

**SOCIETY FOR ECONOMIC ANALYSIS LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**for the**

**YEAR ENDED 31ST DECEMBER 2022**

**REGISTERED CHARITY NO: 313715**

**A COMPANY LIMITED BY GUARANTEE AND REGISTERED IN ENGLAND & WALES**

**COMPANY REGISTERED NO: 1036458**

**DIRECTORS' REPORT INCORPORATING THE TRUSTEES' ANNUAL REPORT****YEAR ENDED 31ST DECEMBER 2022**

The directors who are also the trustees of the Society for Economic Analysis Limited present their report and financial statements of the company for the year ended 31st December 2022.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Charities Statement of Recommended Practice ("Charities SORP") (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS 102 issued in October 2019).

**OBJECTIVES AND ACTIVITIES**

The principal objective remains the promotion of both the production and dissemination of high quality academic research in the general area of economics, with particular emphasis on the support of younger researchers. The mechanism for this is to trade through a wholly owned subsidiary company, Review of Economic Studies Limited.

The charity furthers its charitable objectives for the purposes of public benefit through various other means set out in the achievements and performance section below. No major innovations are anticipated at the present moment in either the basic forms of support offered, or the financial arrangements which underpin them.

**ACHIEVEMENTS AND PERFORMANCE**

The major charitable activities have historically centred around the promotion and the financing of the RESTUD conferences known as May Meetings. These normally take place at various educational establishments in Europe. The bulk of these meetings centred around funding the travel and/or subsistence costs of newly emerging scholars in the field of Economics to give lectures to both established researchers and current doctoral students on the findings from their research. Travel costs are also paid for students and researchers who are keen to attend these seminars and share the knowledge of these scholars.

The May meetings are also used by OUP to encourage an ongoing sense of engagement with the journal amongst the speakers participating, in order to encourage them to become 'ambassadors' for the journal.

The charity also finances travel costs and venue hire for the annual meeting of trustees and members. At these meetings members present their research about the performance of the Review of Economic Studies, thus supporting the charitable aim of promoting research in economics. At these meetings the publishing strategy of the journal is also reviewed (for instance, number and type of articles) in order to ensure that the journal continued to best serve the academic community and members of the public interested in research in economics.

The charity also finances and supports the annual mentoring event for young female researchers held by the Women in Economics Committee of the European Economic Association. This event aims to support female researchers and in particular to close the gap between male and female researchers in terms of faculty representation at leading universities. In 2022 £19.6k was paid to the EEA.

During the year the charity also supported the following tours -

The 2022 RESTUD Tour which took place at the University of Manchester, Paris School of Economics and the Central European University at a total cost of just over £51.2k.

The 2022 phase of the North America Tour which took place in October 2022. The hosts were University of California San Diego, Duke University and the University of Minnesota. The total expenditure was £35.8k.

**DIRECTORS' REPORT INCORPORATING THE TRUSTEES' ANNUAL REPORT****YEAR ENDED 31ST DECEMBER 2022****ACHIEVEMENTS AND PERFORMANCE - continued**

Many developing countries do not have the funding to buy access to leading academic journals that are necessary for teaching and research. Under philanthropic programmes through the International Network for the Availability of Scientific Publications (INASP) initiative, the journal publisher Oxford University Press makes the Review of Economic Studies available to developing country universities via gratis or heavily discounted subscriptions, thereby promoting teaching and research in these countries.

**FINANCIAL REVIEW**

The results for the year ended 31st December 2022 are shown in the statement of financial activities (including the income and expenditure account) on page 11.

Governance costs also tend to fluctuate from one year to another depending on where in Europe the September main meetings are held. The reason for changing the venue each year is to ensure wider participation from the European members. Apart from holding the AGM and Board meetings, the main focus at these meetings centres around the direction and content of future publications of the RES journal which continues to maintain its reputation as one of the top 5 journals in Economics worldwide (independent analysis captured in the Journal Impact Factor shows the RESTUD to be ranked second amongst the world's general interest journals in economics). The September meetings include research presentations by board members followed by seminar discussion, consistent with SEAL's objective of promoting the dissemination of knowledge and frontier research in Economics.

