

Charity number: 306096

Royal Statistical Society

Report and financial statements

For the year ended 31 December 2020



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Reference and administrative information

For the year ended 31 December 2020

Charity number 306096

**Registered office
and operational
address** 12 Errol Street
London
EC1Y 8LX

**Country of
registration** England & Wales

Trustees Trustees who served during the year and up to the date of this report were as follows:

President/ Vice Presidents	Professor Deborah Ashby	President (to 31 December 2020)
	Professor Sylvia Richardson	President Elect (from 1 January 2020)
	Professor John MacInnes	Vice President, Professional Affairs (to 31 December 2020)
	Dr Rachel Hilliam	Vice President, Professional Affairs (from 1 January 2021)
	Professor Jennifer Rogers	Vice President, External Affairs (to 31 December 2020)
	Professor Christl Donnelly	Vice President, External Affairs (from 1 January 2021)
	Ms Sharon Witherspoon	Vice President, Education and Statistical Literacy (to 31 December 2021)
	Professor Jon Forster	Vice President, Academic Affairs (from 1 January 2020)
Honorary Officers	Mr Trevor Llanwarne	Honorary Treasurer (to 31 May 2020)
	Mr Kevin Barnes	Honorary Treasurer (from 1 June 2020)
	Dr Shirley Coleman	Honorary Officer, Discussion Meetings (from 1 January 2020)
	Dr Karen Facey	Honorary Officer, Sections & Local Groups (to 31 December 2020)
	Mr Blaise Egan	Honorary Officer, Sections & Local Groups (from 1 January 2021)
	Dr Sara Hilditch	Honorary Officer, Membership (to 31 December 2021)
	Dr Kim Kavanagh	Honorary Officer, Conferences & Events (to 31 December 2020)
	Mr Scott Heald	Honorary Officer, Conferences & Events (from 1 January 2021)
	Professor John Kent	Honorary Officer, Journals (to 31 December 2021)

For the year ended 31 December 2020

	Dr Moira Mugglestone	Honorary Officer, Remuneration and Staffing (to 31 December 2020)
	Dr Johanna Hutchinson	Honorary Officer, Remuneration and Staffing (from 1 January 2021)
	Mr Stephen Penneck	Honorary Officer, National Statistics (to 31 December 2021)
Ordinary members	Professor Lucinda Billingham	(until 31 December 2020)
	Professor Mario Cortina Borja	
	Dr Mark Briers	
	Mr Simon Briscoe	(until 31 December 2020)
	Dr Sophie Carr	(from 1 January 2021)
	Professor Peter Elias	
	Professor Arnaldo Frigessi	(until 31 December 2020)
	Dr Claire Gormley	(until 31 December 2020)
	Dr Lisa Hampson	(until 31 December 2020)
	Dr Katie Harron	
	Dr Ruth King	
	Dr Anjali Mazumder	(from 1 January 2021)
	Dr Emma McCoy	
	Dr Lisa McFetridge	
	Dr Claire Miller	
	Dr Robin Mitra	(from 1 January 2021)
	Professor Brendan Murphy	(from 1 January 2021)
	Professor Gesine Reinert	(from 1 January 2021)
	Dr Jamie Sergeant	
	Dr Tom Smith	
	Mr Andy Sutherland	(until 31 December 2020)
	Dr Lucy Teece	(from 1 January 2021)
	Dr Deirdre Toher	
	Dr James Weatherall	(from 1 January 2021)
	Dr Simon White	
Senior Management Team	Stian Westlake (Chief Executive from 1 July 2020)	
	Hetan Shah (Executive Director until 31 January 2020)	
	Nicola Emmerson (Director of Membership and Professional Affairs, and acting Chief Executive from 1 February 2020 to 30 June 2020)	
	Jack Beeby (Head of IT and Digital from 1 November 2020)	
	Paul Hellmuth (Finance and Operations Director until 10 March 2020)	
	Stuart McKendrick (Head of Training and Commercial from 1 February 2020)	
	Charlotte Stovell (acting Head of Finance from 10 March 2020, and Finance Director from 1 November 2020)	
	Iain Wilton (Director of Policy and Public Affairs until 5 October 2020)	

Reference and administrative information

For the year ended 31 December 2020

Bankers	Royal Bank of Scotland Drummonds 49 Charing Cross London SW1A 2DX
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane London EC1Y 0TL
Investment Managers	Cazenove Capital 12 Moorgate London EC2R 6DR

The trustees present their report and the audited financial statements for the year ended 31 December 2020.

The reference and administrative information set out on pages 1-3 form part of this report. The financial statements comply with current statutory requirements, the charity's Royal Charter, supplemental Charter, Bylaws and Regulations and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Statement from the RSS President, Professor Sylvia Richardson

I am pleased to present the Royal Statistical Society annual report and financial statements for the year ending 31st December 2020.

In a year when COVID-19 changed lives and livelihoods around the world, it will come as no surprise that the RSS's activities and operations have been significantly affected. However, I am glad to say that the Society has risen to the challenge. We have worked quickly to move our activities online, managed the risks to the Society's finances and operations and, most importantly, RSS members have played an active role in the fight against the pandemic.

Because of the importance of statistics to understanding and managing the impact of Covid, the expertise of Fellows was in high demand. The Society set up a COVID-19 Task Force in the Spring which has been active in raising statistical issues, engaging with Government, interacting with the media and increasing public understanding. Our Education Policy Advisory Group was prominent in the debate over COVID-19 related exam adjustments over the Summer, and our Statistical Ambassadors have been busy providing rigorous, accurate input into the public debate.

The Society's business has moved almost entirely online. Our membership, sections and local groups have responded well to this challenge, with many of our meetings recording their highest ever attendances. The closure of our Errol Street office has reduced room hire income, and our training offering has been moved online and has been busy. The Annual Conference also moved entirely online and was a success. Membership figures remain strong, and are slightly up on 2019.

The Society's finances were impacted by the COVID-19 pandemic with budgeted income reduced by over £500k, but despite this our financial performance for our strategic goals was only a net loss of £120k. A large part of this is due to cost reductions from moving our activities online and changes in the staffing structure at the RSS. Our comparatively strong financial position meant we did not need to draw down on our investments, allowing them time to recover from the market reductions early in 2020.

2020 also saw significant personnel changes. Our Executive Director, Hetan Shah, left in January; his role was taken by our new Chief Executive, Stian Westlake, who joined in July; Nicola Emmerson served as Chief Executive in the interim. I am also grateful to the Officers who finished their term of office during the year: the outgoing President, Professor Deborah Ashby, the outgoing

Vice President for Professional Affairs Professor John MacInnes; Vice President for External Affairs Jen Rogers, and outgoing Honorary Officers Dr Karen Facey, Dr Kim Kavanagh, Mr Trevor Llanwarne and Dr Moira Mugglestone.

I have no doubt that 2021 will present its own challenges, as the world continues to struggle with COVID-19 and its consequences. One thing which is sure is that the last year has amply demonstrated to the wider public and to government that data and statisticians are playing an important role in our understanding of the coronavirus pandemic and our attempts to fight it. I am confident that the Society is well placed to respond to upcoming challenges and that our mission is more important than ever.

Objectives and activities

The vision of the Royal Statistical Society (RSS) is 'A world where data are at the heart of understanding and decision making.'

To help achieve this vision we structure our work around the six strategic objectives outlined below. The first four of these are outward facing and demonstrate our charitable activity. The last two are more internal and governance related and support the achievement of the four external impact objectives:

- 1 For statistics to be used effectively in the **public interest**, so that policy formulation and decision making are informed by evidence for the good of society.
- 2 For society to be more **statistically literate**, so that people's understanding of data, risk and probability can inform their daily decision making, leading to better outcomes.
- 3 For a strong body of **professional statisticians** to maintain and develop the skills they need so that they can critically apply methodology, interpret results and communicate findings.
- 4 For statistics as a **discipline** to thrive, so that methodology is advanced, applied and made accessible, leading to greater understanding of an increasingly complex world.
- 5 For an engaged and energised **membership and staff** to work collaboratively with partner organisations and other stakeholders in meeting these goals, so that the Society can maximise its impact.
- 6 For the RSS to be a financially sustainable and **well run organisation**, with effective governance and use of technology, so that it will grow in relevance, exert influence and have wider impact.

These strategic objectives are to fulfil the Society's charitable objectives as set out in its Royal Charter:

- (i) To foster and encourage the growth, development and application of statistical science in all areas of activity which can benefit from it.
- (ii) To establish, uphold and advance high standards of statistical competence.
- (iii) To foster the production and publication of statistics on aspects of society.
- (iv) To serve the public interest by acting in an advisory, consultative or representative capacity in matters relating to the science of statistics and its application.
- (v) To promote the public understanding of statistics and the competent use and interpretation of statistics.

Activities and public benefit

The trustees confirm that they have complied with the duty in section four of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The RSS's work contributes to public benefit through:

- Ensuring statistics are used in the **public interest**, leading to better quality policy making and decision making.
- Supporting **statistical education and literacy**, enabling organisations and individuals to make better choices.
- Supporting the development of the **discipline** of statistics, which in turn leads to improvements on a wide range of social, environmental and economic issues.
- Supporting the **professionalisation** of those working with data and statistics in the UK and overseas, contributing to the skills demanded by a 'data economy'.

