

THE ROYAL ECONOMIC SOCIETY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

REGISTERED CHARITY NUMBER 231508

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THE ROYAL ECONOMIC SOCIETY

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS
FOR THE YEAR ENDED 31 DECEMBER 2008**

TRUSTEES:

Sir J Vickers FBA	Sir K Berrill CBE, KCB	Sir J Mirrlees FBA
Sir A Atkinson FBA	Prof Sir Partha Dasgupta FRS, FBA	Prof F H Hahn FBA
Lord Burns	Mr C J M Hardie CBE	Prof S J Nickell CBE FBA
Prof D F Hendry FBA	Prof R Griffith	Prof A K Sen FBA
Prof J Sutton FBA	Prof Z A Silberston CBE	Prof M Wickens
Prof R C O Matthews CBE, FBA	Mr H McRae	Prof W Carlin
Prof R Fernandez	Prof O Attanasio	Prof M Stewart
Prof F Cornelli (appointment ended March 2008)	Prof N Kiyotaki FBA (appointment ended March 2008)	Prof B McCormick (appointment ended March 2008)
Mr E Crooks (appointment ended March 2008)	Prof I Walker (appointment ended March 2008)	Ms A Rowlatt (appointment ended March 2008)
Ms A Fletcher	S Wadhvani CBE	Dr K Rockett
Prof M Hashem Pesaran	Dr P Rice	Dr J O'Neill
Prof K Roberts	Prof J P Thomas	Prof Lord R Skidelsky
Ms S Flanders	Mr A Persaud	Prof C Meghir
Prof D Begg	Mr E Bergl6f	Prof J Darby
Prof H Rey (appointed March 2008)	Mr C Giles (appointed March 2008)	Prof P Grout (appointed March 2008)
Prof G Laroque (appointed March 2008)	Mr M H Robson (appointed March 2008)	Prof D C Webb (appointed March 2008)
Prof H Peyton Young (appointed March 2008)		

PRESIDENT:

Sir J Vickers, FBA

SECRETARY GENERAL:

Prof R Portes, CBE - appointment ended June 2008
Prof J A Beath, FRSE - appointed June 2008

TREASURER:

Dr P A Rowlatt - appointment ended March 2008

HONORARY TREASURER:

Mr M H Robson - appointed March 2008

HEAD OFFICE:

University of St. Andrews
St. Andrews
Fife KY16 9AL

REGISTERED CHARITY NUMBER:

231508

AUDITOR:

Kingston Smith
Devonshire House
60 Goswell Road
London EC1M 7AD

BANKERS:

National Westminster
143 High Street
Bromley
Kent BR1 1YZ

INVESTMENT MANAGERS:

Legal & General
Bucklersbury House
3 Queen Victoria Street
London EC4N 8NH

REPORT OF THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2008

The Council present their report together with the Financial Statements of the Charity for the Year Ended 31 December 2008.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was founded in 1902 and is registered with the Charity Commission under charity number 231508.

The reference and administrative details of the Charity are shown on page 1 of the Financial Statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Royal Economic Society is constituted by a Royal Charter of Incorporation dated 2 December 1902 as amended by a supplemental charter dated 26 January 1968 and byelaws as made in General Meetings of the Society from time to time, subject to the consent of the Privy Council. There are no specific restrictions imposed by the governing document.

Appointment of Trustees

The charity trustees of the Society are the members of its Council, including honorary Officers. Proposed members of Council are nominated by members of the Society and considered by the Nominating Committee (consisting of five members plus the President and Secretary General ex officio). The Nominating Committee draws up a list of candidates who are voted upon by the members to become members of Council.

All new members of Council receive the Charity Commission's Information on the responsibilities of Charity Trustees. They do not undertake any formal training on appointment, but training on an ad-hoc basis is undertaken when required.

The day to day running of the Society is delegated by the Council to the Secretary General.

Risk Management

The Executive Committee of Council regularly reviews the major risks to which the Society is exposed. Investments are held in a variety of unit trusts in order to minimise systematic risk. Internal risks are minimised by the implementation of procedures for authorisation of all projects and financial transactions.

OBJECTIVES AND ACTIVITIES

Objects

The Royal Economic Society is established to promote and foster the study of economic science. The Society is also concerned with the application of the results of that study.

These objects are undertaken by means of publications, the Annual Conference, a Postgraduate Conference and helping to further the study of economics via the Annual Public Lecture, a programme of Small Grants, Conference Grants and Junior Fellowships, and an annual essay competition for Young Economists focussed on schools.