The trading subsidiary, Review of Economic Studies Limited (RESL), has reported a profit for the year. The financial position of the journal remains healthy. In 2022 the profitability of the journal (and therefore the donation under the deed of covenant to the charity from the profits generated in the year) decreased from £225,025 in 2021 to a £110,247 in 2022. Part of the decrease was attributed to a one off Corporate Gift Aid donation of £50k by the trading subsidiary to the British Red Cross Ukraine Crisis Appeal. Turnover also fell from a high of £614k to £560k indicating a downward pressure on revenues. Costs also increased by £11.4k because of web design consultancy costs.

The publication and distribution was through the Oxford University Press (OUP) agents. The annual report provided by the publisher Oxford University Press indicates continued expansion of the reach of the journal with content engagement up 8% in 2021. This high level of interest in the journal was supported by the annual distribution and marketing budget of approximately £13k which is used to promote the journal at conferences and via email alerts, the OUP blog, and google advertisements. As a result, and due to the continued high quality of the journal articles, the journal remains highly ranked in the Economics profession. The impact factor of the journal increased from 6.345 to 7.833 in 2021. The number of articles submitted to the journal for consideration for publication fell by 13% in 2022, in common with other top journals, but are still up on 2019 (i.e. two years previously). Submissions are still among the highest figures for leading Economics journals, confirming the status of the journal as a prime outlet for frontier research in Economics. Total income fell by 8.6% in 2022,. Submission fees fell around 0.6% in 2022, with exchange-rate movements offsetting much of the lower numbers. There was a small fall in subscription income but a large fall in non-subscription income (of around 1/3).

For 2023, OUP are budgeting for a revenue paid to RESL of £410,093, a fall of around 2% on the year. Submission fees have increased from \$150 to \$200 for full-price submissions and \$100 to \$120 for discounted submissions. This will help to offset pressures on profits elsewhere.

**DIRECTORS' REPORT INCORPORATING THE TRUSTEES' ANNUAL REPORT****YEAR ENDED 31ST DECEMBER 2022****FINANCIAL REVIEW** - continued

The reserves of the charitable company reduced by £108,417 (2021: increase of £472,134) during the year. This is largely attributable to the company returning to normal working after lockdown measures were eased. Charitable expenditures and support costs increased to just over £136.2k from a low of £17.2k in 2021. Owing to the uncertain economic climate brought about by inflationary pressures, political upheaval and the war in Ukraine, the market value of charity's investment portfolio has decreased from a high of £2.083m to £1.971m in 2022.

**PLANS FOR THE FUTURE**

The 2023 REStud Tours took place at CEMFI (Madrid), Ca'Foscari (Venice) and the University of Oxford. The total cost of the Tour is expected to be £50,000

The Trustees expect to pay around £5k to the Women in Economics (WinE) Committee of the European Economic Association.

The 2023 REStud North America Tour is due to take place in October at Rice University, Washington University in St Louis and Brown University. The total cost is expected to be £20k.

The trustees have decided that the RESTUD Tours will continue to be a major charitable activity in 2024. The European and North American venues have yet to be decided, but the tours are almost certain to go ahead.

In May 2022, the Trustees entered into a non-binding Memorandum of Understanding (MOU) for an inter-institutional co-operative arrangement between Kyiv School of Economics (KSE) to enter into an academic and research collaboration to provide funds to Ukrainian students and researchers interested in visiting universities abroad and to promote economic research around the world. SEAL would provide financial help to sponsor studies abroad or academic visits for academic year 2023 onwards.

The Trustees have made available a sum of up to £100k to support economic research by scholars affected by the war in Ukraine, of which approximately £3k has so far been disbursed. Many students are sadly serving on the front line and it is hoped that they will return to studies and academic research in the field of economics.

If this KSE scholarship programme is successful, then the trustees may roll this out to other third world countries where students are unable to access funding to further their careers in the field of economics.

