

The Centre for Economic Policy Research

Financial Statements

Year Ended 30 September 2021

Charity registration number: 287287
Company registration number: 1727026

Contents

	Page
Charity Reference and Administrative Details	1
Trustees' Annual Report (Including Directors' Report and Strategic Report)	2 - 16
Independent Auditor's Report	17 - 19
Statement of Financial Activities (Including Income and Expenditure Account)	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 37
Appendix 1: CEPR Members	38

The Centre for Economic Policy Research

Charity Reference and Administrative Details

Year Ended 30 September 2021

Charity registration number	287287
Company registration number	1727026
Trustees	Sir Charles Bean (Chair) Bronwyn Curtis Jean-Pierre Danthine (resigned 30 April 2021) John Fingleton Olivier Garnier (appointed 1 October 2021) Vittorio Grilli (resigned 16 June 2021) Patrick Honohan Jean-Pierre Landau (appointed 1 June 2021) David Miles Lucrezia Reichlin Anthony Venables Andrew Woosey
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 2021

The Trustees present their report and the audited financial statements of the charity for the year ended 30 September 2021. 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 2021, the Centre had over 1,600 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 activities 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 20-21 financial year these meetings have taken place virtually as a result of the Covid-19 pandemic, with the exception of one face-to-face meeting in Florence in September 2021. 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 now have two projects where we organise the giving of grants. The first, and longest running, is *Private Enterprise Development in Low Income Countries* (PEDL) and is a UK 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.

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

The second project, which commenced grant-giving in spring 2021, is also funded by 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. 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.

Although one of CEPR's aims is to foster research on policy issues, we take no institutional policy positions nor support particular political parties. CEPR research may include views on policy, but the Trustees of the Centre do not give prior review to its publications, and the opinions expressed in published research are those of the authors and not of CEPR.

Strategic Report

Development, activities and performance against objectives during 2020/21

Following the major uplift in our activities in 2019-20, 2020-21 has been a year of consolidation for CEPR, albeit at a much higher level of activity than pre-pandemic.

CEPR staff continued to work from home rather than from our central London offices for most of the year, although a partial return to the office commenced in mid-September 2021.

In general terms, between 1 October 2020 and 30 September 2021 the Centre met all its stated objectives and targets in terms of research meetings and dissemination. The Centre published 1,263 CEPR Discussion Papers (2019-20: 1,297). We organised four hybrid/physical conferences and research workshops (2019-20: 22), and no face-to-face dissemination meetings presenting CEPR reports and other important policy-relevant analyses in London (2019-20: 1). In place of face-to-face meetings, CEPR organized 95 (2019-20: 29) research workshops and conferences online, as well as 150 (2019-20: 48) online seminar sessions and 37 (2019-20: 32) online discussion meetings presenting CEPR reports and other important policy-relevant analyses to a global audience.

The costs of some of these workshops and conferences were covered by CEPR's own funds at a total direct cost of £10,294 (2019-20: £12,669). This figure excludes the costs of CEPR staff time in organising the meetings. A further £47,500 (2019-20: £29,556) was spent on meetings funded by grants from other

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

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 than in previous years as virtual meetings, whilst requiring a significant amount of staff time to organise and host, incur much lower direct costs than physical meetings.

In the 12 months to 30 September 2021, we produced an average of 105 Discussion Papers per month (2019-20: 108 per month). This should be compared with the pre-pandemic period, where between April 2018 and September 2019 the figure was an average of 67 Discussion Papers per month.

In February and March 2020, once the severity of the pandemic became clear, CEPR started to gather some of the emerging literature on the economic impact of the pandemic into a new publication, *Covid Economics: Vetted and Real Time Papers*. This was a crucial part of our response to the crisis by opening up CEPR and putting the network in the service of confronting the challenges of the pandemic. We innovated and provided a real-time top-quality outlet for stimulating and disseminating research on the economic elements of Covid-19, which demonstrated the relevance and usefulness to decision-makers of CEPR during a crisis. Furthermore, it demonstrated that the economics profession can meet the challenge of producing novel analysis rapidly and showed that real-time publishing is possible in economics, rather than the customary two-year lag of top economics journals. This has broader lessons for academic publishing and evaluation.

By early summer 2021 submissions to *Covid Economics* had fallen back significantly, and after 83 issues in just over 14 months we decided to cease publication in its current format. However, we recognise that the pandemic is not over and research on these topics will continue and mature. We are currently exploring ways in which CEPR can continue to provide a platform for such research through dedicated channels.

Charles Wyplosz served as Editor in Chief of *Covid Economics*, during which time he had vetted 1,176 papers, of which 511 papers were published.

An important part of the dissemination process 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 2021 CEPR spent £107,714 (2019-20: £125,334) on VoxEU, which includes payments to copy editors, the editor in chief and audio-visual expenditure.

During 2020/21 CEPR issued numerous publications focusing on the policy implications of the Centre's research, including two Policy Reports (2019-20: three); ten Vox eBooks (2019-20: nine); and two Policy Insights (2019-20: twelve), together with six issues of the journal *Economic Policy* (2019-20: three).

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 22 European central banks, including the ECB, plus the European Commission and the South African Reserve Bank.

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

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 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).