Strategies to Achieve Objectives

The Society meets its objectives by undertaking the following activities:

1. **Membership**

The Society has a membership scheme whereby anyone who is interested in the study of economics can join and conferences are held where lectures and discussions on economic subjects take place.

2. **Publications**

The Society is involved with a number of publications, the major ones being The Economic Journal and The Econometrics Journal. Members of the Society are entitled to copies of The Economic Journal and a quarterly Newsletter.

On-line access of The Economic Journal and The Econometrics Journal is available and is increasingly being used. In 2008, articles in The Economic Journal were accessed 613,485 times compared to 727,707 times in 2007.

In addition, the Society publishes classic scholarly works by Edgeworth, Keynes, Malthus, Marshall and Ricardo.

3. **Projects, Grants and Subscriptions**

The Society provides financial support to individuals and academic bodies to assist in the progress and further study of economics.

Grants are provided to perform projects that conform to the Society's objectives and enable recipients to meet research expenses and the costs of attendance at conferences where they are presenting the results of their research. In particular, the Society assists postgraduate students to attend its Annual Conference, to present and discuss their research.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2008**

ACHIEVEMENTS AND PERFORMANCE

Review of activities

In line with the objectives of the Society the key achievements during the Year Ended 31 December 2008 were as follows:

- a) **Projects, Grants and Subscriptions**
During the year the Society supported a large number of projects spending a total of £184,018 (2007: £206,516) before the allocation of support costs.
- b) **Membership and Publications**
At the end of 2008 the Society had a strong and international membership consisting of 3,001 members (2007: 2,961). A particular feature of note has been the steady growth in the number of student members in response to the scheme of subsidised student membership introduced five years ago.

The Economic Journal and The Econometrics Journal continue to be acknowledged as leading journals in the field of economics. Wiley-Blackwell, the Society's publishers for both, state that they are among the most accessed journals of those they publish. The 2003 to 2007 volumes of the Economic Journal are also available on CDrom.

The Society's website (www.res.org.uk) continues to offer many features to maximise usage and readership, and to enhance the Society's profile.
- c) **Conference**
The annual conference held at the University of Warwick was extremely successful with a packed programme of lectures and events which were well attended by approximately 450 individuals (2007: approximately 400).
- d) **Postgraduate Conference**
The Postgraduate Conference was held for the first time in 2006 (24 universities attended) and due to its success has continued to be held each January. The number of students attending and the number of institutions represented has steadily grown and in 2008, 30 institutions were represented and there were 150 presentations of student research, either as formal presentations or as poster sessions. A conference for 2009 has been organised and resources committed to it.
- e) **Annual Public Lecture**
The Annual Public Lecture was first held in 2001 and was attended by approximately 500 individuals (some members and non-members). It is held in London and in one other venue around the UK. The 2008 lecture was again extremely successful and attended by approximately 900 people (2007: 1,300 people). As part of the London event, the prize for the Young Economist of the Year Competition is presented. From an entry of 400, there were two winners in 2008, each receiving an engraved trophy and a cheque for £1,000.

FINANCIAL REVIEW

Explanation of the Statement of Financial Activities and the Application of the Society's Funds

The Council consider the key figure in the Statement of Financial Activities (see page 6) is the surplus before asset revaluations of £37,980 compared with £12,551 (as restated) in 2007.

The Economic Journal has produced a surplus for the year of £191,874 (2007: £191,565), before the apportionment of support costs. The Econometrics Journal has produced a deficit of £369 compared to a surplus of £1,078 in 2007 (see notes 3 and 4 respectively on page 9), before the apportionment of support costs.

Investment income recorded in the Statement of Financial Activities is £119,429 (2007: £117,256 (as restated)).

Funds were expended on publishing the Economic and Econometrics journals, as well as books by renowned economists. In addition, funds were expended on conferences, and various projects, grants and subscriptions (as detailed in note 9 to the accounts). All of these support and promote the objectives of the Society.

Use of Assets

Investments continue to be held in unit trusts. The investments provide an important source of income to support the Society's activities. Investment income currently accounts for around 12% of our annual gross income.

The market value of our investment portfolio fell by £847,720 (see note 15). The Society's investment objectives are set and assessed on the basis of long term performance. It is hoped that the value of the investments will begin to rise once the economic climate starts to recover.

Significant events since the year end

Since the year end there have been no significant events that require reporting.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2008

Reserves Policy

The Council maintain their reserves to provide income to support the ongoing activities of the Society. The reserves are kept at a level to provide continuity of activities due to fluctuations in the Society's sources of income. The Council believe that this level should represent at least 24 months' expenditure.