The RSS develops a detailed activity plan on an annual basis to take forward the activities of the Society. Key areas of activity are outlined below.

Statistics in the public interest

Activities include:

- policy work on a range of topics to improve the use of data and statistics in public policy and the public interest;
- running working groups on topics such as health and national statistics;
- holding events and conducting research on topics of public interest;
- working in partnership with other organisations to secure change in the public interest; and
- giving awards for outstanding work in journalism, official statistics and the pharmaceutical industry.

Education and statistical literacy

Activities include:

- the Society's campaign to improve statistical literacy;
- influencing education policy and curricula;

- campaigning for greater quantitative skills in higher education; and
- producing Significance magazine.

Supporting the discipline

Activities include:

- publication of academic journals;
- running meetings and conferences;
- awarding honours;
- supporting sections and local groups; and
- monitoring and supporting statistics in higher education.

Professional affairs

Activities include:

- offering professional membership and qualifications;
- accreditation of university courses; and
- training and continuing professional development.

Structure, governance and management

Founded in 1834, the Society is a learned society and professional body incorporated by Royal Charter. It is an international membership body with over 10,000 members (of whom over 6,000 are designated 'Fellows'). Fellows with suitable qualifications, professional training and experience are able to apply for award of Chartered Statistician (CStat) status.

The Society's governing documents are the supplemental Charter (which came into effect on 1 April 2006), the Bylaws and the Regulations, which are reviewed annually. The Society's governance is largely in line with the recommendations of the Charity Governance Code. The Society's Council is its board of trustees. Council consists of the President and twenty-four other Fellows who are the ordinary members of Council and are elected by the Fellowship, together with any Honorary Officers appointed from outside the Council, the most recent Past President who is willing to serve on Council and any person(s) co-opted to Council under the provisions in the Bylaws. The President serves for a two-year term. The ordinary members of Council are elected by a ballot of all members. Vice Presidents and Honorary Officers are appointed by Council. If not already members of Council, Vice Presidents and Honorary Officers are co-opted to membership of Council.

Members of Council are normally expert in one or more branches of statistical science and its applications and they bring that expertise and their knowledge of the statistical profession to the strategic management of the Society.

With respect to their duties and responsibilities as trustees of the Society, new members of Council receive an induction into the Society including its governance, finances, strategy and activities, as well as their role as trustees. Updates to the whole trustee board are given where appropriate due

to, for example, changes in legislation or regulation. During the course of the past year, the major risks to which the charity is exposed have been identified and Council is satisfied that adequate systems are in place to manage those risks. An Audit and Risk Committee is in place to review risks in-depth on behalf of Council. On an annual basis, Council reviews the key risks and its approach to managing them. The Senior Management Team and Audit and Risk Committee escalate any major risks to Council.

Council has a formal and detailed scheme of delegation laid out in its Regulations which are reviewed and renewed annually by Council. Responsibilities are delegated to the Executive Committee and various other committees. The Professional Affairs Committee leads on the Society's work as a professional body. The President and Vice Presidents have the authority to speak for and represent the Society and to take urgent decisions between meetings.

The Society employs a Chief Executive to manage the day-to-day operations of the charity, its staff and facilities. The Society has a small permanent staff and is therefore heavily dependent on the input of volunteers in the whole range of its activities. Volunteers are drawn from the membership, and serve in a variety of ways including through committees and working groups.

The Society has 17 Sections, which hold meetings and discussions about their specialist area topics (e.g. there are Sections on social statistics, medical statistics and business and industrial statistics). Sections are driven by the Fellowship. The Society also has Local Groups which run events in their local and regional areas.

During 2020, Professor Deborah Ashby led us as President of the Society. Professor Deborah Ashby's term of office commenced on 1 January 2019, and concluded on 31 December 2020. During 2019, our Fellows elected Professor Sylvia Richardson as President Elect; her term of office as President commenced on 1 January 2021.

Related Parties and connections with other organisations:

The RSS has a wholly owned subsidiary trading company, RSS (Services) Ltd, which gifts all of its profits to the Society. The main activities of the subsidiary are running training courses, and the sale of print and online advertising. The subsidiary also hires the Society's meeting space to external clients, but from March 2020 no bookings were taken as the building was closed due to COVID-19. The organisation is a company limited by share capital, incorporated on 28 April 2000.

The following persons served as directors of the company during the year and up to the date of this report:

Mr S Westlake (from 23 October 2020)
Dr P Baxter
Mr S McKendrick (from 1 February 2020)
Mr C Murphy
Mr H Shah (until 31 January 2020)
Mr E Swires-Hennessy

The Society also works with a number of organisations in the pursuit of its charitable activities. *Significance* is an official magazine and website of both the Royal Statistical Society and the American Statistical Association (ASA). Both the magazine and our journals are published by Wiley-Blackwell.

The RSS is a founding member of the Council for the Mathematical Sciences (CMS) which was established in 2001 by the Institute of Mathematics and its Applications (IMA), the London Mathematical Society (LMS) and the RSS. The CMS comprises representatives and observers from the mathematical sciences community, including the Presidents and Chief Executives of these three societies. The CMS is an authoritative and objective body that exists to develop, influence and respond to UK policy issues that affect the mathematical sciences in higher education and research, and therefore the UK economy and society in general.

Through the CMS the RSS is also a member of the Royal Society's Advisory Committee on Mathematics Education (ACME) which provides advice to government and others to inform policy related to mathematics and quantitative education for 3-19 year olds, and the transition into further or higher education or employment.

Remuneration Policy: The Society sets remuneration according to a salary policy. It strives to offer a fair and affordable rate of pay for each role, seeking to ensure consistency and transparency. It is committed to ensuring that:

- its salaries remain competitive in the labour market, broadly benchmarked to other professional societies and the public sector in London; and
- it informs employees how their pay has been determined and considers any feedback received.

Staff are not discriminated against because of gender, marital or civil partnership status, race, religion or belief, sexual orientation, age, disability, pregnancy or maternity or because they work part-time or on a fixed-term contract.

The Society rewards staff through salary and a number of other benefits. These include a pension scheme, holiday allowance, flexible working where appropriate, season ticket loans, and access to staff development opportunities including training. The Society has three salary bands.

The Executive Committee is responsible for determining the annual salary increase for all staff. There is an annual cycle of salary review and staff are made aware of this cycle through the salary policy. When determining an increase, the Executive Committee takes into account a range of factors including inflation, wage increases in the wider economy, and affordability within the long term position of the Society's finances.

In addition to the annual pay award, individual salaries are also reviewed and further increases are considered to reflect changes in job roles (e.g. taking on new responsibility). The Chief Executive and Executive Committee look at a variety of factors when reviewing individual salaries including affordability in the context of the Society's finances and the current market value of posts (what it would cost to replace a particular role in the market).

The Executive Committee may undertake periodic benchmarking of individual and overall salaries as and when they see a need to do so.

The ratio of remuneration of the highest paid to the median salary is 2.64 (2019 3.11) based on the employees in place at the end of the financial year.

In 2019, the Society's Council decided to transfer the responsibilities of the Remuneration and Staffing Committee to the Executive Committee who fully took over this remit from January 2020. Council came to this decision because the Remuneration and Staffing Committee agenda had become fairly thin, and it was agreed that matters such as salary setting could be dealt with by the Executive Committee.

Reserves Policy: The Society maintains reserves according to a set policy which is regularly reviewed by the Audit and Risk Committee and Council. The Society keeps reserves for a number of purposes and these include: providing an annual income to the Society from dividends; paying for unanticipated in-year costs such as maternity pay or long term staff sickness; allowing trustees to invest in new areas of work in order to achieve the long term vision of the Society; and providing for a gap in funding if a core funding source were to unexpectedly shrink. The Society's level of free reserves, calculated as general reserves less tangible assets and the pension deficit from the latest FRS102 accounting valuation, was £839k at the end of 2020 (2019 £1.9m). See Page 18 for more details.

Fundraising: The vast majority of the Society's income is earned from its regular activities and the RSS does not generally engage in public fundraising and does not use external fundraisers. It has received no complaints during the year relating to its fundraising practices.

Risk: The detailed Risk Register is monitored by the Senior Management Team and the Audit and Risk Committee. The top risks, listed below, are reported to the Society's Council.

Risk	Metrics, controls and recent developments
<u>Strategic risks</u>	
Failure to deliver against one of Society's six strategic objectives	The Society's governance is aligned with its strategy, and there is a Vice President for each of the four outward facing goals. Council and Executive Committee monitor performance via regular reports on the Society's work and hold the staff to account on this. Detail on activities for each strategic goal are listed in the annual report and the time and cost allocated to each goal is in note 1j in the annual accounts.
Decline in membership of the Society reduces the impact and reach of the Society	Membership is a key theme of the new RSS strategy. The RSS has recruited new staff who are dedicated to membership recruitment and engagement. The Society are also reaching out to new communities such as data scientists. In addition, the RSS are undertaking research on membership trends within the Fellowship. Regular monitoring of membership numbers is undertaken at Senior Management, Executive Committee and Council meetings. Overall membership has increased each year since 2013 and in 2020 paying membership increased to 6,304 (2019: 6,287). See page 17 for a breakdown of member numbers by category.
Loss of journal income prevents the Society from achieving objectives	Journal income is the RSS' single biggest source of income. The journal contract with Wiley runs until the end of 2022. The contract gives significant guaranteed payments. This means the Society have protection against changes in the academic publishing market in the short term. In addition, the RSS have been looking to diversify income streams, and monitoring trends in open access publishing without diluting quality.
The Society fails to remain relevant to data users and statisticians	This is a key strategic priority for the Society. In 2020 the professional membership voted to add the Data Analyst membership category to provide a pathway for data scientists. A new section focusing on AI and machine learning is being discussed in 2021 and there is an increasing focus on data ethics and improving the diversity of the membership.
Business intelligence is insufficient to track and identify the key risks facing the Society	The Customer Relationship Management (CRM) database was launched in April 2020 allowing the RSS opportunity to track, collect and analyse more data. The Senior Management Team (SMT) are currently revising the key performance indicators (KPIs) required to meet business needs, allow better decision making and the appropriate allocation of resources.