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). Both of these projects have been subject to budgetary cuts emanating from the reduction in the UK's overseas aid budget from 0.7% to 0.5% of GNP. However, both projects continue to perform well and it is expected that both projects will receive the contracted amount of funding but over a longer period.

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 33 standard rounds of funding through to September 2021, in addition to four special rounds specifically for researchers from LICs, five special rounds for PhD students, two for research related to climate change and social compliance, one focused on the impacts of COVID-19, one for projects involving literature reviews, one focused on development finance and one focused on collaboration between early career researchers from LICs and high-income countries. 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 2021 PEDL has awarded 237 ERGs. 189 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 46 major grants across nine rounds, including one special round on development finance, 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 a six-monthly basis, and a more detailed final report within one month 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 162 working papers and 94 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 2021, PEDL has published 105 Research Notes. PEDL encourages its grantees to engage with decision makers – both in government and the private sector – to increase the visibility and potential policy impact of their research.

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

A survey conducted in September 2021 indicated that 183 PEDL project teams are engaged in sustained discussions or are closely collaborating with decision makers, and that it is very likely that 47 policies or practices in low income and lower middle-income countries have been strongly affected by PEDL research.

As mentioned above, in early 2020 CEPR was awarded a further project by FCDO, *Structural Transformation and Economic Growth* (STEG). 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. The programme is led by Doug Gollin (Oxford University & CEPR) and Joe Kaboski (Notre Dame University & CEPR), and 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 the Groningen Growth and Development Centre.

As part of the STEG programme, CEPR launched a programme of Smaller Research Grants (SRGs) in mid-2021. These smaller grants (around £25,000) 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 two standard rounds of funding through to September 2021, in addition to one special round specifically for PhD students. In total, as of 30 September 2021, STEG has awarded 17 SRGs. The second round of SRGs and first round for PhD students will be awarded in November 2021.

The first round of Larger Research Grants (LRGs) opened in late summer 2021, with the aim of funding at least five grants averaging £100,000 each. LRGs 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 LRG Evaluation Panel. Holders of LRGs are required to provide narrative and financial reports to STEG on a six-monthly 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.

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 38.

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

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

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 2021 prize, Ricardo Reis (London School of Economics and CEPR) and Silvana Tenreyro (London School of Economics, Bank of England and CEPR).

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.

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, Ralph Koijen (University of Chicago, Booth School of Business) for his influential research on the pricing of risk in equity and insurance markets. Koijen is a Research Fellow in CEPR's Financial Economics 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 ten RPNs, three of which were launched in 2020-21: on Sustainable Finance; Competition Policy; and Spatial Disparities and Policy. More information on the RPNs can be found at <https://cepr.org/content/cepr-rpn-summary>.

We are also working to increase the number of women involved in CEPR's network, as part of the economics profession's broader objective to strengthen the role of women in economics. This is discussed in more detail on page 14.

Enlarging our European Footprint

For several years now, we have been seeking to expand 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

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

then, we have held several successful Brussels launch meetings for CEPR reports and aim to build on these activities in the year ahead, now that it is becoming possible to hold face-to-face meetings.

In November 2019 CEPR initiated the creation of an *Association* under French law, in order to provide a vehicle for an expansion in France. The pandemic slowed the development of our French hub, but the plans finally came to fruition in summer 2021 and a consortium agreement with various partners was signed on 1 October 2021.

The agreement confirms a major expansion in, and eventual relocation of our headquarters to, Paris, with the financial support of, the Banque de France, the Ministry of Finance, the Ministry for Higher Education and the Région Île-de-France, together with several private sector institutions. The Elysée has been a key supporter in enabling this expansion, as have SciencesPo, who are hosting CEPR in offices close to their own campus.

This major expansion will be transformative for CEPR: we will now have additional funding for all our activities, and for the first time will be able to directly fund research, increase the number and range of CEPR's Research and Policy Networks, flagship Policy Reports, Policy Insights and eBooks, and expand CEPR's dissemination platforms to include a new website and a dedicated digital hub for our researchers, funders and policy-makers.

More information about future activities in Paris is given on page 12.

Discussions continue regarding establishing other regional hubs, particularly in Germany.

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 2020-2021.

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 61,000 copies of Vox eBooks have been downloaded, which, although less than last year, is still a significant increase on the 75,000 copies downloaded in the three and a half years prior to that. It is down on 2019-20 simply because the top three 'Covid' eBooks published during the pandemic performed so extraordinarily strongly.

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 23rd Report, *It's all in the Mix: How Monetary and Fiscal Policies Can Work or Fail Together*, was published in December 2020. Authored by Elga Bartsch (Blackrock Investment Institute), Agnès Bénassy-Quéré (University Paris 1 Panthéon-Sorbonne, Paris School of Economics and CEPR), Giancarlo Corsetti (University of Cambridge, EUI and CEPR), Xavier Debrun (National Bank of Belgium and European Fiscal Board), the report shows how monetary and fiscal authorities have been rediscovering how to exploit

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

complementarities between their instruments most effectively. It stresses that the desirable coordination between central banks and treasuries can only work if the credibility of their commitment to desirable long-term goals – healthy growth under price stability and public debt sustainability – is preserved and backed by a resilient institutional framework. To restore the ability to deploy an adequate policy response to current and future disturbances, the report urges policymakers to develop a strategy aimed at regaining policy space on both sides of the mix. It argues that an internationally coordinated effort to correct excessive saving and insufficient investment globally could raise equilibrium interest rates and set in motion a virtuous circle of stronger growth and decreasing indebtedness.