The major risk still facing the charity is the continued drop in institutional and individual subscribers. In an effort to ensure that the charity's finances and activities for the future are secured, the trustees entered into dialogue with the charity commission with a view to building up an expendable endowment of £1m. The motivation behind this view is that pressure from the national research councils for free charge 'open access' to research output in journals will lead to lower subscription income for journals. It is possible that in the future the income generated will not be sufficient to cover editorial expenditure, office administration and journal production costs. The charitable company may effectively end up having to bear the bulk of the cost of making the journal available to institutions and ultimately students in order to meet its charitable objectives. Presently it costs up to £400k per annum to review articles for the publication and distribution of the journal. The charity commission has left the decision to secure sufficient reserves up to the trustees as they are well informed of the issues facing the charity and its trading subsidiary as well as the longer term prospects and can therefore take a considered view having regard to all the factors.

**DIRECTORS' REPORT INCORPORATING THE TRUSTEES' ANNUAL REPORT****YEAR ENDED 31ST DECEMBER 2022****PLANS FOR THE FUTURE - continued**

The concerns above have since been compounded by falls in many university library budgets, which have put further pressure on subscription renewals. As a result of such concerns a decision was taken at the 2018 AGM to target free reserves to at least £2.5m.

**RESERVES POLICY**

As explained above, there remains continued uncertainty concerning the implications of open access publishing on subscription numbers and revenues. The trustees consider that it is important that the charity maintains sufficient free reserves (albeit covered by fixed asset investments which can be readily realised) to provide financial flexibility to cover the possibility that the trading subsidiary's subscription base could rapidly diminish. The Board considers that it is vital to protect the charity's future prospects and at the 2012 meetings it was agreed that free reserves should be sufficient to cover at least five years of direct and overhead expenditure of both the charity and its trading subsidiary. These costs currently approximate £2m over a 5 year period.

The policy was reviewed again at the 2018 meetings and after considerable deliberation, it was agreed that free reserves should be increased to £2.5m. The reasoning behind this increase was the increased pressure on library budgets, combined with the launch of "Plan S", which is an initiative to increase open-access science publishing. This is an initiative that calls into question future subscription revenues.

The free reserves of the charity (inclusive of unrealised revaluation gains) at the balance sheet date were in excess of £2.554m (2021: £2.662m). Of this just under £475k (2021: £586k) is attributed to cumulative unrealised revaluation gains.

This policy was reviewed at the 2022 meeting and no changes were proposed. This will be reviewed again at the September 2023 meetings.

**INVESTMENT POWERS AND POLICY**

Under the Memorandum of Association, the charity has power to invest any monies of the company, not immediately required for any of its objects, in such manner or on such security as may from time to time be determined. The trustees have considered the most appropriate policy for investing funds and have found that specialised unit trusts, some of which are designed for the charity sector, meet their requirements to generate both income and capital growth. The trustees consider the income returns on investments to be satisfactory given the somewhat uncertain investment climate.

The charity's investments in equities showed a decrease in market value in 2022 of just over £111k (2021: an increase of just under £246k). The major investment funds continue to be confronted with a more challenging operating environment as a number of geopolitical and macroeconomic events increase investor uncertainty and in turn higher volatility.

The wider political and economic uncertainty both in the UK and worldwide continues to remain fluid and over the next few years it is expected that peaks and troughs will occur.

While it's clear that the variants of Covid-19, looming energy crisis, political uncertainty, inflationary pressures and the Ukraine war continue to have an economic impact on companies and their underlying investments, there still remains considerable uncertainty as to the extent and duration of this.

**DIRECTORS' REPORT INCORPORATING THE TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31ST DECEMBER 2022**

**INVESTMENT POWERS AND POLICY - continued**

This investment policy was previously reviewed in detail at the September 2018 meetings and the Board concluded that maintaining investments in a diversified portfolio made sense. The possibility of diversifying further into currencies other than GBP was discussed and implemented in 2019.

This policy will be reviewed again at the September 2023 meetings.