Risk**Metrics, controls and recent developments****External Risks****Economic downturn reduces all income sources and reserves**

The Society has resilience in the form of free reserves and an owned central London office. The Society's finances are monitored on a monthly basis by SMT. Trustees actively review the situation and if reserve levels drop, as they have this year, expenditure is cut back when appropriate. RSS free reserves after the pension deficit were £839k at the close of 2020 (2019 £1.92m). Calculated as general reserves less tangible assets and the pension deficit, which increased by £1.4m at the end of 2020.

Pension deficit requiring large payments

The Society's final salary pension scheme was closed to new entrants on 1 January 2017. The deficit is monitored via triennial reviews. A deficit of £667k was identified in the last triennial valuation. A payment plan was negotiated between the Society trustees and the pensions trustees. £300k has been paid up to the end of 2020 with a commitment of £100k each year until 2025. The next valuation is due on a valuation date of 31 December 2020. Based on the significant increase in the pension deficit from the latest FRS102 accounting it is highly likely that the deficit has increased and the RSS will need to agree a new recovery plan and payment schedule.

Reputational risks

Upholding data ethics is critical to the Society's work and its reputation. All Society publications have a vetting procedure, and a limited number of designated people are able to issue statements on behalf of the Society. The Society has implemented data protection legislation, including guidance for Sections and Local Groups. The RSS needs to be particularly vigilant about maintaining high standards in its use of personal data. Social media is monitored. There have been no complaints in 2020.

Virus and hacking risks

In the UK, hacking and virus incidents have increased significantly in recent years, and have been prominent in the national press. The Society holds personal data on a large number of individuals, and therefore needs to be diligent in managing this risk. The RSS continue to update IT systems, in particular to prevent hacking attacks, and to monitor for any unusual digital activity. The Audit and Risk Committee reviews this risk annually, the latest review occurred in May 2021. Systems have the latest versions of malware and anti-virus software.

Risk**Metrics, controls and recent developments****Internal risks****A lack of volunteers prevents the Society achieving its goals**

The Society is absolutely dependent on volunteers to fill roles on Council, section and local group committees, working groups and to produce the Society's journals. Volunteer engagement is an increasing priority with volunteer workshops held in 2020 and an increase in the staff time allocated now and in the future.

Loss of key staff prevents the Society achieving its goals

Notice periods mirror staff seniority and difficulty of replacement. Key processes have been mapped, and SMT monitor the intentions of key staff members. In practice, where staff loss happens other staff rally round and manage. For example, when the Executive Director left in early 2020, the Director of Membership stepped into the role of Acting CEO; this worked very well.

Customer Relationship Management (CRM) database failure

The Society introduced a new CRM database in April 2020 and is entirely dependent on the new CRM to manage operating activities. The RSS is reliant on a single supplier to maintain and fix the system, for which there is a contractual agreement in place. Future development work is required to improve systems which are negotiated as needed. Bespoke functionality is owned by the Society while the underlying structure is owned by Microsoft. Any critical failure should therefore be fixed promptly. SMT regularly monitor the project, and the Executive Committee and Council are kept informed of progress.

Errol Street building not fit for purpose

The pandemic has led to a change in the needs of the RSS. Its Errol Street building in its current state is unfit for hybrid events, live streaming and is not accessible to the disabled. It is also likely that staff will be working remotely more often. The Senior Management Team are reviewing the future needs of the Society and will discuss options with Council once the impact of the pandemic on the organisation has settled.

Fraud

The Society has a series of financial procedures in place to minimise the risk of fraud. The Audit and Risk committee review internal controls regularly to determine they are sufficient. The auditors review processes during the audit and SMT monitor and report any incidences of fraud to the trustees and the relevant bodies. To date there have been no instances of fraud.

General

There are a wide variety of operational risks which are outlined in a detailed Risk Register. These are reviewed quarterly by the Senior Management Team and annually by the Audit and Risk Committee. In May 2021 the Audit and Risk Committee reviewed this summarised Risk Report. The detailed Risk Register was last reviewed in full in December 2020.

Achievements and Performance

The trustees are proud of what the organisation is achieving and consider that the RSS is becoming increasingly influential in its work. The majority of the activity plan was completed in 2020 with some activities carried forward into 2021. A more detailed review of the Society's performance in 2020 against each of the goals is set out below.

Goal One: For statistics to be used effectively in the public interest, so that policy formulation and decision making are informed by evidence for the good of society.

- **COVID-19:** In response to the pandemic, we created a COVID-19 Task Force, and a Working Group on Diagnostic Tests, comprised of senior fellows. We provided statistical expertise to inform policymaking around the pandemic, working with government officials, parliamentary committees and other scientific organisations.
- **Media:** Our media presence increased considerably in 2020. Both the Society and its fellows had an active voice, commenting on COVID-19 and a number of other statistical issues. Coverage included broadcast interviews with the BBC, Sky and ITV, and print comment featuring in the Guardian, Times, Financial Times and others. We also continued to assist journalists behind the scenes, offering expertise through our Statistical Ambassadors programme.
- **Exam grades:** From April 2020, we engaged extensively with government and parliamentarians regarding school exam grading during COVID-19. We repeatedly advocated for transparency and proper consideration of statistical issues. After A-Level results day, we successfully called for a review by the Office for Statistics Regulation and hope that the recommendations from this review will mean that the confusion is not repeated.
- **Inflation:** The government has been consulting on plans to bring the Retail Prices Index (RPI) in line with the Consumer Prices Index. In April 2020, we secured an extension to the consultation to ensure that proper discussion was possible during lockdown. In July, we hosted a lively open meeting to discuss the changes. We expressed our strong disagreement with the government's plans and set out a positive alternative – aligning RPI with the Household Costs Index, which is currently being developed as a National Statistic.
- **UK Parliament:** We responded to inquiries on issues including data transparency during the pandemic, lessons learned from COVID-19, the National Data Strategy and death registrations. A number of fellows gave evidence to Parliamentary Select Committees, including the Science and Technology Select Committee and the Public Administration and Constitutional Affairs Committee.

Goal Two: For society to be more statistically literate, so that people's understanding of data, risk and probability can inform their daily decision-making, leading to better outcomes.

- **COVID-19:** Members were active in seeking to increase public understanding of COVID-19 statistics. Our Vice-President for External Affairs began working with ITV News as their Covid statistician – helping to explain coronavirus numbers and what they mean. Members of the COVID-19 Task Force regularly appeared on TV and radio as well as providing explanatory articles for newspapers.
- **Education:** We worked in collaboration with the Royal Society, the London Mathematical Society and the Institute of Mathematics and its Applications to promote the teaching of statistics. Our William Guy Lecturer – in spite of the difficulties caused by the pandemic – gave talks at a number of schools. And as part of Maths Week England, we ran a successful chart competition for primary school aged children.
- **Significance:** Significance magazine, which we publish jointly with the American Statistical Association, continues to grow in popularity. From January to November, our articles in the Wiley Online Library were downloaded more than 386,700 times (2019: 282,521).
- **Training:** In the first quarter of 2020, we ran four face-to-face courses in London. From April to December, following the outbreak of COVID-19 in the UK, we delivered 15 online public courses. In total, 226 delegates attended public courses during 2020. We also delivered six commissioned courses to clients including the Guardian, the Foreign Office and the Ministry of Defence.
- **Events:** We ran several well-attended public events. Moreover, attendance at the Society's events increased significantly when they were moved online, in part because of ease of access. Equality, diversity and inclusion was a particular focus, with events on the ethnicity data gap and on the connections between some of the founding figures of statistics and racism. We also held an event in December in partnership with Bournemouth University on how the media has handled the reporting of COVID-19 statistics.

Goal Three: For a strong body of professional statisticians to maintain and develop the skills they need so that they can critically apply methodology, interpret results and communicate findings.

- **Honours:** Each year we award medals and prizes to people who have made outstanding contributions to the development of statistics. The 2020 awards ceremony was held in September as part of our first online RSS conference. The 2020 honours and awards recipients were:
 - Guy Medal in Gold: David Spiegelhalter
 - Guy Medal in Silver: Arnaud Doucet
 - Guy Medal in Bronze: Rachel McCrea
 - Barnett Award: Byron JT Morgan
 - Research Prize: Thomas B Berrett
 - Honorary Fellowship: Judea Pearl

- **Accreditation:** In 2020, the Society and its Professional Affairs Committee launched the RSS Quality Mark. This measure will sit underneath our accreditation of statistics degrees, and will enable the RSS to accredit individual modules and training courses. This will, in turn, allow individuals to gain professional recognition for good statistical training, including the GradStat, CStat and Data Analyst titles.
- **Data Science Coalition:** Following the *Dynamics in Data Science Skills* report by the Royal Society, the RSS formed a steering group with the British Computing Society, Operational Research Society and other professional bodies. This group will lead a wider consortium of organisations to develop and shape the profession of data science. This initiative was referenced in the UK government's National Data Strategy.
- **Corporate Membership Partnerships:** The Society now has 30 corporate partners (2019: 33).
- **Healthcare:** With support from the Health Foundation, we presented our inaugural Florence Nightingale Award for Excellence in Healthcare Data Analytics. In 2020, to coincide with Nightingale's bicentenary, we announced two joint winners - NHS Blood and Transplant, and Barking, Havering and Redbridge University Hospitals NHS Trust.

