
- International Trade and Regional Economics
- Labour Economics
- Public Economics
- Development Economics
- Economic History

The President appoints one or more Programme Directors in each of these programme areas. Programme Directors provide intellectual leadership and quality control in their programme.

Appointment of researchers

At the end of September 2020 there were 1,496 CEPR Research Fellows and Research Affiliates.

CEPR sets high standards by having a rigorous and transparent appointments process based on publication records, nomination recommendations and citations in marginal cases. Each Programme Area has an Appointments Committee, which meets annually, and is made up of the Programme Director(s), the President (currently the chair) and Maristella Botticini.

Well in advance, members of the Programme are asked to nominate candidates at the Research Affiliate (researchers who are within seven years of the award of their PhD) and Research Fellow levels. The Committee then considers the merits of all the nominated candidates. The successful candidates, at both levels, are appointed for a four-year term. For Research Fellows, this term can then be extended indefinitely, provided that they have been involved in CEPR's activities. Research Affiliates can be extended for a further three-year period, at the end of which they are either promoted to Research Fellow or their CEPR affiliation is ended.

Since 2015 CEPR has actively promoted the participation of women in CEPR's activities and in our leadership. In 2016 Maristella Botticini was appointed to the Appointments Committee, with the remit of paying particular attention to gender balance, and in 2019 she became a CEPR Vice-President with responsibility for researcher appointments. In June 2020 42% of CEPR's research affiliates were female, and 19% of Research Fellows. We continue to work hard on increasing the proportion of women in the network, with significant numbers of women appointed in the 2019 and 2020 appointments rounds (which took place in October 2020). As Research Affiliates progress through their career and become Fellows, the proportion of women will naturally increase.

We have formalized our effort to improve female representation in the economic profession more generally with the creation of the *Women in Economics Initiative*. Led by CEPR's Vice-President, Hélène Rey, this initiative aims to redress gender imbalances in the economic profession, partnering with CEPR member organisations to promote women within the field.

The first of such partnerships is the *CEPR-UBS Women in Economics* initiative. This partnership celebrates contributions of women in economics, with a series of portraits and video interviews on a dedicated website. The programme shines a light on high quality research and policymaking from female leaders in their field. The content is designed to appeal to non-expert audiences, as well as those with a deeper understanding of economics.

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Since the launch of *CEPR-UBS Women in Economics* in April 2019, we have published profiles of 11 top researchers including Esther Duflo, Marianne Bertrand and Lucrezia Reichlin. The most recent, published in June 2020, was of Gita Gopinath, Chief Economist of the IMF. We are aiming to publish 30 portraits over the course of next three years. The initiative will be supported by a series of events. The inaugural conference, led by Hélène Rey and Sebnem Kalemli-Ozcan, was originally planned to take place in October 2020 but has been postponed to 2021 due to the pandemic. More on this initiative can be found at <https://cepr.org/content/women-economics>.

In March 2020 CEPR published an eBook on *Women in Economics*, edited by Shelly Lundberg (University of California Santa Barbara). This examines the role and progress of women in professional economics, reviews the barriers that women face at various stages of the training and promotional pipeline, evaluates programmes designed to support and encourage female economists, and discusses the benefits of greater gender equality across economics research professions. More information can be found at <https://voxeu.org/content/women-economics>.

Statement of Trustees' responsibilities

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

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

Signed on behalf of the board:



Sir Charles Bean, Chairman

Date: 10 December 2020

The Centre for Economic Policy Research

Independent Auditor's Report

Year ended 30 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CENTRE FOR ECONOMIC POLICY RESEARCH

Opinion

We have audited the financial statements of The Centre for Economic Policy Research (the 'charitable company') for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

The Centre for Economic Policy Research

Independent Auditor's Report

Year ended 30 September 2020

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (incorporating the strategic report and the directors' report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (incorporating the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