**DIRECTORS' REPORT INCORPORATING THE TRUSTEES' ANNUAL REPORT****YEAR ENDED 31ST DECEMBER 2022****REFERENCE AND ADMINISTRATIVE DETAILS**

<b>GOVERNING DOCUMENT</b>	Memorandum and Articles of Association
<b>CHARITY NUMBER</b>	313715
<b>COMPANY NUMBER</b>	1036458
<b>REGISTERED OFFICE</b>	46 Heddon Court Avenue Barnet Herts EN4 9NG
<b>INDEPENDENT EXAMINER</b>	Raj Shah & Co Chartered Accountants 46 Heddon Court Avenue Barnet Herts EN4 9NG
<b>BANKERS</b>	HSBC Bank plc 133 Regent Street London W1B 4HX
<b>SOLICITORS</b>	Freeths LLP Two Colton Square Leicester LE1 1QH

**DIRECTORS AND TRUSTEES**

The directors of the charitable company (charity) are its trustees for the purposes of charity law and throughout this report are collectively referred to as trustees.

The trustees who served during the year were as follows:

Prof. Nicola Christina Fuchs-Schündeln  
Prof. Michael William Leamington Elsbey resigned 31st December 2022  
Prof. Fabian Frederic Waldinger resigned 31st December 2022  
Prof. Aureo Nilo De Paula Neto  
Prof. Michèle Elisabeth Tertilt  
Prof. Monica Martinez Bravo  
Prof. Maria Petrova

The following trustees were appointed on 1st January 2023:

Dr Swati Dhingra  
Prof. Florian Scheuer

Prof. Nicola Christina Fuchs-Schündeln stepped down as director and chairman on 30th June 2023.  
Prof. Ruben Eniklopov was appointed director and chairman with effect from 1st July 2023.

Mr Gregory Douglas Thwaites acted as Secretary throughout the year.

**DIRECTORS' REPORT INCORPORATING THE TRUSTEES' ANNUAL REPORT****YEAR ENDED 31ST DECEMBER 2022****STRUCTURE, GOVERNANCE & MANAGEMENT****Governing document**

The Society For Economic Analysis limited (working name "SEAL") is a company limited by guarantee, not having a share capital. It was incorporated on 29th December 1971 and its governing document comprises the Memorandum and Articles of Association. It is an educational charity.

**Appointment of trustees**

New trustees are appointed by a resolution of the trustees passed at a meeting of the board of Trustees.

In accordance with the Articles of Association, amended by Special Resolution in September 2013, the number of directors shall not be less than two and not more than ten.

They have the power at any time, and from time to time, to appoint any person to be a trustee either to fill a casual vacancy or as an addition to the number of trustees, but so that the total number of trustees shall not at any time exceed the number fixed in accordance with the Articles.

The recruitment of potential new trustees is discussed at trustees meetings and once a suitable candidate has been identified, he/she is invited to meet the Board. If both the new trustee and Board are satisfied, their appointment as trustee is confirmed in writing. The new trustee is given documentation relating to his or her responsibilities under charity law, a copy of the governing document and most recent annual report and accounts. There is currently no formal induction programme for new trustees but this is under consideration by the trustees.

**Related parties**

The charity has a 100% interest in Review of Economic Studies Limited (working name "RESL"), a company that publishes an academic economics journal. The charity is dependent on RESL for the majority of its income.

**Organisation**

The board of trustees administers the charity.

The trustees meet once every six months to discuss the charitable company's finances. Applications are invited from institutions involved in hosting the Review of Economic Studies May Meetings at which leading young researchers from around the world are given the opportunity to present and discuss their work with leading European economists. The May Meetings are well established and integral in promoting the dissemination of frontier knowledge in the profession and promoting interaction between academic economists. The trustees believe the May Meetings to be central to meeting the company's charitable objectives and consider applications for financial support from universities to host these meetings in disposing of the charity's income.

The Secretary is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Secretary also acts as business manager for the charity and its trading subsidiary to manage operational matters including finance.



**DIRECTORS' REPORT INCORPORATING THE TRUSTEES' ANNUAL REPORT**

**YEAR ENDED 31ST DECEMBER 2022**

**STRUCTURE, GOVERNANCE & MANAGEMENT - continued**

**Risk management**

The trustees have a risk management strategy which comprises:

- a) an ongoing review of the risks the charity may face;
- b) the establishment of systems and procedures to mitigate those risks identified in the review;
- c) the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The key controls used by the trustees include:

- i) an established organisational structure and formal reporting of all operations and activities affecting the charity including formal agendas and minutes of meetings held;
- ii) clear authorisation and approval levels;
- iii) engagement of external professional advisors as and when necessary.