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 third report in this series, *Resilience of the Financial System to Natural Disasters*, was published in June 2021. Authored by Patrick Bolton (Columbia University and CEPR), Marcin Kacperczyk (Imperial College Business School and CEPR), Harrison Hong (Columbia University) and Xavier Vives (IESE Business School and CEPR) the report tests precisely how resilient the financial system is to natural disasters and discusses what can be done to make it more resilient. The report details how to reshape central bank policies to address climate-related risks, debates the role of asset managers in dealing with natural disasters and climate risk, and explains why mitigation is a form of self-insurance to limit the systemic risks of global warming.

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 2020-21 two PIs were published; 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.

There were ten VoxEU eBooks produced in 2020-21, one more than in 2019-20. Three of these dealt specifically with the post-Covid world: *Shaping Africa's Post-Covid Recovery*, edited by Rabah Arezki (World Bank), Simeon Djankov (LSE) and Ugo Panizza, published in February 2021; *Monetary Policy and Central Banking in the Covid Era*, edited by Bill English (Yale), Kristin Forbes (MIT and CEPR) and Ángel Ubide (Citadel); and *Capitalism after Covid: Conversations with 21 Economists* Luis Garicano (European Parliament and CEPR), both published in June 2021.

In September 2021 CEPR published a major report authored by senior European economists: *The ECB strategy: The 2021 review and its future*, by Lucrezia Reichlin (LBS and CEPR), Klaus Adam (University of Mannheim and CEPR), Warwick J. McKibbin (Australian National University and CEPR), Michael McMahon (University of Oxford and CEPR), Ricardo Reis (LSE and CEPR), Giovanni Ricco (University of Warwick and CEPR) and Beatrice Weder di Mauro (Graduate Institute Geneva, Emerging Markets Institute, INSEAD and CEPR). The report was written in parallel to the ECB's official strategy review, and provides a timely and clear framework to assess the current changes to and future evolution of the ECB's strategy. The overall consensus is that the ECB is moving in a sensible direction, but many questions remain unanswered and it remains to be seen whether the new monetary policy strategy will successfully accommodate the challenges it faces.

A full 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.

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

VoxEU has been a clear success on the supply side: since June 2007 Vox has published almost 9,800 columns by more than 9,200 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 441,000 visitors per month (between 30 September 2020 and 1 October 2021 Vox received over 7.5 million distinct visits). The countries with the largest VoxEU audience are the US, UK, Philippines, India, Canada, Germany, Australia, Italy, China, and France.

The number of Vox columns dropped back to a more normal figure in this reporting period: we published 814 in 20/21, compared to 1,123 in the previous 12 months. The high level in 2019/20 was largely a reflection of the onset of the pandemic, and since then the volume of submissions has reverted to more usual levels, although the number published is still about 10% higher than in the year to 30 September 2019.

In the past year we have continued our focus on increasing VoxEU's audience through more effective and frequent use of social media and this means that, despite the decrease in output through the website and a reduction in the intense interest seen during the pandemic, this has continued to have a clear positive effect on page views and user numbers, which are up almost 2% in the last 12 months. Our most-read column for this period has had over 455,000 page views (<https://voxeu.org/article/impact-covid-19-education>).

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.

A key part of our social media focus in the last 12 months has been to increase and improve our promotion of CEPR events via these platforms. This is primarily done through CEPR, rather than Vox channels and has seen a 35% increase in audience, 260% increase in impressions and 232% increase in engagements for @cepr_org twitter.

VoxDev

VoxDev, launched in June 2017, is a platform for economists, policymakers, practitioners, donors, the private sector and others to discuss key policy issues in development. Expert contributors provide insightful commentary, analysis, and evidence on a wide range of policy challenges in formats that are accessible to a wide audience. 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 used, 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 506 columns, 119 videos and 120 audio pieces. Its most popular column (by Prashant Bharadwaj and Saumitra Jha) garnered over 62,000 views. It has over 13,000 followers on Twitter and almost 11,000 on Facebook, and over 2,700 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.

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

As a result of our Paris expansion, CEPR is developing extremely strong links with French policy makers.

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; Jonathan Haskel and Silvana Tenreyro, External Members of the Bank of England's Monetary Policy Committee and Research Fellows in the International Trade and Labour Economics, and in Development Economics, Monetary Economics and Fluctuations, Macroeconomics and Growth and International Macroeconomics and Finance programmes respectively; and Isabel Schnabel, ECB Board member and a Research Fellow in the Financial Economics programme.

Financial review (including reserves policy)

At 30 September 2021, the Centre held funds totalling £2,588,432 (2020 - £2,132,794). Of this, £1,307,330 (2020 - £975,493) represented accumulated donations, subscriptions and membership fees for general funds, of which £234,344 was held in a designated reserve fund (2020 - £205,128), and restricted funds of £1,281,102 (2020 - £1,157,301) held for specific, on-going projects.

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, 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 2021 CEPR had unrestricted reserves of £1,072,986 and a designated reserve of £234,344.