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

The Centre for Economic Policy Research

Independent Auditor's Report

Year ended 30 September 2020

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 16 December 2020

The Centre for Economic Policy Research

Statement of Financial Activities

Year Ended 30 September 2020

2020						18 months to 30 September 2019 Total
Note	Unrestricted funds		Restricted funds	Total		£
	General	Designated				
	£	£	£	£		£
Income and endowments from:						
Donations and legacies	2	789,845	-	3,412,008	4,201,853	5,475,314
Charitable activities	3	357,852	-	-	357,852	521,430
Investments	4	12,471	-	-	12,471	10,174
Total income and endowments		1,160,168	-	3,412,008	4,572,176	6,006,918
Expenditure on:						
Raising funds	5	28,398	-	-	28,398	58,874
Charitable activities	5	783,402	45,210	3,001,178	3,829,790	6,308,697
Total expenditure		811,800	45,210	3,001,178	3,858,188	6,367,571
Net income / (expenditure)		348,368	(45,210)	410,830	713,988	(360,653)
Transfer between funds	19	(200,000)	200,000	-	-	-
Net movement in funds	19	148,368	154,790	410,830	713,988	(360,653)
Reconciliation of funds:						
Total funds brought forward	19	621,997	50,338	746,471	1,418,806	1,779,459
Total funds carried forward	19	770,365	205,128	1,157,301	2,132,794	1,418,806

All income and expenditure derive from continuing activities.

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

The notes on pages 22 to 36 form part of these financial statements.

The Centre for Economic Policy Research

Balance Sheet

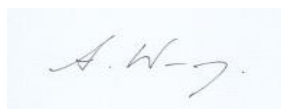
As at 30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	16,740	21,204
Tangible assets	14	22,218	22,802
		<u>38,958</u>	<u>44,006</u>
Current assets			
Debtors	15	446,430	632,427
Cash at bank and in hand		2,767,868	1,717,364
		<u>3,214,298</u>	<u>2,349,791</u>
Creditors: amounts falling due within one year	16	(1,120,462)	(974,991)
Net current assets		<u>2,093,836</u>	<u>1,374,800</u>
Total assets less current liabilities		<u>2,132,794</u>	<u>1,418,806</u>
Net assets		<u>2,132,794</u>	<u>1,418,806</u>
Charity Funds			
Restricted funds	19	1,157,301	746,471
Unrestricted funds	19	770,365	621,997
Designated funds	19	205,128	50,338
		<u>2,132,794</u>	<u>1,418,806</u>
Total charity funds	19	<u>2,132,794</u>	<u>1,418,806</u>

The financial statements were approved and authorised for issue by the Board on 10 December 2020.

Signed on behalf of the board of trustees

Signature



Andrew Woosey, Trustee

10 December 2020

The notes on pages 22 to 36 form part of these financial statements.

Company registration number: 1727026

The Centre for Economic Policy Research

Statement of Cash Flows

Year Ended 30 September 2020

	Note	2020 £	18 months to 30 Sept 2019 £
Cash flow from operating activities	20	1,061,131	(906,708)
Net cash flow provided by/(used in) operating activities		1,061,131	(906,708)
Cash flow from investing activities			
Payments to acquire intangible fixed assets		-	(22,320)
Payments to acquire tangible fixed assets		(23,098)	(8,232)
Receipts from sales of tangible fixed assets		-	83
Dividends, interest and rents received from investments		12,471	10,174
Net cash flow used in investing activities		(10,627)	(20,295)
Change in cash and cash equivalents in the year		1,050,504	(927,003)
Cash and cash equivalents at 1 October 2019		1,717,364	2,644,367
Cash and cash equivalents at 30 September 2020		2,767,868	1,717,364
Cash and cash equivalents consist of:			
Cash at bank and in hand		2,767,868	1,717,364
Cash and cash equivalents at 30 September 2020		2,767,868	1,717,364

The notes on pages 22 to 36 form part of these financial statements.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

1 Summary of significant accounting policies

(a) General information and basis of preparation

The Centre for Economic Policy Research is a non-profit-making company limited by guarantee, incorporated on 26 May 1983 in the United Kingdom and is registered as a charity (No. 287287). In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities is detailed in the Trustees' report on page 2.