Goal Four: For statistics as a discipline to thrive, so that methodology is advanced, applied and made accessible, leading to greater understanding of an increasingly complex world.

- **Sections and Local Groups:** During 2020, our Sections and Local Groups ran dozens of online events and activities. For example, in June, the RSS Nigeria Local Group delivered a talk on 'Modelling the COVID-19 pandemic in Nigeria' to over 300 attendees. The Data Science Section launched 'Ethics Happy Hours', to encourage data scientists to share and discuss ethical challenges encountered in their professional life.
- **International Conference:** In September 2020, we held our first ever online RSS International Conference, which was attended by 550 participants. The programme featured over 50 hours of content, including eight professional development workshops, 28 invited topic sessions and eight keynote talks from presenters including Ruth King and David Spiegelhalter. Feedback from attendees was extremely positive. The 2021 conference is due to take place in September in Manchester.
- **Journals:** In 2019, we saw an increase in the impact factors for all three journals, Series A: Statistics in Society, Series B: Statistical Methodology and Series C: Applied Statistics. Over the course of the year, the three series published over 4,200 pages and 183 articles, 44 of these being open access.
- **Discussion meetings:** Some RSS Journal articles ('papers for reading') are presented and discussed before publication at a discussion meeting. The discussion and authors' replies are then published in the relevant Journal series. During 2020, we held five meetings. In May, we hosted our first ever web-based meeting, followed by very well-attended online meetings in June and September.
- **International Development:** The Society continues to organise placements for RSS members to volunteer abroad with the African Institute for Mathematical Sciences (AIMS), and Partnership in Statistics for Development in the 21st Century (PARIS21). Both these initiatives help build capacity for low-income countries to develop their statistical systems.

Goal Five: For an engaged and energised membership and staff to work collaboratively with partner organisations and other stakeholders in meeting these goals, so that the Society can maximise its impact.

- **Membership:** Member numbers remain strong at over 10,000, and have slightly increased since 2019, at a time when some membership organisations have reported declines. Of these, over 6,000 are Fellows. In addition, we now have well over 1,000 e-Teacher members, and over 3,000 e-Student members. We have members in 114 countries worldwide.

Membership Category	2017	2018	2019	2020
Standard Fellows	4,460	4,680	4,615	4,649
CStats	1,004	1,016	1,003	982
GradStats	616	678	669	673
e-Student members	2,498	2,796	2,915	3,123
e-Teachers	597	875	950	1,273
Total Members	9,175	10,045	10,152	10,700

- **Statisticians for Society:** We have further developed our work on supporting RSS members to provide pro bono statistics expertise to small UK charities. In 2020, we matched 16 charities with volunteer statisticians.
- **Partnerships:** The Society has continued to work with a wide range of partners throughout the year including government bodies (e.g. the Office for National Statistics); research councils (e.g. UK Research and Innovation); statistical societies (e.g. American Statistical Association, the International Statistical Institute); mathematical bodies (e.g. the Council for the Mathematical Sciences); and scientific bodies (e.g. Royal Society).

Goal Six: For the RSS to be a financially stable and well-run organisation with effective governance and use of technology, so that it will grow in relevance, exert influence and have wider impact.

- **Awards:** The RSS Statistics of the Decade campaign was 'highly commended' in the 2020 Memcom Awards. The judges said this initiative 'really brought the topic to life, engaging audiences nationally and making highly effective use of a range of media.'
- **IT:** In April 2020, the Society launched a new website and Customer Relationship Management database. This has led to significant improvements in the service we offer to members, and the efficiency of our internal systems.

Financial Review

2020 saw a significant reduction in income, caused by the reduction of in-person events, moving the annual conference online and a reduction in activity from the trading subsidiary. This was matched by a reduction in expenditure, resulting in net expenditure of £85,323 (2019: net income of £382,825). The 2020 net movement in funds was an overall loss of £1.21m (2019: surplus of £69,825). The largest movement was caused by an increase of £1.13m in the liability for the closed defined benefit pension scheme (see Note 15 to the accounts).

Increase in the defined benefit pension scheme FRS102 valuation

The deficit in the scheme is a result of an increase in the value of the liabilities, due to a reduction in the discount rate of future cashflows and increases in inflation assumptions. This valuation is purely for the purposes of preparing the statutory accounts and has no implications on our liquidity. The valuation that does require the Society to correct any funding shortfall is the triennial valuation, and that will occur at the same date. It is therefore extremely likely that the pension liability has increased and how this is funded will need to be agreed with the pension trustees, potentially requiring significant funds being added to the scheme from 2022 onwards. The pension scheme deficit is included within the free reserves calculation, resulting in the decrease of free reserves from £1.9m at the end of 2019 to £839k by the end of 2020.

Free reserves position

Trustees believe that given current turnover and staffing, maintaining levels of free reserves in the range between £1.5m and £2m is required. Holding reserves of £839k is below the bottom of the target range of £1.5m. The deficit in the year and the sharp increase in the pension deficit are both a consequence of the COVID-19 pandemic. The RSS is confident that even below the target level of reserves the charity will still be financially sound for years to come. This is based on a positive cash flow forecast for the next few years, modelled on more pessimistic and stressed income projections. Furthermore, a positive cash position means any increase or decrease in the value of investments is largely irrelevant as the RSS does not expect to make any withdrawals from the portfolio in the short term. Finally, the RSS owns the Errol Street building outright, which is an asset the Society can call on if needed.

Net income position

Excluding restricted funds, and any income and expenditure from reserves, the net income from 2020 was a deficit of £61k, an improvement from the £191k deficit in 2019.

Total unrestricted income was £1.99m (2019: £2.50m) and total unrestricted expenditure was £2.06m (2019: £2.67m). The most significant drivers for the loss of income and reduced expenditure were the cancellation of all in-person events and activities from March 2020 onwards due to the COVID-19 pandemic. This resulted in the cancellation of our annual conference, due to be held in Bournemouth in September 2020. The activities of our trading subsidiary were also

severely impacted, all training courses were either cancelled or moved online and our venue hire activities ceased in March. Significant savings of over £70k were made by holding committee meetings remotely, salary savings and lower property expenditure.

Despite the income reduction in 2020, most income streams are stable and have remained robust. Journal revenue is secure until the end of 2022, when the current contract with our publisher expires. The growing profile of data as a discipline, and the Society's ongoing mission to stay relevant, makes a significant loss of membership income in the next two years unlikely.

Membership subscription income was largely unaffected in 2020 and we are on course to meet our target for 2021. Membership prices were not increased in 2020, as is usual, as a small way to thank our members.

2020 was the first year when the Statisticians for Society project was fully covered by the £396k five-year restricted grant awarded by the National Lottery Foundation in 2019. This grant covers staff costs, overheads and directs costs for the project which are budgeted at £75k. However, £15k of the in-person events and activities planned for 2020 had to be cancelled resulting in a lower claim against the grant. We received a new grant of £10k from the Alan Turing Institute which covered the consultancy costs for administering the COVID-19 Taskforce. However, with fewer in-person events income from sponsorship decreased from £49k in 2019 to £18k in 2020.

Overheads

Total staffing costs in 2020 were £1.32m (2019: £1.42m). This is primarily a result of fewer permanent staff as vacant senior roles were filled by existing staff. Average staff numbers fell from 30.3 in 2019 to 25.3 in 2020. The building was closed from March with only minimal maintenance visits before the second full lockdown in December resulting in a saving of £137k in running costs.

The new website and customer database went live in April 2020, the cumulation of three years' work and over £500k spent. Over the coming year new functionality will be added but the bulk of the expenditure has been made and any new future updates and functionality costs are expected to be funded from expenditure and not from reserves.

Trading Subsidiary

RSS (Services) Ltd finished with a gross profit of £110,333 and a loss of £36,190, once administrative expenses and the management charge from the charity are included. The management charge is based on actual staff time allocated to trading activities and a share of the charity's support costs. Usually, the trading subsidiary donates any profit to the charity but with all in-person activities cancelled from March 2020 a loss was expected and the RSS is confident that the trading subsidiary will be profitable again in the near future. Venue hire was closed from March 2020 and advertising income, which is primarily from recruitment, was also severely impacted by the pandemic. 35 public training courses were scheduled in 2020 of which 21 courses ran, including 5 in-person courses held before the lockdown in March.

Plans for the future

The Society's Activity Plan for 2021 is available online and gives detail about the work programme for the year.