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. 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 2021 there was a foreign exchange loss of £7,658 (year to 30 September 2020: loss of £23,990).

Brexit: The Trustees had previously thought that the UK's decision to leave the EU would impact CEPR's operations. Having undertaken a review of what the overall effects on CEPR have been, they have concluded that CEPR has not been negatively affected by Brexit. As reported above, a Paris office has recently been set up, and CEPR will transfer its headquarters to Paris by the end of September 2024.

Covid-19: The continuation of the pandemic meant that the planned return to CEPR's offices in Autumn 2020 did not take place until September 2021, and staff are now in the office for at least one day per week. Thus far, Covid-19 has had only a positive effect on our operations given that our output has increased

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

dramatically in the last 20 months, whilst our income stream from the financial sector has also been maintained, and some of our costs have decreased.

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 has impacted CEPR's project funding from FCDO. Budgets for PEDL and STEG have been revised multiple times to reflect reductions in FCDO's budget and are currently stable but at a lower level than originally expected.

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.

For the past two years CEPR has been engaged in a major retooling of its IT systems, aimed at modernising and streamlining the way data is held and then displayed on our websites. We have undergone an extensive programme to shift data held across the organisation to cloud-based hosting, and have built a new 'Hub', which will provide a 'one-stop shop' for users to check and maintain their profile information, upload Discussion Papers and register for events, monitor and renew subscriptions. This project brings all the content held on cepr.org and voxeu.org together into a brand new website. We have made good progress on this in 2020-21, and in January 2022 we will launch a new www.cepr.org, which will focus both on research production and dissemination, and will provide easy and fast access to the wealth of our almost 40 years of economic research. This will provide a foundation for the organisation that will take it through the next decade. It has been an enormous task to consolidate and build a new home for information that was spread across paper files, spreadsheets and multiple databases.

These improvements have led to various drawdowns on the Designated Reserve throughout the year. On review, we decided to capitalise a portion of the costs related to the production of the new digital platform to reflect the long-term nature of our investment. The balance of the Reserve will be used to complete the project, and to provide further enhancements to our digital infrastructure.

Also, as discussed elsewhere in this report, CEPR has recently opened a Paris office, and 2021-22 will see a major expansion of our activities in Paris. The intention was to hold our first Paris Symposium in December 2021, where CEPR researchers, policymakers and supporters would meet to discuss topical research and policy initiatives, similar to the Summer Institute run by the National Bureau of Economic Research each year in Cambridge, Mass. However, the increase in Covid-19 cases in late autumn 2021, together with the new Coronavirus variant Omicron, meant that the Symposium had to be postponed and will now take place in spring 2022.

Other activities managed from our Paris office will include an increase in the number and range of CEPR's Research and Policy Networks, flagship Policy Reports, Policy Insights and eBooks; an expansion of CEPR's dissemination platforms including a new website and a dedicated digital hub for our researchers and associates; and a Visitors' Programme for eminent scholars visiting Paris.

Covid-19 has continued to disrupt our meetings schedule and a number of these have shifted from the year under review. We are confident that the meetings will take place in year ending 30 September 2022, and CEPR will be required to contribute to these delayed events. The Trustees have approved a transfer of £45,000 to our Designated Reserve to cover these costs.

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

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

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) and Lucrezia Reichlin. For three meetings in 2020-21 FARCo's business was amalgamated with the full quarterly Trustees meetings which took place virtually as a result of Covid restrictions; separate FARCo meetings commenced again in September 2021. ARCo met informally in September 2021 to agree the level of staff bonuses and the total size of the salary budget for 2021-22.

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 2021 22% of CEPR's Trustees were female and 56% 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.

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 2021 Vittorio Grilli and Jean-Pierre Danthine resigned as Trustees and Jean-Pierre Landau was appointed. One further Trustee was appointed after the year end: Olivier Garnier on 1 October 2021.

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.

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

CEPR's President is supported by three Vice-Presidents: Maristella Botticini (Università Bocconi) is Vice-President for Researcher Appointments; Philippe Martin (SciencesPo and Conseil d'Analyse Économique) is Vice-President with responsibility for CEPR's presence in Europe; Ugo Panizza (Graduate Institute Geneva) is Vice-President for New Ventures; and Hélène Rey (London Business School) is Vice-President, Special Projects, with a particular focus on women and younger researchers.

The day-to-day management of CEPR's operations is led by the CEO, Tessa Ogden, who heads the current permanent staff of 18.

Environmental, social and governance considerations

In recent years CEPR has devoted considerable attention 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 development of online meetings technology, is very unlikely to return to previous levels.

CEPR continually seeks to measure and improve environmental performance by regularly surveying and optimising the Centre's processes. In September 2021 CEPR published an environmental policy statement, which covered areas such as minimising consumption and wastage of natural resources, minimising waste production, and reusing or recycling materials.

In 2021, CEPR started providing ethical training to staff; in September 2021, CEPR employees took an online course on Diversity, Equity and Inclusion.

We have pushed hard to increase the involvement of women in the CEPR network, including the *Women in Economics* initiative which is discussed on page 15.

We are also aiming to create a Research and Policy Network on *Diversity in Economics*. At the same time, CEPR is developing 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

The Board has 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.