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

On 23 January 2019 CEPR changed its accounting reference date with Companies House to be 30 September. These financial statements cover the 12-months from 1 October 2019 to 30 September 2020. The comparative figures in these financial statements are for the 18 months to 30 September 2019. The accounting reference date was changed in order to better control the operational risk arising from the seasonal disparity between CEPR's income and expenditure.

The financial statements are prepared on a going concern basis under the historical cost convention. The Trustees have carefully considered the impact of COVID-19 on the operations of the charity. To date there has been no negative financial impact, only a positive one on activities and reputation. The Trustees are aware that future funding may yet be impacted. They have considered budgets to September 2022, cash projections to December 2021 and the level of general reserves in concluding that CEPR can meet its liabilities as they fall due, for a period of at least 12 months from the anticipated signing date of the financial statements.

The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Funds

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

Designated funds are in support of CEPR's systems and infrastructure development and to provide funds to kick start promising new research initiatives.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

(c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

(c) Income recognition (continued)

Income from donations and subscriptions is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

The charity receives government grants in respect of certain research activities. Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Investment income includes interest income, which is recognised when receivable.

(d) Expenditure recognition

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Fundraising

The direct costs of fundraising activities and the proportion of the overheads of CEPR required to support them. Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Research and Dissemination

The direct costs of research undertaken, and the dissemination of that research through meetings and publications, and the proportion of the overheads of CEPR required to support those activities.

Grants payable to third parties are included in expenditure on charitable activities. Where unconditional grants are made, these amounts are recognised when a constructive obligation is created, typically when the recipient is notified that a grant will be made to them. Where grants are conditional on performance, then the grant is only recognised once any unfulfilled conditions are outside of the control of the charity.

(e) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and project management costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 6.

(f) Intangible fixed assets

Costs of website development are capitalised when they meet the criteria for recognition as an asset, being that it is probable that future economic benefits will flow to the entity (i.e. the website is income-generating) and the cost can be measured reliably.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

(f) Intangible fixed assets (continued)

Website development costs are stated at cost less accumulated amortisation and accumulated impairment losses. Website development costs are amortised over their estimated useful life of five years, on a straight-line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if these factors indicate that the carrying amount may be impaired.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	Duration of the lease
Computer equipment	33.33% & 20% per annum
Fixtures and fittings	20% per annum

(h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(i) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

(j) Leases

Rentals payable under operating leases are charged to the SoFA on a straight-line basis over the period of the lease.

(k) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(l) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity makes contributions to the pensions of staff members based on qualifying periods of service. Contributions are expensed as they become payable.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

(m) Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010. It therefore meets the definition of a charitable company for UK corporation tax purposes.

(n) Jointly controlled operations

The charity's share of its jointly controlled operation is included in the Statement of Financial Activities (SoFA) and balance sheet under the gross equity method of accounting.

2 Income from donations and legacies

	2020	18 months to 30 Sept 2019
	£	£
Memberships		
– Central Banks	361,937	435,681
– Corporates	295,731	425,929
– Institutions/Individuals	132,177	148,037
Grants		
- project related funding (see note 2a)	3,412,008	4,465,667
	<u>4,201,853</u>	<u>5,475,314</u>

Income from donations and legacies for the year was £4,201,853 (18 months to 30 Sept 2019 - £5,475,314) of which £3,412,008 (18 months to 30 Sept 2019 - £4,465,667) was attributable to restricted funds and £789,845 (18 months to 30 Sept 2019 - £1,009,647) was attributable to unrestricted funds.