A large proportion of the charity funds is in the form of investments. A major financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities within particular sectors or sub sectors.

The other significant risk factor is the ongoing decline in institutional subscriptions to all mature social science journals and the trend for libraries to switch to cheaper online only subscriptions as budgets come under pressure. These risks are being managed through the inclusion of the journal in consortia deals for which cancellations of subscriptions are known to be lower, and the creation of a new revenue stream via the introduction of the submission fee described above.

Approved by the Board of directors on 14th September 2023 and signed on its behalf by:

Gregory Douglas Thwaites (Company Secretary)

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SOCIETY FOR ECONOMIC ANALYSIS LIMITED**

I report to the trustees (who are also Directors for the purpose of company law) on my examination of the financial statements of Society for Economic Analysis Limited ('The charitable company') for the year ended 31st December 2022 which comprise the Statement of Financial Activities, the Balance Sheet and related notes.

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011. My work has been undertaken so that I might state to the charity's trustees those matters that I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for my work, for this report, or for the opinion I have formed.

**Responsibilities and basis of report**

As the trustees of charitable company you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('The 2006 Act').

Having satisfied myself that the financial statements of the charitable company are not required to be audited under Part 16 of the Act and are eligible for independent examination, I report in respect of my examination of the charitable company's financial statements carried out under section 145 of the Charities Act 2011 ('The 2011 Act') and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurances that an independent examination can provide. Consequently I express no opinion as to whether the financial statements present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

**Independent examiner's statement**

Since the charitable company's and its trading subsidiary's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- i) accounting records were not kept in respect of the charitable company as required by section 386 of the 2006 Act; or
- ii) the financial statements do not accord with those records; or
- iii) the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
- iv) the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

## BALANCE SHEET AS AT 31ST DECEMBER 2022

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Investment in subsidiary	3	100	100
Investments (UK quoted)	1g & 4	1,971,291	2,082,556
		<u>1,971,391</u>	<u>2,082,656</u>
<b>CURRENT ASSETS</b>			
Debtors	5	149,954	243,807
Cash at bank		451,215	345,453
		<u>601,169</u>	<u>589,260</u>
<b>CREDITORS</b>			
Amounts falling due within one year	6	(18,320)	(9,259)
<b>NET CURRENT ASSETS</b>		<u>582,849</u>	<u>580,001</u>
<b>NET ASSETS</b>	7	<u>2,554,240</u>	<u>2,662,657</u>
Represented by:			
<b>UNRESTRICTED GENERAL FUNDS</b>			
	7		
Pre-incorporation surplus	7 & 14	9,963	9,963
Unrestricted income funds - including revaluation reserve of £474,638 (2021: £585,903)	7 & 14	2,544,277	2,652,694
<b>TOTAL FUNDS</b>		<u>2,554,240</u>	<u>2,662,657</u>

For the year ending 31st December 2022 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors (trustees) acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Approved by the Board of directors on 14th September 2023 and signed on its behalf by:

Prof. Ruben Eniklopov (Director)

**COMPANY REGISTERED NO: 1036458**

The notes on pages 12 to 16 form part of these financial statements.

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including) INCOME AND EXPENDITURE ACCOUNT**

**YEAR ENDED 31ST DECEMBER 2022**

	Notes	UNRESTRICTED INCOME FUNDS	
		2022	2021
		£	£
<b>INCOME</b>	<b>1d</b>		
Gift Aid distribution from trading subsidiary	<b>3</b>	110,247	225,025
Investment income	<b>2</b>	39,341	25,362
<b>TOTAL INCOME</b>		<b>149,588</b>	<b>250,387</b>
<b>EXPENDITURE</b>	<b>1e</b>		
<b>Charitable expenditure</b>			
Education and research -			
Charitable distributions		106,694	17,199
Support costs		29,538	-
Governance costs		10,508	6,792
<b>TOTAL EXPENDITURE</b>		<b>146,740</b>	<b>23,991</b>
<b>NET INCOME AND NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>2,848</b>	<b>226,396</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>			
(Deficit) / Gain on investments unrealised	<b>4</b>	(111,265)	245,738
<b>NET MOVEMENT IN FUNDS</b>		<b>(108,417)</b>	<b>472,134</b>
RECONCILIATION OF FUNDS			
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>2,662,657</b>	<b>2,190,523</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>2,554,240</b>	<b>2,662,657</b>