CEPR staff

At the end of the 2020/21 financial year, the Centre employed 16 full-time permanent staff, plus two part-time permanent staff. 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 twelve programme areas:

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

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

The President appoints a Programme Director for each programme to provide intellectual leadership and maintain quality.

Appointment of researchers

At the end of September 2021 there were 1,640 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.

For the 2021 appointments round, which takes place in October, we have changed the procedures, so that each Research Fellow and Affiliate can nominate only one candidate for Fellow and one for Affiliate, with the aim of containing the growth in the number of CEPR researchers.

Since 2015, CEPR has actively promoted the participation of women in CEPR's activities and in our leadership. Maristella Botticini is CEPR Vice-President with responsibility for researcher appointments, with the remit of paying particular attention to gender and seniority balance. At the end of September 2021, 42% of CEPR's research affiliates were female, and 23% of Research Fellows. As Research Affiliates progress through their career and become Fellows, the proportion of women should 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, launched in April 2019, 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.

To date we have released 12 video portraits, but as the pandemic meant that travel to undertake filming was not possible, we have launched a CEPR/UBS podcast series, and have so far published 13 episodes in the series. We hope to resume the production of new video portraits in autumn 2021. The full set of interviews can be found at <https://www.youtube.com/user/VOXViewsCEPR>.

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 was postponed to early November 2021 due to the pandemic. More on this initiative can be found at <https://cepr.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).

The Centre for Economic Policy Research

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

Year Ended 30 September 2021

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:

Charlie Bean

9 December 2021

Sir Charles Bean, Chairman

The Centre for Economic Policy Research

Independent Auditor's Report

Year ended 30 September 2021

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 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Centre for Economic Policy Research

Independent Auditor's Report

Year ended 30 September 2021

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' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' 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 strategic report or the directors' report included within the trustees' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Companies Act 2006, Charities Act 2011, Financial Reporting Standard 102, the Charities SORP and relevant employee legislation.

The Centre for Economic Policy Research

Independent Auditor's Report

Year ended 30 September 2021

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charitable company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in:
 - the timing of recognition of income from grants. We addressed this through review of all material grant agreements to ensure correct treatment under the Charities SORP, including consideration of the accounting period in which income should be recognised;
 - judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management;
 - the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method; and
 - the completeness and timing of recognition of grant expenditure. We addressed this by reviewing all grant agreements, considering the timing of recognition of expenditure against the requirements of the Charities SORP, including the disclosure of commitments which have not been recognised as liabilities at the year end.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

A further description of our responsibilities 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.

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:

The Centre for Economic Policy Research

Statement of Financial Activities

Year Ended 30 September 2021

		2021				2020
		Unrestricted funds		Restricted funds	Total	Total
	Note	General	Designated			
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	776,667	-	3,628,557	4,405,224	4,201,853
Charitable activities	3	381,143	-	-	381,143	357,852
Investments	4	525	-	-	525	12,471
Total income and endowments		1,158,335	-	3,628,557	4,786,892	4,572,176
Expenditure on:						
Raising funds	5	25,677	-	-	25,677	28,398
Charitable activities	5	785,037	15,784	3,504,756	4,305,577	3,829,790
Total expenditure		810,714	15,784	3,504,756	4,331,254	3,858,188
Net income / (expenditure)		347,621	(15,784)	123,801	455,638	713,988
Transfer between funds	19	(45,000)	45,000	-	-	-
Net movement in funds	19	302,621	29,216	123,801	455,638	713,988
Reconciliation of funds:						
Total funds brought forward	19	770,365	205,128	1,157,301	2,132,794	2,132,794
Total funds carried forward	19	1,072,986	234,344	1,281,102	2,588,432	2,132,794

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 23 to 37 form part of these financial statements.

The Centre for Economic Policy Research

Balance Sheet

As at 30 September 2021

		2021	2020
	Note	£	£
Fixed assets			
Intangible assets	13	116,589	16,740
Tangible assets	14	17,602	22,218
		134,191	38,958
Current assets			
Debtors	15	609,030	446,430
Cash at bank and in hand		3,706,328	2,767,868
		4,315,358	3,214,298
Creditors: amounts falling due within one year	16	(1,861,117)	(1,120,462)
Net current assets		2,454,241	2,093,836
Total assets less current liabilities		2,588,432	2,132,794
Net assets		<u>2,588,432</u>	<u>2,132,794</u>
 Charity Funds			
Restricted funds	19	1,281,102	1,157,301
Unrestricted funds	19	1,072,986	770,365
Designated funds	19	234,344	205,128
Total charity funds	19	<u>2,588,432</u>	<u>2,132,794</u>

The financial statements were approved and authorised for issue by the Board on 9 December 2021.

Signed on behalf of the board of trustees

Andrew Woosey

Andrew Woosey, Trustee

The notes on pages 23 to 37 form part of these financial statements.