PLANS FOR FUTURE PERIODS

The Society will continue to foster and encourage the communication of economic information through its financial support of projects and grants to individuals and will continue to promote the advantages of membership and to promote its publications.

ACCOUNTING AND REPORTING RESPONSIBILITIES

Under the Charter and legislation relating to Charities in England and Wales, the Council are required to prepare Financial Statements for each financial year which show a true and fair view of the state of affairs of the Society and of the surplus or deficit for that year - and which have been properly prepared from and are in agreement with the accounting records of the Society and comply with relevant disclosure regulations (SORP March 2005).

In preparing these Financial Statements, the Council are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Society will continue its activities.

The Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Society and to enable them to ensure that the Financial Statements comply with the requirements of Section 42 of the Charities Act 1993 and The Charities (Accounts and Reports) Regulations 1995 flowing therefrom. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

Disclosure of Information to Auditors

So far as the Council are aware, there is no relevant audit information of which the charity's auditors are unaware. The Council have taken all the steps that they ought to have taken as Council in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

On behalf of the Council: *M H Robson*

Dated: *14 April 2009*

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE ROYAL ECONOMIC SOCIETY**

We have audited the financial statements of The Royal Economic Society for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of investments, and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under Section 43 of the Charities Act 1993. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law in respect of trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Trustees' Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources, including the income and expenditure of the charity for the year then ended; and;
- have been properly prepared in accordance with the Charities Act 1993.

Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP
Registered Auditors

Date: 16 April 2009

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	Totals 31/12/08 £	Totals 31/12/07 As restated £
INCOMING RESOURCES FROM GENERATED FUNDS			
Investment Income	6	119,429	117,256
INCOMING RESOURCES FROM CHARITABLE ACTIVITIES			
Membership Subscriptions		87,851	86,850
Economic Journal	3	536,218	531,935
Econometrics Journal	4	118,632	117,605
Publishing Activities	5	39,464	15,812
Annual Conference		115,253	89,590
Postgraduate Conference		1,292	6,396
Newsletter	7	72	51
Liberty Fund	8	276	476
TOTAL INCOMING RESOURCES		1,018,487	965,971
RESOURCES EXPENDED			
Costs of Generating Funds			
Investment Management Costs	12	6,975	7,293
Charitable Activities			
Economic Journal	3	393,894	383,452
Econometrics Journal	4	136,125	131,057
Publishing Activities	5	31,851	(373)
Newsletter	7	31,054	28,386
Annual Conference		149,730	140,207
Postgraduate Conference		9,409	21,882
Projects, Grants and Subscriptions	9	210,499	232,408
		969,537	944,312
Governance Costs	11	10,970	9,108
TOTAL RESOURCES EXPENDED		980,507	953,420
NET INCOMING RESOURCES BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS		37,980	12,551
GAINS AND LOSSES ON REVALUATIONS AND DISPOSAL OF INVESTMENT ASSETS	15	(847,720)	186,881
NET MOVEMENT IN FUNDS		(809,740)	199,432
TOTAL FUNDS BROUGHT FORWARD		4,491,336	4,293,920
PRIOR YEAR ADJUSTMENT	2	(16,089)	(18,105)
RESTATED FUNDS BROUGHT FORWARD		4,475,247	4,275,815
TOTAL FUNDS CARRIED FORWARD		3,665,507	4,475,247

All movements during the year relate to unrestricted funds.

CONTINUING OPERATIONS

None of the Charity's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The Charity has no recognised gains or losses other than the net incoming resources for the current and previous years.

The notes on pages 8 to 15 form an integral part of these Accounts

BALANCE SHEET
AS AT 31 DECEMBER 2008

	Notes	2008 £	2007 As restated £
FIXED ASSETS			
Tangible Fixed Assets	14	1,425	1,156
Fixed Assets Investments	15	3,230,140	4,084,835
		3,231,565	4,085,991
 CURRENT ASSETS			
Stock	16	10,630	15,837
Debtors	17	149,746	136,922
Cash on Deposit, Current Account and in Hand		516,861	353,582
		677,237	506,341
 LESS: CURRENT LIABILITIES			
Creditors: Amounts due within one year	18	243,295	117,085
		433,942	389,256
NET CURRENT ASSETS		433,942	389,256
TOTAL NET ASSETS		3,665,507	4,475,247
 UNRESTRICTED FUNDS:			
General Fund		1,234,356	1,196,376
Investment Reserve		2,431,151	3,278,871
		3,665,507	4,475,247

Approved by the Trustees

Date: 14 April 2009

Signed on their behalf by: *MH Robson*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. **ACCOUNTING POLICIES**

Basis of Preparation

The financial statements have been prepared in accordance with The Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005, and with applicable UK accounting standards and the Charities Act 1993. These financial statements are drawn up on the historical cost accounting basis except that investment assets are carried at market value.