2 (a) Grant Income - Project related funding

	2020	2019
	£	£
International Macroeconomics	176,646	339,727
International Trade	44,698	202,214
Public Policy	-	-
Labour Economics	-	4,850
Financial Economics	340,569	525,825
Industrial Organisation	-	191,169
Development Economics	-	30,363
Economic History	-	282,668
Non-specific Project activity	41,900	41,039
Structural Transformation and Economic Growth (STEG)	418,017	-
Private Enterprise Development in Low-Income Countries (PEDL)	2,390,178	2,847,812
	<u>3,412,008</u>	<u>4,465,667</u>

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

3 Income from charitable activities

	2020	2019
	£	£
Income from publications sales	267,482	395,501
Income from jointly controlled operation	90,370	125,929
	<u>357,852</u>	<u>521,430</u>

Income from charitable activities was fully attributable to unrestricted funds in both the current year and the prior 18-month period.

4 Income from investments

	2020	2019
	£	£
Interest – deposits	<u>£12,471</u>	<u>£10,174</u>

Income from investments was fully attributable to unrestricted funds in both the current year and the prior 18-month period.

5 Expenditure Analysis

	Grant funding of activities (note 8)	Staff costs	Other direct costs	Support costs	Total
	£	£	£	£	£
Direct costs of Fundraising	-	27,972	426	-	28,398
Research & Dissemination	1,549,332	1,117,684	823,901	268,572	3,759,489
Jointly controlled operation	-	-	70,301	-	70,301
Total resources expended year ended 30 Sept 2020	<u>1,549,332</u>	<u>1,145,656</u>	<u>894,628</u>	<u>268,572</u>	<u>3,858,188</u>
Total resources expended 18 months to 30 Sept 2019	<u>1,995,297</u>	<u>1,546,196</u>	<u>2,482,766</u>	<u>343,312</u>	<u>6,367,571</u>

£3,001,178 of the above costs were attributable to restricted funds (18 months to 30 September 2019: £4,822,515) and £857,010 were attributable to unrestricted funds (18 months to 30 September 2019: £1,545,056).

6 Allocation of support costs

Support costs

	Governance (see note 7)	Finance costs	IT costs	Office costs	Total support costs
	£	£	£	£	£
Research & Dissemination					
Year to 30 Sept 2020	29,537	30,498	41,167	167,370	268,572
18 months to 30 Sept 2019	<u>25,600</u>	<u>8,908</u>	<u>59,694</u>	<u>249,110</u>	<u>343,312</u>

Finance costs include a loss on foreign exchange of £23,990 (18 months to 30 September 2019: gain £5,477) - note 9.

No support costs have been allocated to the activity of raising funds in 2020 (18 months to 30 September 2019: £nil) due to the low level of direct expenditure in that area.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

7 Governance costs

	2020 £	18 months to 30 Sept 2019 £
Auditor's remuneration (note 10)	11,060	13,336
Meeting costs	2,522	5,062
Legal & professional costs	15,955	7,202
	<u>29,537</u>	<u>25,600</u>

8 Analysis of grants

	Grants to institutions £	Grants to individuals £	Total £
Exploratory Research Grants	261,133	433,716	694,847
Major Research Grants	854,485	-	854,485
	<u>1,115,618</u>	<u>433,716</u>	<u>1,549,332</u>

Recipients of grants to institutions:

	Exploratory Research Grants £	Major Research Grants £
Innovations for Poverty Action	39,306	-
Econinsight Center for Development Research	-	87,231
University of Nottingham	5,316	-
London School of Economics	6,811	-
University of Oxford	10,157	127,367
Columbia University	7,000	106,089
The Foundation for the Graduate Institute of International and Development Studies	-	39,911
Institute for Financial Management and Research (IFMR)	34,978	35,943
NYU ABU DHABI	15,301	-
Yale University	13,904	-
Development Data Lab Inc	38,449	-
University of California, (Davis)	-	20,766
Sciences PO	2,047	-
BRAC University Uganda	12,651	-
University of Minnesota	-	5,822
REMIT Kenya	15,320	-
McGill University	11,891	-
Centre of Economic Research Pakistan	41,003	91,259
Princeton University	-	50,201
Bocconi University	6,999	-
National Bureau of Economic Research (NBER)	-	68,006
Norwegian School of Economics	-	56,322
Massachusetts Institute of Technology (MIT)	-	43,923
University of Chicago Booth	-	121,645
	<u>261,133</u>	<u>854,485</u>