**The statement of financial activities includes all gains and losses recognised in the year**

**All income and expenditure derive from continuing operations**

The notes on pages 12 to 16 form part of these financial statements.

**NOTES TO THE ACCOUNTS****YEAR ENDED 31ST DECEMBER 2022****1 ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements are as follows:

**a 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) (issued in October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Society for Economic Analysis Limited meets the definition of a public benefit entity under FRS 102.

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

**Going Concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

**b Fund accounting**

Unrestricted funds are available to spend on activities that further any of the activities of the charitable company.

**c Group accounts - Consolidation**

The gross income of the charitable group is no more than the threshold for a statutory charity audit and accordingly the charitable company has taken advantage of the exemption conferred by the Charity's SORP to prepare consolidated accounts.

**d Income**

Gift Aid donation from the trading subsidiary is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty.

Investment income and interest are generally recognised when received.

**e 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.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

All expenditure is accounted for on an accruals basis.

## NOTES TO THE ACCOUNTS

## YEAR ENDED 31ST DECEMBER 2022

**f Allocation of support and governance costs**

Governance costs comprise all costs involving the public accountability of the charity and compliance with regulation and good practice. These include costs related to independent examination and legal fees together with an apportionment of overhead and support costs.

Support costs relating to charitable activities are apportioned on the basis of the trustees best estimate of the average time spent on these activities.

**g Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase price if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities within particular sectors or sub sectors.

<b>2 INVESTMENT INCOME</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Dividends and interest from listed investments	<u>39,341</u>	<u>25,362</u>

**3 INVESTMENT IN TRADING SUBSIDIARY**

The Society for Economic Analysis limited owns the whole of the issued ordinary share capital of Review of Economic Studies Limited (RESL), which is incorporated in England. The trading subsidiary's year end is 31st December and its principal business is to publish an academic economics journal. The subsidiary generally Gift Aids its profits to the parent company.

The aggregate value of the capital and reserves of Review of Economic Studies Limited at 31st December 2022 was £19,496 (2021: £19,496). In the year to 31st December 2022, the company's profit after taxation was £Nil (2021: £Nil).

The trading subsidiary donates all its profit to its charitable parent company. In view of the fact that the exact amount cannot be paid until the profit has been correctly calculated, the board of RESL has resolved to pay this within nine months of the balance sheet date in accordance with HMRC guidance and relate it back to the previous year. A corporate donation of £110,247 under a deed of covenant dated 27th September 2018 was paid in September 2023 and related back to the current year. Similarly a gift aid donation of £225,025 was paid in September 2022 and related back to the year ended 31st December 2021.

The investment in RESL is included in the financial statements at cost as the trustees consider that the cost of a valuation outweighs the benefit to the users of the accounts.

## NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 2022

<b>4</b>	<b>FIXED ASSET QUOTED INVESTMENTS</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
	Market value brought forward	2,082,556	1,556,818
	Additions at cost	-	280,000
	Net surplus / (deficit) on revaluation	(111,265)	245,738
	Market value carried forward	<u>1,971,291</u>	<u>2,082,556</u>
	Historical cost at balance sheet date	<u>1,496,653</u>	<u>1,496,653</u>
	Investments in individual entities held at the balance sheet date by portfolio value are:		
	Charishare Common Investment Fund	510,322	528,786
	4 / 1/8 % Index Linked Treasury Stock 2030	219,973	251,638
	ishares FTSE 100 Exchange Traded Fund	330,130	327,087
	ishares Core Euro Stoxx 50 Ucits ETF	427,602	443,310
	ishares Core S&P 500 Ucits ETF Acc	483,264	531,735
		<u>1,971,291</u>	<u>2,082,556</u>
<b>5</b>	<b>DEBTORS</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
	Amounts falling due within one year		
	Due from subsidiary undertaking	110,247	225,025
	Prepayments and accrued income	39,707	18,782
		<u>149,954</u>	<u>243,807</u>
<b>6</b>	<b>CREDITORS</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
	Accruals	<u>7,000</u>	<u>9,259</u>
<b>7</b>	<b>ANALYSIS OF NET ASSETS</b>	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
<b>a)</b>	The net assets comprise the following funds:	<b>UNRESTRICTED FUNDS</b>	
	Fixed asset investments	1,971,391	2,082,656
	Net current assets	594,169	580,001
		<u>2,565,560</u>	<u>2,662,657</u>
<b>b)</b>	Unrealised gains included in net assets amount to £474,638 (2021: £585,903). These relate to fixed asset quoted investments only (see note 7c below).		