Company registration number: 1727026

The Centre for Economic Policy Research

Statement of Cash Flows

Year Ended 30 September 2021

		2021	2020
	Note	£	£
Cash flow from operating activities	20	1,047,373	1,061,131
Net cash flow provided by/(used in) operating activities		1,047,373	1,061,131
Cash flow from investing activities			
Payments to acquire intangible fixed assets		(104,313)	-
Payments to acquire tangible fixed assets		(5,125)	(23,098)
Dividends, interest and rents received from investments		525	12,471
Net cash flow used in investing activities		(108,913)	(10,627)
Change in cash and cash equivalents in the year		938,460	1,050,504
Cash and cash equivalents at 1 October 2020		2,767,868	1,717,364
Cash and cash equivalents at 30 September 2021		3,706,328	2,767,868
Cash and cash equivalents consist of:			
Cash at bank and in hand		3,706,328	2,767,868
Cash and cash equivalents at 30 September 2021		3,706,328	2,767,868

The notes on pages 23 to 37 form part of these financial statements.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

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.

The financial statements are prepared on a going concern basis under the historical cost convention. The Trustees have carefully considered the ongoing 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, the amount of cash held 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.

During the year the Charity established an Association, based in Paris, under French law. The Charity controls this entity, but it remained dormant at the year end and consolidated financial statements are therefore not prepared. Further details can be found in the Trustees' Annual Report on pages 8 and 12 and in note 25.

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 and for specific contributions to meetings postponed to the next financial year due to Covid-19.

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 2021

(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 2021

(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 2021

(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

	2021 £	2020 £
Memberships		
– Central Banks	368,867	361,937
– Corporates	298,935	295,731
– Institutions/Individuals	108,865	132,177
Grants		
- project related funding (see note 2a)	3,628,557	3,412,008
	<u>4,405,224</u>	<u>4,201,853</u>

Income from donations and legacies for the year was £4,405,224 (2020 - £4,201,853) of which £3,628,557 (2020 - £3,412,008) was attributable to restricted funds and £776,667 (2020 - £789,845) was attributable to unrestricted funds.

2 (a) Grant Income - Project related funding

	2021 £	2020 £
International Macroeconomics	125,489	176,646
International Trade	12,220	44,698
Public Policy	-	-
Labour Economics	-	-
Financial Economics	249,089	340,569
Industrial Organisation	43,410	-
Development Economics	-	-
Economic History	-	-
Non-specific Project activity	72,286	41,900
Structural Transformation and Economic Growth (STEG)	847,855	418,017
Private Enterprise Development in Low-Income Countries (PEDL)	2,278,208	2,390,178
	<u>3,628,557</u>	<u>3,412,008</u>

3 Income from charitable activities

	2021 £	2020 £
Income from publications sales	293,001	267,482
Income from jointly controlled operation	88,142	90,370
	<u>381,143</u>	<u>357,852</u>

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

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

4 Income from investments

	2021 £525	2020 £12,471
Interest – deposits		

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

5 Expenditure Analysis

	Grant funding of activities (note 8)	Staff costs	Other direct costs	Support costs	Total
	£	£	£	£	£
Direct costs of Fundraising	-	20,221	5,456	-	25,677
Research & Dissemination	1,807,656	1,261,878	941,689	217,645	4,228,868
Jointly controlled operation		-	76,709	-	76,709
Total resources expended year ended 30 Sept 2021	1,807,656	1,282,099	1,023,854	217,645	4,331,254
Total resources expended year ended 30 Sept 2020	1,549,332	1,145,656	894,628	268,572	3,858,188

£3,504,756 of the above costs were attributable to restricted funds (2020: £3,001,178) and £826,498 were attributable to unrestricted funds (2020: £857,010).

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 2021	30,014	13,404	45,610	128,617	217,645
Year to 30 Sept 2020	29,537	30,498	41,167	167,370	268,572

Finance costs include a loss on foreign exchange of £7,658 (2020: loss £23,990) - note 9.

No support costs have been allocated to the activity of raising funds in 2021 (2020: £nil) due to the low level of direct expenditure in that area.

7 Governance costs

	2021 £	2020 £
Auditor's remuneration (note 10)	12,160	11,060
Meeting costs	-	2,522
Legal & professional costs	17,854	15,955
	<u>30,014</u>	<u>29,537</u>

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

8 Analysis of grants

	Grants to institutions	Grants to individuals	Total
	£	£	£
Exploratory Research Grants	330,959	507,749	838,708
Major Research Grants	841,575	-	841,575
Small Research Grants	34,173	93,200	127,373
	<u>1,206,707</u>	<u>600,949</u>	<u>1,807,656</u>

Recipients of grants to institutions:

	Small Research Grants	Exploratory Research Grants	Major Research Grants
	£	£	£
Innovations for Poverty Action	-	21,769	31,063
Econinsight Center for Development Research	-	-	165,969
University of Warwick	7,509	-	-
Northwestern	-	6,600	-
University of St. Gallen	9,391	-	-
Data for Public Policy	-	12,835	-
Ashoka University	8,400	-	-
University of Oxford	-	60,639	119,795
Royal Holloway, University of London	8,873	-	-
Columbia University	-	39,801	8,668
Institute for International Economic Studies (IIES), Stockholm University	-	68,290	-
Institute for Financial Management and Research (IFMR)	-	13,985	-
NYU ABU DHABI	-	-	93,000
Yale University	-	6,952	-
Development Data Lab Inc	-	9,612	-
University of California, (Davis)	-	-	25,248
University of Zurich	-	11,478	-
BRAC University Uganda	-	18,976	-
University of Minnesota	-	-	7,082
REMIT Kenya	-	22,980	-
McGill University	-	5,908	-
Centre of Economic Research Pakistan	-	17,700	78,609
Princeton University	-	-	(48,040)
Stanford	-	4,900	-
National Bureau of Economic Research (NBER)	-	-	31,007
Norwegian School of Economics	-	-	27,310
Massachusetts Institute of Technology (MIT)	-	-	110,738
University of Cape Town	-	5,134	-
International Food Policy Research Institute (IFPRI)	-	-	54,924
Department of Economics & Statistics, Universita Degli Studi Di Torino	-	3,400	-
University of Chicago Booth	-	-	136,202
	<u>34,173</u>	<u>330,959</u>	<u>841,575</u>