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Notes to the Financial Statements

Year Ended 30 September 2020

Analysis of grants (continued)

The grants to institutions detailed above derive from the grant-giving initiative that CEPR administers for the Foreign, Commonwealth & Development Office (page 5). This initiative aims to stimulate research on private-sector development in low-income countries and while the grants are given to the above institutions, the funding is largely spent in the target, low-income country.

9 Net income / (expenditure) for the year

Net income is stated after charging / (crediting):

	2020	18 months to 30 Sept 2019
	£	£
Amortisation of intangible fixed assets	4,464	1,116
Depreciation of tangible fixed assets	23,682	30,141
Profit on disposal of fixed assets	-	(83)
Operating lease rentals – premises	86,753	135,363
equipment	1,513	3,275
Net loss/(gain) on foreign exchange	23,990	(5,477)

10 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £11,060 (18 months to 30 September 2019: £13,336) and other services of £4,300 (18 months to 30 September 2019 - £7,075).

11 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (18 months to 30 Sept 2019: £nil).

The total amount of employee benefits (including pension contributions and employers' national insurance contributions) received by key management personnel during the year was £191,339 (18 months to 30 September 2019 - £266,387).

CEPR considers its key management personnel to comprise the roles of the President, Chief Executive Officer and Chief Finance Officer.

The following trustees' expenses were reimbursed or paid directly on their behalf during the year/period:

	2020 Number	2019 Number	2020 £	2019 £
Travel and accommodation	2	4	1,008	2,435
	2	4	1,008	2,435

Included in above is £nil (18 months to 30 September 2019 - £nil) which has been paid directly to third parties.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

12 Staff costs and employee benefits

The average monthly number of employees and full time equivalent (FTE) during the year/period was as follows:

	2020 Number	2020 FTE	2019 Number	2019 FTE
Charitable activities	13	11	13	12
Support services	5	5	6	5
Fundraising	0	0	1	1
	<u>18</u>	<u>16</u>	<u>20</u>	<u>18</u>

The total staff costs and employee's benefits were as follows:

	2020 £	18 months Sept 2019 £
Wages and salaries	781,468	1,061,078
Social security	78,831	107,515
Pension contribution costs	38,487	51,031
	<u>898,786</u>	<u>1,219,624</u>
Consultancy fees and salary costs to project related staff	218,898	326,572
	<u>1,117,684</u>	<u>1,546,196</u>

There was a termination payment of £5,167 (18 months to 30 September 2019: £nil) in the year.

The number of employees who received total employee benefits (excluding pension contributions and employers' national insurance contributions) of more than £60,000 in the year/18-month period is as follows:

	2020	2019
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£140,001 - £150,000	-	1
	<u>-</u>	<u>1</u>

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

13 Intangible fixed assets

	Website development	Total
	£	£
Cost:		
At 1 October 2019	22,320	22,320
Additions	-	-
Disposals	-	-
At 30 September 2020	22,320	22,320
Depreciation:		
At 1 October 2019	1,116	1,116
Charge for the period	4,464	4,464
Eliminated on disposals	-	-
At 30 September 2020	5,580	1,116
Net book value:		
At 30 September 2020	16,740	21,204
At 30 September 2019	21,204	21,204