## NOTES TO THE ACCOUNTS

## YEAR ENDED 31ST DECEMBER 2022

**7 ANALYSIS OF NET ASSETS - continued**

<b>c) Reconciliation of movements in unrealised gains on fixed asset investments</b>	<b>2022 £</b>	<b>2021 £</b>
Unrealised gains as at 31st December 2020	585,903	340,165
Net gain / (loss) on revaluation at year end	(111,265)	245,738
Unrealised gains as at 31st December 2021	<u>474,638</u>	<u>585,903</u>

**8 DIRECTORS AND EMPLOYEES**

	<b>2022 Number</b>	<b>2021 Number</b>
These comprise:		
Directors (Trustees)	7	7
Company secretary	1	1
	<u>8</u>	<u>8</u>

They were all involved in the management and administration of the charitable company. No salaries were paid during the year (2021: £Nil)

**9 DIRECTORS' (TRUSTEES') EXPENSES**

No expenses were reimbursed during the current or previous year.

**10 RELATED PARTY TRANSACTIONS**

The only related party transactions during the year were with the trading subsidiary and these are as detailed in Note 3 to the financial statements. The amount owing from the trading subsidiary at balance sheet date is detailed in note 5 to the financial statements.

<b>11 EXPENDITURE</b>	<b>2022 £</b>	<b>2021 £</b>
Reporting accountants fees	6,680	6,500
Statutory filing fees	13	13
Meeting and travel costs	32,820	-
Miscellaneous administration charges	35	35
Bank charges	498	244
	<u>40,046</u>	<u>6,792</u>

Reporting accountant fees, annual return filing fees, bank charges and miscellaneous administration charges are all attributed to governance costs.

10% of the meeting costs (based on the average estimate of time spent by the trustees) is attributed to governance costs. The remainder of the time is spent on charitable support costs.



## NOTES TO THE ACCOUNTS

YEAR ENDED 31ST DECEMBER 2022

## 12 ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

	CHARITABLE SUPPORT	GOVERNANCE	CHARITABLE SUPPORT	GOVERNANCE
	2022	2022	2021	2021
	£	£	£	£
Meeting and travel costs	29,538	3,282	-	-
Reporting accountants fees	-	6,680	-	6,500
Statutory filing fees	-	13	-	13
Bank charges	-	498	-	244
Miscellaneous administration charges	-	35	-	35
Research costs	-	-	-	-
	<u>29,538</u>	<u>10,508</u>	<u>-</u>	<u>6,792</u>

## 13 ACCOUNTANTS FEES

	2022	2021
	£	£
This is included under management and administration costs and comprises:		
Independent examiner (Reporting accountants)	2,100	2,000
Accountancy, taxation and other services	4,580	4,500
	<u>6,680</u>	<u>6,500</u>

## 14 UNRESTRICTED FUNDS

The reserves represent unrestricted funds of the charitable company (comprising the income and expenditure account together with the pre-incorporation surplus).

The movement in reserves is as shown on the income and expenditure account / statement of financial activities on page 11.

The constitution of Society for Economic Analysis Limited precludes the distribution of reserves to the members.

## 15 CONTROLLING PARTY

The company does not have any share capital. Accordingly no individual has any control of the company. The same criteria applied to the previous year.