- **COVID-19 Task Force:** The Task Force was launched in March 2020 to respond to the huge expansion in work and commentary on data, statistics, medical science and new technologies that have been arising as a result of the COVID-19 crisis. The Task Force has been constituted under two Co-Chairs - Sylvia Richardson (RSS President 2021-22) and Sir David Spiegelhalter (past president) - supported by a steering group of eminent members. A key aim of the Task Force is to continue to offer the UK government and devolved administrations an expert statistical group that can be called upon to contribute its collective expertise.
- **Staffing:** In autumn 2020, the RSS decided to create four new posts: Finance Director, Head of IT and Digital, Policy Data Analyst and Governance and Committees Officer. In November, Charlotte Stovell, former Acting Head of Finance, was appointed Finance Director. Jack Beeby, former IT Manager, was appointed Head of IT and Digital. Both staff members now sit on the Senior Management Team. In addition, in March 2021 we recruited a new Governance and Committees Officer, Jo Fishwell. In May 2021 we recruited Erica Belcher as Policy Data Analyst, a position that will involve a degree apprenticeship in data science and we are currently recruiting for a new project development manager to increase our impact with the data science community.
- **Conference:** Our 2021 annual conference is due to take place in Manchester in September.
- **Member engagement:** We will continue to focus on strengthening our Sections and Local Groups, empowering them to undertake activities that promote our goals and attract new members. Our Member Engagement Manager will provide support in this area, and seek ways to substantially increase the involvement and interaction of members by making it easier to volunteer with the RSS, including through our Statisticians for Society project, for which we have received a five year grant from the National Lottery.
- **Data Analyst:** The Society is planning to introduce a new 'Data Analyst' category of Fellow, for people who do not hold relevant qualifications at degree level, but have meaningful experience and have completed a certain standard of continuing professional development training in statistics. This change is being made in light of the Professional Affairs Committee's 2019 review of accreditation processes.
- **External engagement:** In recent years, the Society has strengthened its engagement with matters of public interest through the media, civil society and government. We plan to continue with this direction of travel.

Statement of responsibilities of the trustees

The Society delegates governance activities, and detailed oversight, to the relevant committees and sections but the ultimate responsibility is held by RSS trustees. Law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the period, and of its financial position at the end of the period. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

The trustees' annual report has been approved by the trustees on 23 June 2021 and signed on their behalf by

Sylvia Richardson
President

Kevin Barnes
Honorary Treasurer

Opinion

We have audited the financial statements of the Royal Statistical Society ('the parent charity') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the 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 group and parent charity's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Capability of the audit in detecting irregularities

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

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

made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

2 July 2021

Sayer Vincent LLP, Statutory Auditor

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

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

Royal Statistical Society
Consolidated statement of financial activities

For the year ended 31 December 2020

				2020			2019
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations	2a	7,799	–	7,799	56	–	56
Charitable activities							
Statistics & Public Interest	2b	10,000	–	10,000	–	–	–
Education & Statistical Literacy	2c	59,171	–	59,171	90,995	–	90,995
Developing the Profession	2d	206,373	–	206,373	347,612	–	347,612
Strengthening the Discipline	2e	948,066	5,188	953,254	1,157,137	–	1,157,137
Engaging the Membership & Partners	2f	709,345	–	709,345	745,320	396,121	1,141,441
Venue hire	2g	7,069	–	7,069	7,583	–	7,583
Investments	2h	52,054	–	52,054	68,949	–	68,949
Other incoming resources	2i	–	–	–	88,728	–	88,728
Total income		1,999,877	5,188	2,005,065	2,506,380	396,121	2,902,501
Expenditure on:							
Charitable activities							
Statistics & Public Interest		331,494	–	331,494	490,913	–	490,913
Education & Statistical Literacy		305,284	–	305,284	376,867	–	376,867
Developing the Profession		459,377	–	459,377	536,229	–	536,229
Strengthening the Discipline		565,611	3,208	568,819	695,480	10,852	706,332
Engaging the Membership & Partners		390,311	60,066	450,377	561,229	21,037	582,266
Venue hire		9,395	–	9,395	36,611	–	36,611
Total expenditure	3	2,061,472	63,274	2,124,746	2,697,329	31,889	2,729,218
Net income / (expenditure) before net gains on investments		(61,595)	(58,086)	(119,681)	(190,949)	364,232	173,283
Net gain on investments	10	34,358	–	34,358	209,542	–	209,542
Net income / (expenditure)		(27,237)	(58,086)	(85,323)	18,593	364,232	382,825
Transfers between funds	17	(6,315)	6,315	–	(18,431)	18,431	–
Net income/(expenditure) before other recognised gains and losses		(33,552)	(51,771)	(85,323)	162	382,663	382,825
Actuarial loss on defined benefit pension schemes	15	(1,128,000)	–	(1,128,000)	(313,000)	–	(313,000)
Net movement in funds		(1,161,552)	(51,771)	(1,213,323)	(312,838)	382,663	69,825
Reconciliation of funds:							
Total funds brought forward		3,109,155	586,638	3,695,793	3,421,993	203,975	3,625,968
Total funds carried forward		1,947,603	534,867	2,482,470	3,109,155	586,638	3,695,793

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

**Royal Statistical Society
Balance sheets**

As at 31 December 2020

	Note	The group 2020 £	2019 £	The Society 2020 £	2019 £
Fixed assets:					
Tangible assets	9	1,107,043	1,211,062	1,107,043	1,211,062
Investments	10	2,076,172	2,053,349	2,077,172	2,054,349
		3,183,215	3,264,411	3,184,215	3,265,411
Current assets:					
Debtors	12	577,911	812,025	707,301	812,575
Short term deposits		39,828	39,710	39,828	39,710
Cash at bank and in hand		365,492	276,913	256,135	240,021
		983,231	1,128,648	1,003,264	1,092,306
Liabilities:					
Creditors: amounts falling due within one year	13a	(297,976)	(296,829)	(282,819)	(261,487)
Net current assets		685,255	831,819	720,445	830,819
Total assets less current liabilities		3,868,470	4,096,230	3,904,660	4,096,230
Creditors: amounts falling due after one year	13b	–	(48,437)	–	(48,437)
Net assets excluding pension liability		3,868,470	4,047,793	3,904,660	4,047,793
Defined benefit pension scheme liability	15	(1,386,000)	(352,000)	(1,386,000)	(352,000)
Total net assets		2,482,470	3,695,793	2,518,660	3,695,793
Funds:	17				
Restricted income funds		534,867	586,638	534,867	586,638
Unrestricted income funds:					
Designated funds		1,738	1,888	1,738	1,888
General funds		3,368,055	3,459,267	3,368,055	3,459,267
Non-charitable trading funds (loss)		(36,190)	–	–	–
		3,333,603	3,461,155	3,369,793	3,461,155
Pension reserve	15	(1,386,000)	(352,000)	(1,386,000)	(352,000)
Total unrestricted funds		1,947,603	3,109,155	1,983,793	3,109,155
Total charity funds		2,482,470	3,695,793	2,518,660	3,695,793

Approved by the trustees on 23 June 2021 and signed on their behalf by

Sylvia Richardson
President

Kevin Barnes
Honorary Treasurer

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	2020 £	£	2019 £	£
Cash flows from operating activities					
Net income / (expenditure) for the reporting period		(85,323)		382,825	
Depreciation charges		157,878		153,866	
Loss on disposal		–		73	
Gain on investments		(34,358)		(209,542)	
Dividends and interest		(52,054)		(68,949)	
Defined benefit pension employer contribution		(100,000)		(200,000)	
Defined benefit pension adjustment		6,000		4,000	
Finance lease rentals		(5,250)		(5,250)	
Decrease in debtors		234,114		138,611	
Increase/(decrease) in creditors		(39,802)		2,435	
Net cash (used in) / provided by operating activities			81,205		198,069
Cash flows from investing activities:					
Purchase of fixed assets		(53,859)		(283,306)	
Proceeds from sale of investments		240,227		418,662	
Purchase of investments		(259,571)		(373,070)	
Movement on cash held in investments		30,879		(33,747)	
Dividends and interest		52,054		68,949	
Net cash (used in) / provided by investing activities			9,730		(202,512)
Cash flows from financing activities					
Repayment of finance lease liability		(2,238)		(1,825)	
Net cash used in financing activities			(2,238)		(1,825)
Change in cash and cash equivalents in the year			88,697		(6,268)
Cash and cash equivalents at the beginning of the year			316,623		322,891
Cash and cash equivalents at the end of the year			405,320		316,623
Analysis of cash and cash equivalents					
		At 1 January 2020 £	Cash flows £	At 31 December 2020 £	
Cash in hand		276,913	88,579	365,492	
Notice deposits (more than 3 months)		39,710	118	39,828	
Total cash and cash equivalents		316,623	88,697	405,320	

1 Accounting policies

a) Statutory information

The Royal Statistical Society is a charity registered with the Charity Commission in England & Wales and incorporated by Royal Charter.

The registered office address is 12 Errol St, London EC1Y 8LX.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (March 2018) and the Charities Act 2011.

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

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

These financial statements consolidate the results of the Society and its wholly-owned subsidiary RSS (Services) Limited on a line by line basis. Transactions and balances between the Society and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the Society's balance sheet. A separate statement of financial activities, or income and expenditure account, for the Society itself is not presented as the summary of the result for the year is disclosed in the notes to the accounts.