14 Tangible fixed assets

	Leasehold improvements	Computer equipment	Fixtures & fittings	Total
	£	£	£	£
Cost:				
At 1 October 2019	68,843	27,717	19,656	116,216
Additions	-	22,030	1,068	23,098
Disposals	-	-	-	-
At 30 September 2020	68,843	49,747	20,724	139,314
Depreciation:				
At 1 October 2019	53,816	21,864	17,734	93,414
Charge for the period	15,027	7,680	975	23,682
Eliminated on disposals	-	-	-	-
At 30 September 2020	68,843	29,544	18,709	117,096
Net book value:				
At 30 September 2020	-	20,203	2,015	22,218
At 30 September 2019	15,027	5,853	1,922	22,802

15 Debtors

	2020	2019
	£	£
Trade debtors	193,557	354,000
Other debtors	189	6,987
Prepayments and accrued income	252,684	271,440
	446,430	632,427

Prepayments include a rent deposit of £22,989 (2019: £22,989) falling due after one year.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	34,621	185,629
Other tax and social security	114,248	82,286
Other creditors	16,435	15,819
Jointly controlled operation (note 16a)	358,958	318,819
Accruals and deferred income (note 18)	596,200	372,438
	1,120,462	974,991

16(a) Jointly controlled operation

CEPR is a co-owner of the journal *Economic Policy* which was co-founded by CEPR and the Maison des Sciences de l'Homme some thirty years ago.

Economic Policy is owned by: CEPR; the Center for Economic Studies (CESifo) at the University of Munich; and the Fondation Nationale des Sciences Politiques (Sciences Po).

The journal is published by Oxford University Press and it is the leading review in Europe for economic policy analysis. It contains papers that are specially commissioned by the editors to provide timely and authoritative analysis of the choices confronting policymakers.

Economic Policy is considered to be a jointly controlled operation as defined by charities FRS102 SORP and as such CEPR's share of income generated and expenditure incurred for this activity has been reported in the statement of financial activities, and respective share of assets and liabilities reported in the balance sheet.

Financial information for the jointly controlled operation is as set out below:

Economic Policy Journal

	2020 £	18 months Sept 2019 £
Income	271,109	377,787
Expenditure	(210,901)	(349,902)
Surplus	60,208	27,885

CEPR's share of income generated of £90,370 (18 months to 30 September 2019: £125,929) and expenditure incurred of £70,301 (18 months to 30 September 2019: £116,634) is included within amounts reported on the SoFA.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

Economic Policy Journal

	2020 £	2019 £
Cash & Reserves b/fwd – amount payable to co-owners	318,819	300,229
Annual surplus	60,208	27,885
Funds available	<u>379,027</u>	<u>328,114</u>
CEPR's share of annual result (1/3)	(20,069)	(9,295)
Amount payable to co-owners	<u>358,958</u>	<u>318,819</u>

Amounts reported as creditors on the balance sheet includes £358,958 (2019: £318,819) which represents amounts held within cash by CEPR as a result of administering the activity but payable to the other co-owners of the journal.

17 Operating leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Premises 2020 £	Equipment 2020 £	Premises 2019 £	Equipment 2019 £
Not later than one year	84,397	1,480	86,538	1,437
Later than one and not later than five years	-	2,961	-	4,312
	<u>84,397</u>	<u>4,441</u>	<u>86,538</u>	<u>5,749</u>

18 Deferred income

	Under 1 year £
At 1 October 2019	96,691
Additions during the period	380,595
Amounts released to income	(96,691)
At 30 September 2020	<u>380,595</u>

Income has been deferred to

- recognise annual subscriptions for discussion papers over the period to which the subscription relates
- allocate restricted funds income to future periods where funding has been received in advance of anticipated expenditure

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

19 Fund reconciliation

Unrestricted funds

2020	Balance at 1 October 2019	Income	Expenditure	Transfers	Balance at 30 Sept 2020
	£	£	£	£	£
General	621,997	1,160,168	(811,800)	(200,000)	770,365
Designated	50,338	-	(45,210)	200,000	205,128
2019	Balance at 1 April 2018	Income	Expenditure	Transfers	Balance at 30 Sept 2019
	£	£	£	£	£
General	601,140	1,541,251	(1,520,394)	-	621,997
Designated	75,000	-	(24,662)	-	50,338