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

Analysis of grants (continued)

The grants to institutions detailed above derive from the grant-giving initiatives that CEPR administers for the Foreign, Commonwealth & Development Office (page 5 & 6). The first initiative, PEDL, aims to stimulate research on private-sector development in low-income countries and while the grants (ERGs, MRGs) are given to the above institutions, the funding is largely spent in the target, low-income country. The second initiative, Structural Transformation & Economic Growth (STEG) aims to provide a better understanding of structural change, productivity and growth in low-and middle-income countries and, like PEDL, while the grants (SRGs) are given to individuals and institutions, the funding is largely spent in the target low-/middle-income country.

9 Net income / (expenditure) for the year

Net income is stated after charging:

	2021	2020
	£	£
Amortisation of intangible fixed assets	4,464	4,464
Depreciation of tangible fixed assets	9,741	23,682
Operating lease rentals – premises	88,222	86,753
equipment	975	1,513
Net loss on foreign exchange	7,658	23,990

10 Auditor's remuneration

The auditor's remuneration amounts to an audit fee of £12,160 (2020: £11,060) and other services of £4,500 (2020 - £4,300).

11 Trustees' and key management personnel remuneration and expenses

The trustees neither received nor waived any remuneration during the year (2020: £nil).

The total amount of employee benefits (including pension contributions and employers' national insurance contributions) received by key management personnel during the year was £193,802 (2020 - £191,339).

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:

	2021	2020	2021	2020
	Number	Number	£	£
Travel and accommodation	1	2	407	1,008
	1	2	407	1,008

Included in above is £nil (2020 - £nil) which has been paid directly to third parties.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

12 Staff costs and employee benefits

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

	2021 Number	2021 FTE	2020 Number	2020 FTE
Charitable activities	17	13	13	11
Support services	5	5	5	5
Fundraising	0	0	0	0
	<u>22</u>	<u>18</u>	<u>18</u>	<u>16</u>

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

	2021 £	2020 £
Wages and salaries	844,978	781,468
Social security	87,126	78,831
Pension contribution costs	40,296	38,487
	<u>972,400</u>	<u>898,786</u>
Consultancy fees and salary costs to project related staff	289,478	218,898
	<u>1,261,878</u>	<u>1,117,684</u>

There was a termination payment of £nil (2020: £5,167) in the year.
£10,501 of the gross salary costs were charged to the designated reserve.

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 is as follows:

	2021	2020
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u>1</u>	<u>1</u>

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

13 Intangible fixed assets

	Website & digital platform development	Total
	£	£
Cost:		
At 1 October 2020	22,320	22,320
Additions	104,313	104,313
At 30 September 2021	126,633	126,633
Depreciation:		
At 1 October 2020	5,580	5,580
Charge for the year	4,464	4,464
At 30 September 2021	10,044	10,044
Net book value:		
At 30 September 2021	116,589	116,589
At 30 September 2020	16,740	16,740

14 Tangible fixed assets

	Leasehold improvements	Computer equipment	Fixtures & fittings	Total
	£	£	£	£
Cost:				
At 1 October 2020	68,843	49,747	20,724	139,314
Additions	-	5,125	-	5,125
At 30 September 2021	68,843	54,872	20,724	144,439
Depreciation:				
At 1 October 2020	68,843	29,544	18,709	117,096
Charge for the period	-	8,970	771	9,741
At 30 September 2021	68,843	38,514	19,480	126,837
Net book value:				
At 30 September 2021	-	16,358	1,244	17,602
At 30 September 2020	-	20,203	2,015	22,218

15 Debtors

	2021	2020
	£	£
Trade debtors	334,616	193,557
Other debtors	263	189
Prepayments and accrued income	274,151	252,684
	609,030	446,430

Prepayments include a rent deposit of £22,989 (2020: £22,989) falling due after one year.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	352,037	34,621
Other tax and social security	103,932	114,248
Other creditors	17,805	16,435
Jointly controlled operation (note 16a)	381,824	358,958
Accruals and deferred income (note 18)	1,005,519	596,200
	1,861,117	1,120,462

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

	2021 £	2020 £
Income	264,427	271,109
Expenditure	(230,128)	(210,901)
Surplus	34,299	60,208

CEPR's share of income generated of £88,142 (2020: £90,370) and expenditure incurred of £76,709 (2020: £70,301) is included within amounts reported on the SoFA.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

Economic Policy Journal

	2021 £	2020 £
Cash & Reserves b/fwd – amount payable to co-owners	358,958	318,819
Annual surplus	34,299	60,208
Funds available	<u>393,257</u>	<u>379,027</u>
CEPR's share of annual result (1/3)	(11,433)	(20,069)
Amount payable to co-owners	<u>381,824</u>	<u>358,958</u>