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

c) Public benefit entity

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

d) Going concern

The trustees consider that there are no material uncertainties about the Society's ability to continue as a going concern despite the likely increase in the pension deficit. A significant proportion of our income is guaranteed until the end of 2022 and the RSS owns its Errol Street headquarters.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

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

Membership subscriptions are recognised in the financial statements during the period in which a member becomes entitled to benefits.

Income from courses, conferences and meetings are recognised in the period in which the event takes place.

Income received from the sale of journals is recognised in the year in which the journal is published. Wiley Publishers undertake the marketing and distribution of the Society's journals and the Society receives a guaranteed contribution plus a share in any surplus arising.

Grants are recognised in full in the statement of financial activities in the year in which they are receivable.

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

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Voluntary income received by way of donations and gifts to the Society, is included in full in the statement of financial activities when received.

In accordance with the Charities SORP (FRS 102), volunteer time is not recognised in the financial statements.

g) Investments, investment income and interest receivable

Investment income and interest on funds held on deposit is included when receivable. Investments held as fixed assets are revalued at mid-market value at the balance sheet date. The gain or loss for the year is taken to the statement of financial activities. The Society's investment in its subsidiary is included at cost.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. If funds are unspent and carried forward into a later financial period, the trustees allocate the percentage, representing the investment return, including both the income earned and the unrealised gain/loss on investments, to these funds as at the balance sheet date.

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

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

Transfers are made from general funds to designated funds or restricted funds based on decisions by the Trustees.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Resources expended include attributable VAT which cannot be recovered.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned, based on staff time, of the amount attributable to each activity. Support costs are then re-allocated to each of the charitable activities on the basis of staff time on each activity as follows:

Support cost reallocation	2020 %	2019 %
● Statistics & Public Interest	13.12	22.09
● Education & Statistical Literacy	12.10	14.58
● Developing the Profession	19.52	15.24
● Strengthening the Discipline	25.32	18.81
● Engaging the Membership & Partners	23.26	22.93
● Venue Hire	0.37	1.96
● Governance costs	6.31	4.39

k) Allocation of governance costs

Resources expended and allocated support costs relating to Governance costs are allocated to each activity proportionately.

Governance cost reallocation	2020 %	2019 %
● Statistics & Public Interest	14.00	23.10
● Education & Statistical Literacy	12.91	15.25
● Developing the Profession	20.84	15.94
● Strengthening the Discipline	27.03	19.68
● Engaging the Membership & Partners	24.82	23.98
● Venue Hire	0.40	2.05

l) Finance leases

Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charge. Finance charges are written off to the statement of financial activities over the period of the lease so as to produce a constant periodic rate of charge.

1 Accounting policies (continued)

m) Tangible fixed assets

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

● Freehold land	Not depreciated
● Freehold buildings	100 years (1% per annum)
● Furniture, fixtures, fittings and office equipment	6 years (16.66% per annum)
● Computers & Laptops	2 years (50% per annum)
● Database & Servers and conference equipment	Up to 4 years (25% per annum)

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

The trustees have reviewed the carrying value of the freehold building. There is a regular maintenance programme which is designed to ensure its continual useful life. They are therefore happy to depreciate the building over the longer period of 100 years.

n) Heritage assets

A heritage asset is defined as “a tangible asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture”. The Society is of the opinion that information on the cost or valuation of such assets is not available and such information cannot be obtained due to the specialist nature of the assets, many of which are unique.

o) Short term deposits

Short term deposits represent amounts held on deposit with a maturity of between 3 months and one year.

p) Cash at bank and in hand

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

q) Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange offered by the bank on the day of the transaction.

r) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

s) Pensions

The Society operates a defined benefit scheme, The Staff Pension and Life Assurance Plan of the Royal Statistical Society. The pension scheme members' years of employment, counted in the scheme, ceased to increase with effect from 1 January 2017. The cost of providing pension and related benefits is charged to the statement of financial activities over the employees' service lives on the basis of a percentage of earnings which is an estimate of the regular cost. Variations from regular cost, arising from periodic actuarial valuations are allocated over the expected remaining service lives of current employees on the basis of a percentage of current and estimated future earnings. Any difference between the charge to the statement of financial activities and the contributions payable to the scheme shown as an asset or liability in the balance sheet.

The Society also operates a group person pension plan which is a defined contribution scheme. Contributions are charged to the statement of financial activities in the periods to which they relate. The Society has no liability under the scheme other than for the payment of those contributions.

Notes to the financial statements

For the year ended 31 December 2020

2 Analysis of income

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
a) Donations	7,799	–	7,799	56	–	56
b) Statistics & Public Interest Receptions & Public Events	10,000	–	10,000	–	–	–
	10,000	–	10,000	–	–	–
c) Education & Statistical Literacy Significance Magazine	41,338	–	41,338	41,874	–	41,874
Grants & Sponsorship	17,833	–	17,833	49,121	–	49,121
	59,171	–	59,171	90,995	–	90,995
d) Developing the Profession Accreditation Scheme	54,250	–	54,250	47,750	–	47,750
Commercial Training	152,123	–	152,123	299,862	–	299,862
	206,373	–	206,373	347,612	–	347,612
e) Strengthening the Discipline Publications	879,298	–	879,298	913,384	–	913,384
Conferences & Events	57,997	–	57,997	224,153	–	224,153
Medals & Prizes	–	5,188	5,188	–	–	–
ISO 18404 sector scheme	10,771	–	10,771	19,600	–	19,600
	948,066	5,188	953,254	1,157,137	–	1,157,137
f) Engaging the Membership & Partners Subscriptions	691,905	–	691,905	712,814	–	712,814
Advertising	11,940	–	11,940	27,901	–	27,901
Grants & Sponsorship	5,500	–	5,500	4,605	396,121	400,726
	709,345	–	709,345	745,320	396,121	1,141,441
g) Venue hire	7,069	–	7,069	7,583	–	7,583
h) Investments Dividends	50,640	–	50,640	66,064	–	66,064
Interest receivable	1,414	–	1,414	2,885	–	2,885
	52,054	–	52,054	68,949	–	68,949
i) Other incoming resources Compensation for building works	–	–	–	81,000	–	81,000
Other	–	–	–	7,728	–	7,728
	–	–	–	88,728	–	88,728
Total income	1,999,877	5,188	2,005,065	2,506,380	396,121	2,902,501

3a Analysis of expenditure (current year)

	Charitable activities								
	Statistics & Public Interest £	Education & Statistical Literacy £	Developing the Profession £	Strengthening the Discipline £	Engaging the Membership & Partners £	Venue Hire £	Governance costs £	2020 Total £	2019 Total £
Direct Costs									
Staff costs (note 5)	208,704	201,279	259,602	322,975	255,554	5,047	70,063	1,323,224	1,416,445
Other staff costs	13,818	12,744	20,570	26,678	24,498	395	6,653	105,356	112,973
Direct service costs	34,414	22,497	3,973	69,709	38,136	–	34,486	203,215	436,479
Trading costs	–	–	64,241	5,504	–	1,825	–	71,570	167,783
	256,936	236,520	348,386	424,866	318,188	7,267	111,202	1,703,365	2,133,680
Support costs									
Establishment costs	7,226	6,664	10,756	13,951	12,811	206	3,479	55,093	174,964
IT costs	12,404	11,440	18,465	23,947	21,991	354	5,972	94,573	85,408
Office costs	1,810	1,670	2,695	3,494	3,210	52	872	13,803	30,827
Legal and professional	2,352	2,170	3,502	4,541	4,171	67	1,133	17,936	20,642
Irrecoverable VAT	4,766	4,395	7,094	9,202	8,449	136	2,294	36,336	83,424
Depreciation	20,706	19,097	30,824	39,980	36,711	591	9,969	157,878	153,866
Other expenses	6,002	5,535	8,935	11,588	10,641	171	2,890	45,762	46,407
	55,266	50,971	82,271	106,703	97,984	1,577	26,609	421,381	595,538
Total expenditure	312,202	287,491	430,657	531,569	416,172	8,844	137,811	2,124,746	2,729,218
Governance costs reallocated	19,292	17,793	28,720	37,250	34,205	551	(137,811)	–	–
Total expenditure 2020	331,494	305,284	459,377	568,819	450,377	9,395	–	2,124,746	
Total expenditure 2019	490,913	376,867	536,229	706,332	582,266	36,611	–		2,729,218

3b Analysis of expenditure (prior year)

	Charitable activities					Venue Hire £	Governance costs £	2019 Total £
	Statistics & Public Interest £	Education & Statistical Literacy £	Developing the Profession £	Strengthening the Discipline £	Engaging the Membership & Partners £			
Direct Costs								
Staff costs (note 5)	275,554	214,549	229,763	273,894	335,812	17,750	69,123	1,416,445
Other staff costs	24,951	16,474	17,213	21,256	25,907	2,217	4,955	112,973
Direct service costs	25,719	37,104	22,434	258,483	49,548	–	43,191	436,479
Trading costs	–	–	153,202	12,400	–	2,012	169	167,783
	326,224	268,127	422,612	566,033	411,267	21,979	117,438	2,133,680
Support costs								
Establishment costs	38,642	25,514	26,659	32,919	40,123	3,433	7,674	174,964
IT costs	18,863	12,455	13,013	16,069	19,586	1,676	3,746	85,408
Office costs	6,808	4,496	4,697	5,800	7,069	605	1,352	30,827
Legal and professional	4,559	3,010	3,145	3,884	4,734	405	905	20,642
Irrecoverable VAT	18,425	12,165	12,711	15,696	19,131	1,637	3,659	83,424
Depreciation	33,982	22,438	23,444	28,950	35,284	3,019	6,749	153,866
Other expenses	10,249	6,767	7,071	8,731	10,642	911	2,036	46,407
	131,528	86,845	90,740	112,049	136,569	11,686	26,121	595,538
Total expenditure	457,752	354,972	513,352	678,082	547,836	33,665	143,559	2,729,218
Governance costs reallocated	33,161	21,895	22,877	28,250	34,430	2,946	(143,559)	–
Total expenditure 2019	490,913	376,867	536,229	706,332	582,266	36,611	–	2,729,218

Notes to the financial statements

For the year ended 31 December 2020

4 Net incoming resources for the year

This is stated after charging:

	2020 £	2019 £
Depreciation		
Owned	156,570	152,558
Leased	1,308	1,308
Loss on disposal of fixed assets	–	73
Trustees' remuneration	–	–
Trustees' expenses	459	5,377
Auditor's remuneration (excluding VAT):		
Audit	11,500	11,200
Pension Audit	3,000	2,900
Other services	6,620	950
Finance lease rentals		
Equipment	5,250	5,250

4 (2019: 18) trustees were paid for expenses relating to travel, subsistence, telephone and postage.