Restricted funds

2020	Programme area	Balance at 1 October 2019	Income	Expenditure	Balance at 30 Sept 2020
		£	£	£	£
International Macroeconomics	1	40,558	176,646	(102,091)	115,113
International Trade	2	13,452	44,698	(7,634)	50,516
Public Policy	3	56,627	-	(56,627)	-
Labour Economics	4	-	-	-	-
Industrial Organisation	5	54,245	-	(2,620)	51,625
Financial Economics	6	50,791	340,569	(265,796)	125,564
Development Economics	7	-	-	-	-
Economic History Initiative	8	59,758	-	(59,758)	-
Core/Non-specific	9 & 10	8,126	41,900	(9,550)	40,476
STEG		-	418,017	(373,899)	44,118
PEDL		462,914	2,390,178	(2,123,203)	729,889
Total		746,471	3,412,008	(3,001,178)	1,157,301
2019	Programme area	Balance at 1 April 2018	Income	Expenditure	Balance at 30 Sept 2019
		£	£	£	£
International Macroeconomics	1	183,610	339,727	(482,779)	40,558
International Trade	2	46,922	202,214	(235,684)	13,452
Public Policy	3	175,165	-	(118,538)	56,627
Labour Economics	4	-	4,850	(4,850)	-
Industrial Organisation	5	115,591	191,169	(252,515)	54,245
Financial Economics	6	32,203	525,825	(507,237)	50,791
Development Economics	7	-	30,363	(30,363)	-
Economic History Initiative	8	95,801	282,668	(318,711)	59,758
Core/Non-specific	9	-	41,039	(32,913)	8,126
PEDL		454,027	2,847,812	(2,838,924)	462,914
Total		1,103,319	4,465,667	(4,822,515)	746,471

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

Fund descriptions

a) Unrestricted funds

Unrestricted funds represent accumulated donations, subscriptions and membership fee income for general use.

The designated funds are in support of CEPR's systems and infrastructure development. A further transfer to the designated fund has been made to finance the continued development of our digital dissemination capabilities, an improved website and to provide funds to kick start promising new research initiatives.

b) Restricted funds

Restricted funds on each of the funds above comprise monies received for specific projects within economic research and are used to finance research, meetings, publications etc.

For the year ended 30 September 2020, income exceeded expenditure by £410,830. There is a balance of £1,157,301 in our restricted funds which represents project funds still to be disbursed.

This balance is made up of a variety of different projects, some of which are relatively small. In addition, there is income and expenditure on annual symposia which CEPR organises for each programme area; a large part of the expenditure on these meetings is funded from CEPR's own resources.

The significant projects within each programme area are:

1. EABCN: provides a forum for the better understanding of the business cycle in the euro-area, by linking academics and researchers in central banks and other policy institutions involved in its empirical analysis.
2. RESPECT: identifies options and opportunities for better realizing the EU's soft power in achieving its external policy objectives.
6. Household Finance Initiative: addresses issues in the analysis of household finance.
Think Forward Initiative: aims to uncover actionable insights to drive innovation and to improve people's financial lives.
HYBRID: Proof of Concept Research collaboration with ING which aims at providing better insights in (financial) decision making of households by combining their survey responses to their actual account movements.
BARREPS: a new series of reports on *The Future of Banking* which forms part of the IESE Business School's Banking Initiative. It was launched in October 2018 and is supported by Citi.
9. GENREPS: a series of reports which since 1999 have provided innovative analysis on important topical issues facing the global economy.
10. RPN CC: The network seeks to foster a dialogue among academics and policy makers about the optimal policies to deal with fighting climate change, both in terms of mitigation and adaptation.