Cashflow Statement

The Society has taken advantage of the exemptions provided by Financial Reporting Standard 1 and has not prepared a Cashflow Statement for the year.

Membership Subscriptions

Subscriptions are accounted for on an accruals basis.

Investment Income

Investment Income comprises distributions and interest received and receivable.

Stocks

Stocks of books are based on quantities shown in the Publishers' Returns which are valued at cost, after making appropriate allowance for the expected net realisable value.

No value is attributed to back issues of the Economic Journal.

Fixed Assets

Equipment has been written down at 25% on the reducing balance basis.

Fund Accounting

General funds are available for use at the discretion of the general objectives of the organisation.

All income and expenditure is shown in the Statement of Financial Activities.

Investment Reserve

All profits or losses on disposals and revaluation of investments after 1 January 1978 are credited or debited to this account.

Resources Expended

Expenditure is accounted for on an accruals basis.

- Cost of Generating Funds

Cost of generating funds comprises those costs of generating incoming resources from all sources other than undertaking charitable activities.

- Charitable Activities

Charitable activities are those costs incurred directly in achieving the charitable objectives.

- Governance Costs

Governance costs comprise the costs of running the charity, including strategic planning for its future developments, also external audit and the preparation of statutory accounts.

- Support Costs

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

Where support costs cannot be attributed directly, they are apportioned on a percentage basis using the direct cost allocation.

Investments

Closing valuations are at market value.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

2. PRIOR YEAR ADJUSTMENTS

A Prior Year Adjustment is regarded necessary as previously income deemed receivable from the charity's investments had been accrued at the year end. However, as this income has effectively been included in the unit price of the investments, the Trustees believe that a more appropriate basis of accounting for investment income is on a receipts basis.

3. ECONOMIC JOURNAL	2008	2007
	£	£
Receipts:		
Sales of current volume to non members	485,517	488,841
Sales of back numbers, royalties and misc.	24,865	27,696
Advertising Revenue	7,316	7,471
JSTOR Revenue	18,520	7,927
Total Receipts	<u>536,218</u>	<u>531,935</u>
Expenditure:		
Honoraria, fees, referees and noters	194,715	188,469
Depreciation	417	868
Printing, paper and distribution	140,618	146,790
Other Expenses	8,594	4,243
Total Expenditure before the allocation of support costs	<u>344,344</u>	<u>340,370</u>
Net Surplus before the allocation of support costs	<u>191,874</u>	<u>191,565</u>
Support costs (note 10)	49,550	43,082
Net Surplus after the allocation of support costs	<u>142,324</u>	<u>148,483</u>
4. ECONOMETRICS JOURNAL	2008	2007
	£	£
Receipts:		
Subscriptions	115,253	114,515
Sales of back numbers, rights and permissions	3,379	3,090
Total Receipts	<u>118,632</u>	<u>117,605</u>
Expenditure:		
Printing, paper and distribution	25,865	27,820
Retained by Blackwell Publishers	46,384	44,937
Honoraria and other expenditure	46,752	43,770
Total Expenditure before the allocation of support costs	<u>119,001</u>	<u>116,527</u>
Net (deficit)/surplus before the allocation of support costs	<u>(369)</u>	<u>1,078</u>
Support costs (note 10)	17,124	14,530
Net Deficit after the allocation of support costs	<u>(17,493)</u>	<u>(13,452)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

5. PUBLISHING ACTIVITIES

	RES Risk Keynes Series	
	2008	2007
	£	£
Receipts:		
From Publishers	38,485	15,812
From Members	979	-
	39,464	15,812
Less: Royalties	10,088	5,409
Net Receipts:	29,376	10,403
Expenditure:		
Opening stock correction	-	(18,531)
Printing, Paper and Distribution	17,334	10,726
Support costs (note 10)	4,429	2,023
Total Expenditure:	21,763	(5,782)
Net Surplus	7,613	16,185

6. INVESTMENT INCOME

	2008	2007 As restated
	£	£
Interest receivable	11,083	12,635
Dividends receivable from investments and unit trusts	108,346	104,621
	119,429	117,256

7. NEWSLETTER

The Royal Economic Society Newsletter is issued quarterly and is supplied free to members. Newsletter Income represents subscriptions from non-members.