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	1,061,366	1,140,749
Social security costs	105,496	107,142
Pension contributions		
Defined benefit pension contributions	(4)	(4)
Less adjustment for FRS102	–	–
Net interest expense	6,000	4,000
Loss due to benefit change	–	–
Defined contribution pension contributions	143,152	153,676
Life assurance	7,214	10,882
	1,323,224	1,416,445

Staff are entitled to carry over a maximum of 10 days allowance of unused annual leave, however in 2020 it was decided to temporarily remove this limit for all staff as a result of the pandemic. For the 2020 accounting year the value of the accrued leave was calculated at £34,396 (2019: £22,757). This amount is not material and so is not included as an adjustment in the salary and wages expense.

As part of the recovery plan to reduce the shortfall in funding for the defined benefit pension scheme the employer contributed £99,996 (2019: £199,996) during the year. The actuarial gains and losses on the Scheme for the year, are recognised in the statement of financial activities in accordance with FRS102.

The contributions made during the year ended 31 December 2020 for the defined contribution scheme were at a rate of double that made by the contributor (between 1% and 8%) of pensionable salaries. The cost to the Society was £143,152 (2019: £153,676).

Insurance premiums for death in service benefits were payable in addition.

Notes to the financial statements

For the year ended 31 December 2020

5 Analysis of staff costs (continued)

The following number of employees received employee benefits in excess of £60,000 (excluding employer pension costs and employer national insurance) during the year between:

	2020 No.	2019 No.
£60,000 – £69,999	1	1
£70,000 – £79,999	1	1
£80,000 – £89,999	–	–
£90,000 – £99,999	–	1
	2	3

The key management personnel of the Society comprise the Chief Executive, the Director of Membership and Professional Affairs, the Director of Policy and Public Affairs (until November 2020), the Director of Finance, the Head of Training & Commercial (from February 2020) and the Head of Digital & IT (from November 2020). The total employee benefits (including pension contributions and employer national insurance contributions) of the key management personnel were £423,512 (2019: £367,393).

The trustees were not paid nor received any other benefits from employment with the Society in the year (2019: £nil). No trustee received payment for professional or other services supplied to the Society with the exception of those detailed in note 7.

6 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020 No.	2019 No.
Total staff	25.3	30.3
	25.3	30.3

7 Related party transactions

For teaching and developing commercial training courses one trustee, Mark Briers was paid £nil (2019: £2,000). There were no amounts outstanding at 31 December 2020 (2019: £nil).

8 Taxation

The Society is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The Society's trading subsidiary RSS (Services) Ltd distributes available profits under Gift Aid to the Society. Its charge to corporation tax in the year was £nil (2019: £nil).

9 Tangible fixed assets

The group and Society

	Freehold land and buildings £	Fixtures and fittings and equipment £	Computers and Laptops £	Database, Servers and Audiovisual Equipment £	Total £
Cost					
At the start of the year	1,067,145	334,637	44,341	675,179	2,121,302
Additions in year	–	8,034	–	45,825	53,859
Disposals in year	–	–	–	(206,648)	(206,648)
At the end of the year	1,067,145	342,671	44,341	514,356	1,968,513
Depreciation					
At the start of the year	249,836	175,972	41,730	442,702	910,240
Charge for the year	10,071	39,918	2,611	105,278	157,878
Eliminated on disposal	–	–	–	(206,648)	(206,648)
At the end of the year	259,907	215,890	44,341	341,332	861,470
Net book value					
At the end of the year	807,238	126,781	–	173,024	1,107,043
At the start of the year	817,309	158,665	2,611	232,477	1,211,062

Land with a historic value of £60,000 (2019: £60,000) is included within freehold property and not depreciated. The trustees believe that if sold at the current time the land and building would realise in excess of the net book value of the asset. The last valuation was in 2015 and at that time valued the building at £5m.

A finance lease with an original value of £7,850 (2019: £7,850) is included within fixtures and capitalised in accordance with FRS102.

The RSS maintains the oldest part of its historical book collection on site at Errol Street. The collection comprises approximately 500 volumes and includes all the pre 1800 dated books as well as the collections donated by William Newmarch and George Udny Yule.

The majority of post-1800 books are held on permanent deposit at the University of Essex library. This collection consists of back runs of around 30 periodicals, a large book collection, and an important series of tracts – bound volumes of pamphlets on diverse topics. The core of the collection relates to statistics and statistical history, and contains much material of interest in the field of social and economic history, particularly for the 19th and early 20th centuries.

The trustees regard the Book Collection as a Heritage Asset and it is not their intention at any time in the future to sell the collection. The collection is included at nil value.

All of the above assets are used for charitable purposes.

10 Listed investments

	The group		The Society	
	2020	2019	2020	2019
	£	£	£	£
Market value at the start of the year	2,053,349	1,855,652	2,054,349	1,856,652
Cash movement	(30,879)	33,747	(30,879)	33,747
Additions at cost	259,571	373,070	259,571	373,070
Disposal proceeds	(240,227)	(418,662)	(240,227)	(418,662)
Net gain/(loss) on revaluation	34,358	209,542	34,358	209,542
Total market value at year end	2,076,172	2,053,349	2,077,172	2,054,349

Investments comprise:

	The group		The Society	
	2020	2019	2020	2019
	£	£	£	£
Bonds	308,229	297,731	308,229	297,731
Shares listed on recognised stock exchanges including unit trusts	1,494,360	1,484,113	1,494,360	1,484,113
Property fund	238,685	205,728	238,685	205,728
Cash	34,898	65,777	34,898	65,777
Investment in subsidiary undertakings	–	–	1,000	1,000
	2,076,172	2,053,349	2,077,172	2,054,349

Dividends of £50,640 were received in the year (2019: £66,064).

Notes to the financial statements

For the year ended 31 December 2020

11 Subsidiary undertaking

The Society owns the whole £1,000 of the issued ordinary share capital of RSS (Services) Ltd, a company registered in England (company number 0398652). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are distributed under Gift Aid to the Society. Current Directors are Dr Paul Baxter, Mr Stuart McKendrick (from 1 February 2020), Mr Chris Murphy, Mr Hetan Shah (until 31 January 2020), Mr Ed Swires-Hennessy and Mr Stian Westlake (from 23 October 2020). No trustees of the Society are currently directors. Mr Stuart McKendrick and Mr Stian Westlake are employed by the Society in the positions of Head of Training and Commercial and Chief Executive respectively. A summary of the results of the subsidiary is shown below:

	2020 £	2019 £
Turnover	181,903	354,946
Cost of sales	(71,570)	(167,614)
Gross profit	110,333	187,332
Administrative expenses	(5,588)	(3,834)
Management charge from parent entity	(140,935)	(155,876)
Profit on ordinary activities before taxation	(36,190)	27,622
Taxation on profit on ordinary activities	–	–
Profit / (loss) for the financial year	(36,190)	27,622
Retained earnings		
Total retained earnings brought forward	–	–
Profit / (loss) for the financial year	(36,190)	27,622
Distribution under Gift Aid to parent charity	–	(27,622)
Total retained earnings / (loss) carried forward	(36,190)	–
The aggregate of the assets, liabilities and funds was:		
Assets	123,724	71,727
Liabilities	(158,914)	(70,727)
Funds	(35,190)	1,000

Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020 £	2019 £
Gross income	1,998,424	2,940,594
Result for the year	(1,177,160)	69,823

Notes to the financial statements

For the year ended 31 December 2020

12 Debtors

	The group		The Society	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	11,326	33,003	–	–
Other debtors & prepayments	566,585	779,022	564,544	777,189
Amounts owed by subsidiary company	–	–	142,757	35,386
	577,911	812,025	707,301	812,575

In October 2019 the RSS was awarded a grant of £396,121 from the National Lottery for the Statisticians in Society project, this money will be paid in installments until 2023. Currently £242,032 is being held as an other debtor.