PEDL: a grant-giving programme funded by FCDO which addresses issues relating to private enterprise development – see page 4 of the Trustees' report.

STEG: *Structural Transformation and Economic Growth* (STEG) is a five-year academic research programme which will provide a deeper understanding of the fundamental economic processes of structural change and productivity growth in low- and middle-income countries see page 5 of the Trustees' report.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

Analysis of net assets between funds

	Unrestricted funds		Restricted funds		Total	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Fixed assets	38,958	44,006	-	-	38,958	44,006
Current assets/(liabilities)	936,535	628,329	1,157,301	746,471	2,093,836	1,374,800
Total	975,493	672,335	1,157,301	746,471	2,132,794	1,418,806

20 Reconciliation of net income to net cash flow from operating activities

	2020	18 months to 30 Sept 2019
	£	£
Net income/(expenditure) for year/period	713,988	(360,653)
Dividends, interest and rents from investments	(12,471)	(10,174)
Amortisation of intangible fixed assets	4,464	1,116
Depreciation and impairment of tangible fixed assets	23,682	30,141
(Profit) / loss on disposal of tangible fixed assets	-	(83)
Decrease / (increase) in debtors	185,997	(28,617)
Increase / (decrease) in creditors	145,471	(538,438)
Net cash flow from operating activities	1,061,131	(906,708)

21 Pensions and other post-retirement benefits

Defined contribution pension plans

The charity operates defined contribution pension plans for its employees. The amount of contributions recognised as an expense during the year/period was in relation to 17 employees (2019: 23) and amounted to £38,487 (2019: £51,031).

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2020

22 Related party transactions and ex gratia payments

Information about related party transactions and outstanding balances is outlined below:

	Income £	Expenditure £	Outstanding balances £	Commitments £
Beatrice Weder di Mauro, President & Director				
30 September 2020 (12 months)	-	70,141	-	-
30 September 2019 (18 months)	-	88,718	-	-

The amounts reported above reflect salary and director's fees.

Lucrezia Reichlin, Trustee				
30 September 2020	-	1,159	-	-
30 September 2019	-	-	-	-

The amounts reported above reflect fees for the RPN leader role.

23 Financial instruments

The charity holds a number of financial assets (for example debtors and cash) and financial liabilities (for example creditors) which meet the definition of basic financial instruments under the FRS 102 SORP. Details of the measurement bases, accounting policies and carrying values for these financial assets and liabilities are disclosed in notes above.

24 Contingent Liability

During the year ended 30 September 2020 the outstanding issue concerning a European Commission audit carried out in 2014 was resolved. This resulted in a release of funds amounting to £171,282 which is reflected in the results for the year.

The Centre for Economic Policy Research

Appendix 1: CEPR Members

CEPR's membership income is diversified across central banks, corporate, international and non-governmental organisations. No member organisation provides more than 5% of CEPR's income, ensuring CEPR's integrity and independence. CEPR is grateful for the continued support and participation of the following members:

Partners

Aberdeen Standard Investments
ING

European Central Bank
UBS

Premium Members

Banca d'Italia
Caixabank
Citigroup
Deutsche Bundesbank
Federal Reserve Bank of St. Louis
GIC
Goldman Sachs
International Monetary Fund

Leibniz Institute for Financial Research SAFE
Norges Bank Investment Management
RIETI
Schweizerische Nationalbank
Suomen Pankki
Sveriges Riksbank
UniCredit
World Economic Forum

Standard Members

Banca Nationala a României
Banco de España
Banco de México
Banco de Portugal
Bank for International Settlements
Bank of Canada
Bank of England
Bank of Israel
Banka Slovenije
Central Bank of Ireland
Central Bank of the Russian Federation
Danmarks Nationalbank
De Nederlandsche Bank
CPB Netherlands Bureau for Economic Policy Analysis
Department for International Trade
DG ECFIN
DG Joint Research Centre
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