Amounts reported as creditors on the balance sheet includes £381,824 (2020: £358,958) 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 2021 £	Equipment 2021 £	Premises 2020 £	Equipment 2020 £
Not later than one year	72,292	1,166	84,397	1,480
Later than one and not later than five years	69,915	1,302	-	2,961
	<u>142,207</u>	<u>2,468</u>	<u>84,397</u>	<u>4,441</u>

18 Deferred income

	Under 1 year £
At 1 October 2020	380,595
Additions during the period	814,894
Amounts released to income	(380,595)
At 30 September 2021	<u>814,894</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 2021

19 Fund reconciliation

Unrestricted funds

2021	Balance at 1 October 2020	Income	Expenditure	Transfers	Balance at 30 Sept 2021
	£	£	£	£	£
General	770,365	1,158,335	(810,714)	(45,000)	1,072,986
Designated	205,128		(15,784)	45,000	234,344
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

Restricted funds

2021	Programme area	Balance at 1 October 2020	Income	Expenditure	Balance at 30 Sept 2021
		£	£	£	£
International Macroeconomics	1	115,113	125,489	(148,887)	91,715
International Trade	2	50,515	12,220	(24,355)	38,380
Public Policy	3	-	-	-	-
Labour Economics	4	-	-	-	-
Industrial Organisation	5	51,626	43,410	(12,221)	82,815
Financial Economics	6	125,564	249,089	(191,866)	182,787
Development Economics	7	-	-	-	-
Economic History	8	-	-	-	-
Initiative Core/Non-specific	9 & 10	40,476	72,286	(24,292)	88,470
STEG		44,118	847,855	(870,810)	21,163
PEDL		729,889	2,278,208	(2,232,325)	775,772
Total		1,157,301	3,628,557	(3,504,756)	1,281,102
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	8	59,758	-	(59,758)	-
Initiative 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

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

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 and to provide funds to kick start promising new research initiatives.

A further transfer to the designated reserve has been made to provide funds for CEPR's contributions to meetings which have been rescheduled due to Covid-19. We are confident that the meetings will take place during the year ending 30 September 2022 and the Trustees have approved a transfer of £45,000 to cover these contributions.

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 2021, income exceeded expenditure by £123,801. There is a balance of £1,281,102 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 5 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 6 of the Trustees' report.

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

Analysis of net assets between funds

	Unrestricted funds		Restricted funds		Total	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Fixed assets	134,191	38,958	-	-	134,191	38,958
Current assets/(liabilities)	1,173,139	936,535	1,281,102	1,157,301	2,454,241	2,093,836
Total	1,307,330	975,493	1,281,102	1,157,301	2,588,432	2,132,794

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

	2021 £	2020 £
Net income/(expenditure) for year/period	455,638	713,988
Dividends, interest and rents from investments	(525)	(12,471)
Amortisation of intangible fixed assets	4,464	4,464
Depreciation and impairment of tangible fixed assets	9,741	23,682
(Increase)/decrease in debtors	(162,600)	185,997
Increase in creditors	740,655	145,471
Net cash flow from operating activities	1,047,373	1,061,131

21 Pensions and other post-retirement benefits

Defined contribution pension plans

The charity operates defined contribution pension plans for its employees. The contributions recognised as an expense during the year were in relation to 17 employees (2020: 17) and amounted to £40,296 (2020: £38,487).

The Centre for Economic Policy Research

Notes to the Financial Statements

Year Ended 30 September 2021

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 2021	-	98,634	-	-
30 September 2020	-	70,141	-	-

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

Lucrezia Reichlin, Trustee				
30 September 2021	-	7,498	-	-
30 September 2020	-	1,159	-	-

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

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 Financial commitments

At 30 September 2021, CEPR had an outstanding financial commitment of £30,732 relating to a contract for services. This is not included within the accounts.

25 Post balance sheet event

CEPR Paris became operational with effect from 1 October 2021. Funds received since then amount to over €1m and a further €500,000 is available to fund specific activities.

This major expansion will be transformative for CEPR and confirms the eventual relocation of our headquarters to Paris, which we expect to be complete by the end of September 2024.

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
European Central Bank

Société Générale
UBS

Premium Members

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

International Monetary Fund
Nestlé
RIETI
Schweizerische Nationalbank
Suomen Pankki
Sveriges Riksbank
UniCredit

Standard Members

Banca Nationala a României
Banco de España
Banco de México
Banco de Portugal
Bank of Canada
Bank of England
Bank of Israel
Banka Slovenije
Banque Nationale de Belgique
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
European Bank for Reconstruction and Development

European Fiscal Board
European Investment Bank
European Stability Mechanism
Federal Reserve Bank of San Francisco
Inter-American Development Bank
Intesa Sanpaolo
JP Morgan
Lietuvos Bankas
Magyar Nemzeti Bank
Monetary Authority of Singapore
Norges Bank
OECD
Oesterreichische Nationalbank
PIMCO
Rothschild & Co
Seðlabanki Íslands
Türkiye Cumhuriyet Merkez Bankası

Donations

National Institute of Public Finance and Policy, India