13a Creditors: amounts falling due within one year

	The group		The Society	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	2,813	7,219	–	–
Other creditors, provisions and accruals	110,903	106,542	108,626	103,007
Deferred income	165,202	153,184	155,135	128,596
Finance lease commitments	624	2,238	624	2,238
Taxation and social security costs	18,434	27,646	18,434	27,646
	297,976	296,829	282,819	261,487

13b Creditors: amounts falling due in more than one year

	The group		The Society	
	2020	2019	2020	2019
	£	£	£	£
Finance lease commitments (one to five years)	–	624	–	624
External decoration provision (greater than five years)	–	47,813	–	47,813
	–	48,437	–	48,437

14 Deferred income

	The group		The Society	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	153,184	210,705	128,596	169,476
Amount released to income in the year	(152,566)	(209,799)	(127,978)	(168,570)
Amount deferred in the year	164,584	152,278	154,517	127,690
Balance at the end of the year	165,202	153,184	155,135	128,596

15 Pension scheme

The Society operates a defined benefit scheme, The Staff Pension and Life Assurance Plan of the Royal Statistical Society. The most recent actuarial assessment for accounting purposes was at 1 January 2018, it showed a funding shortfall (technical provisions minus value of assets) of £667,000. On 14 February 2019 the Society agreed a recovery plan to pay contributions to meet the shortfall in funding. A lump sum of £100,000 was paid in 2019 in respect of the year 2018 and from January 2019 to February 2025 £8,333 will be paid each month. Please note this assessment is calculated on a different basis from the deficit included in the financial statements, which is calculated in accordance with FRS 102.

The pension scheme members' years of employment, counted in the scheme, ceased to increase with effect from 1 January 2017.

The Scheme has a number of purchased annuities in respect of past retirements. The annuity contracts held by the trustees are included as both an asset and liability, with the fair value of the asset taken to equal the present value of the liability.

Insurance premiums for death in service benefits were payable in addition.

The employee benefit obligations recognised in the balance sheet are as follows:

	2020 £	2019 £
Present value of funded obligations	(6,459,000)	(5,205,000)
Fair value of plan assets	5,073,000	4,853,000
	<u>(1,386,000)</u>	<u>(352,000)</u>
Amounts in the balance sheet:		
Liabilities	(6,459,000)	(5,205,000)
Assets	5,073,000	4,853,000
Net (liability)	<u>(1,386,000)</u>	<u>(352,000)</u>
Amounts recognised in net incoming resources are as follows:		
	2020 £	2019 £
Net interest expense	(6,000)	(4,000)
Total	<u>(6,000)</u>	<u>(4,000)</u>
Actual return on plan assets	<u>228,000</u>	<u>337,000</u>

Notes to the financial statements

For the year ended 31 December 2020

15 Pension scheme (continued)

Changes in the present value of the defined benefit obligation are as follows:

	2020 £	2019 £
Opening defined benefit obligation	5,205,000	4,644,000
Interest cost	108,000	133,000
Actuarial losses	1,254,000	521,000
Benefits paid	(108,000)	(93,000)
Closing defined benefit obligation	6,459,000	5,205,000

Changes in the fair value of plan assets are as follows:

	2020 £	2019 £
Opening fair value of plan assets	4,853,000	4,409,000
Interest Income	102,000	129,000
Actuarial gains	126,000	208,000
Contributions by employer	100,000	200,000
Benefits paid	(108,000)	(93,000)
Closing fair value of plan assets	5,073,000	4,853,000

Net actuarial (loss) on defined benefit pension scheme

	2020 £	2019 £
Actuarial gain loss on plan obligations	(1,254,000)	(521,000)
Actuarial gain on plan assets	126,000	208,000
	(1,128,000)	(313,000)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020 %	2019 %
Retail Price Inflation assumption	2.8%	2.7%
Consumer Price Inflation assumption	2.4%	1.9%
Discount rate at the end of the year	1.4%	2.1%
Statutory revaluation in deferment	2.4%	1.9%
Future salary increases	2.9%	2.4%
Future pension increases	3.4%	3.3%
Life expectancy – Male	87 years	87 years
Life expectancy – Female	89 years	89 years

Amounts for the current and previous four periods are as follows:

	2020 £	2019 £	2018 £	2017 £	2016 £
Defined benefit obligation	(6,459,000)	(5,205,000)	(4,644,000)	(5,006,000)	(4,557,000)
Plan assets	5,073,000	4,853,000	4,487,000	4,583,000	4,401,000
Deficit	(1,386,000)	(352,000)	(157,000)	(423,000)	(156,000)
Experience loss on benefit obligation	(113,000)	(14,000)	(26,000)	(98,000)	(258,000)
Asset return less expected return on assets	126,000	208,000	(205,000)	149,000	364,000

16a Current year analysis of group net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,107,043	–	–	1,107,043
Investments	2,076,172	–	–	2,076,172
Net current assets	148,650	1,738	534,867	685,255
Defined benefit pension liability	(1,386,000)	–	–	(1,386,000)
Net assets at the end of the year	1,945,865	1,738	534,867	2,482,470

16b Prior year analysis of group net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,211,062	–	–	1,211,062
Investments	2,053,349	–	–	2,053,349
Net current assets	243,293	1,888	586,638	831,819
Long term liabilities	(48,437)	–	–	(48,437)
Defined benefit pension liability	(352,000)	–	–	(352,000)
Net assets at the end of the year	3,107,267	1,888	586,638	3,695,793

17a Current year movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Francis Wood Memorial Medal Fund	5,038	–	–	209	5,247
Chambers Medal Fund	8,932	–	–	370	9,302
Guy Medal Fund	3,529	–	(1,208)	96	2,417
Greenfield Industrial Medal Fund	2,283	–	–	94	2,377
Bradford Hill Medal Fund	3,784	–	–	157	3,941
Research Prize Fund	73,929	–	(2,000)	2,977	74,906
Cathie Marsh Memorial Bursary Fund	4,688	–	–	194	4,882
John Howard West Bursary & Medal Fund	25,911	–	–	1,073	26,984
Barnett Award Fund	27,660	–	–	1,145	28,805
David G. Kendall Award for Young Researchers	–	5,188	–	–	5,188
Mardia Interdisciplinary Workshop Prize Fund	34,763	–	–	–	34,763
Statisticians for Society (Big Lottery Fund)	396,121	–	(60,066)	–	336,055
Total restricted funds	586,638	5,188	(63,274)	6,315	534,867
Unrestricted funds:					
Designated funds:					
C. Oswald George Prize Fund	1,888	–	(150)	–	1,738
Total designated funds	1,888	–	(150)	–	1,738
General funds	3,459,267	689,974	(774,871)	(6,315)	3,368,055
Non-charitable trading funds	–	181,903	(218,093)	–	(36,190)
Total unrestricted funds	3,461,155	871,877	(993,114)	(6,315)	3,333,603
Pension fund	(352,000)	–	(1,034,000)	–	(1,386,000)
Total funds including pension fund	3,695,793	877,065	(2,090,388)	–	2,482,470

Notes to the financial statements

For the year ended 31 December 2020

17b Prior year movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Francis Wood Memorial Medal Fund	4,442	–	–	596	5,038
Chambers Medal Fund	7,875	–	–	1,057	8,932
Guy Medal Fund	4,578	–	(1,466)	417	3,529
Greenfield Industrial Medal Fund	2,013	–	–	270	2,283
Bradford Hill Medal Fund	3,336	–	–	448	3,784
Research Prize Fund	67,180	–	(2,000)	8,749	73,929
Cathie Marsh Memorial Bursary Fund	4,133	–	–	555	4,688
John Howard West Bursary & Medal Fund	22,845	–	–	3,066	25,911
Barnett Award Fund	24,387	–	–	3,273	27,660
Mardia Interdisciplinary Workshop Prize Fund	42,149	–	(7,386)	–	34,763
Statisticians for Society (Big Lottery Fund)	21,037	396,121	(21,037)	–	396,121
Total restricted funds	203,975	396,121	(31,889)	18,431	586,638
Unrestricted funds:					
Designated funds:					
C. Oswald George Prize Fund	2,038	–	(150)	–	1,888
Total designated funds	2,038	–	(150)	–	1,888
General funds	3,654,955	1,838,434	(2,015,691)	(18,431)	3,459,267
Non-charitable trading funds	–	354,946	(354,946)	–	–
Total unrestricted funds	3,656,993	2,193,380	(2,370,787)	(18,431)	3,461,155
Pension fund	(235,000)	–	(117,000)	–	(352,000)
Total funds including pension fund	3,625,968	2,589,501	(2,519,676)	–	3,695,793

Purposes of restricted funds

All restricted funds represent grants, donations, bequests etc received by the Society, along with interest earned thereon. They are used to meet future costs of awarding medals, prizes and bursaries. The Barnett Award is a named lecture in the field of environmental statistics. The Mardia Interdisciplinary Workshop Prize funds events or workshops in emerging interdisciplinary areas. The Statisticians for Society project was begun in 2018 as a pilot programme to support RSS members to give their skills on a pro bono basis to organisations in the voluntary, community and social enterprise sector. In 2019 we were awarded a further grant from the National Lottery Fund to build on the learning gained during the development phase and to continue the development across the UK over the next five years.

In accordance with accounting policy on fund accounting (h) the trustees have transferred the percentage, representing the investment return, including both the income earned and the unrealised gain/loss on investments, from the General fund to these funds as at the balance sheet date.

Purposes of designated funds

The C. Oswald George Prize Fund has been awarded to the authors of the best article in *Teaching Statistics* since the magazine launched in 1979.