8. LIBERTY FUND

This is the release of the advance royalties originally received in 2005, in accordance with the royalties earned during this year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

9. PROJECTS, GRANTS AND SUBSCRIPTIONS	2008	2007
	£	£
Projects		
Media Initiative	56,801	63,747
Women in Economics Committee	-	-
Junior Fellowships	35,000	46,000
Academic Publishing Market Report	5,000	-
LSE – Gender and Ethnic Balance of Academic Economists	4,250	-
Grants		
Conference Grant Scheme	6,444	6,995
Small Budget Scheme	1,620	3,547
Young Economists Annual Conference	19,161	20,285
Birmingham Easter School	2,900	2,900
Keele Bibliometric Study (CHUDE)	-	12,000
UCL – LEAF 2007 Conference	-	5,000
Nuffield College – David Hendry Conference	-	3,000
UCL – ESPE 2008 Conference	3,000	-
University of Cambridge – Winter Meetings	4,000	-
University of Bristol – GTA Lecturer Workshop	4,000	-
Subscriptions		
IEA	3,051	3,116
Other		
Support for Publications	2,636	3,229
CHUDE	5,427	9,664
RES Prize	3,000	3,000
RES Public Lecture	8,522	5,041
Welsh Economists Colloquium	-	2,000
Young Economist of the Year Competition	17,191	16,992
Austin Robinson Prize	2,015	-
Total before the allocation of support costs	<u>184,018</u>	<u>206,516</u>
Support costs (note 10)	26,481	25,892
Total after the allocation of support costs	<u><u>210,499</u></u>	<u><u>232,408</u></u>

THE ROYAL ECONOMIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

10. **SUPPORT COSTS**

	Note	Management Charge and Honoraria	Office Expenses, Printing, Stationery, Postage and Telephone	Travel and Subsistence	Accountancy Fee and Expenses	Accommodation Overhead Charge	Total 2008	Total 2007 As restated
		£	£	£	£	£	£	£
Economic Journal	3	30,375	3,768	1,554	11,671	2,182	49,550	43,082
Econometrics Journal	4	10,498	1,302	537	4,033	754	17,124	14,530
Publishing Activities	5	2,715	337	139	1,043	195	4,429	2,023
Newsletter		2,395	297	123	920	172	3,907	3,163
Annual Conference		11,547	1,432	591	4,436	829	18,835	15,620
Postgraduate Conference		726	90	37	279	52	1,184	2,437
Projects, Grants and Subscriptions	9	16,233	2,014	831	6,237	1,166	26,481	25,892
		<u>74,489</u>	<u>9,240</u>	<u>3,812</u>	<u>28,619</u>	<u>5,350</u>	<u>121,510</u>	<u>106,747</u>

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

Where support costs cannot be attributed directly, they are apportioned on a percentage basis using the direct cost allocation.

THE ROYAL ECONOMIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

11.	GOVERNANCE COSTS	2008	2007
		£	£
	Audit Fee	6,181	5,325
	Statutory Accounts Preparation	2,488	2,213
	Cost of Trustee Meetings	2,301	1,570
		<u>10,970</u>	<u>9,108</u>
12.	INVESTMENT MANAGEMENT COSTS		
	This represents the charges made by the Investment Holding Company.		
13.	TRUSTEES' EXPENSES		
	The trustees did not receive any honoraria or remuneration during the year. Travel and subsistence expenses totalling £2,099 was reimbursed to 12 trustees (2007: £1,631 was reimbursed to 7 trustees). The Executive Committee along with their spouses/partners hold an Annual Dinner for those who serve the Society (publication editors, the administration and membership secretaries and accountants), the cost of which totalled £1,868 (2007: £917).		
14.	TANGIBLE FIXED ASSETS		Equipment
	COST:		£
	At 1 January 2008		2,452
	Additions		686
	At 31 December 2008		<u>3,138</u>
	DEPRECIATION:		
	At 1 January 2008		1,296
	Charge for Year		417
	At 31 December 2008		<u>1,713</u>
	NET BOOK VALUE:		
	At 31 December 2008		<u>1,425</u>
	At 31 December 2007		<u>1,156</u>

Fixed assets are held as unrestricted for the furtherance of the Charity's general charitable objectives and charged to project activity through depreciation charges in accordance with the accounting policies.

THE ROYAL ECONOMIC SOCIETY

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008**

15. **FIXED ASSET INVESTMENTS**

	2008	2007
	£	£
The movement on the Market Value of Investments is:		
Market Value brought forward	4,084,835	3,910,975
Disposal of investments at market value	-	-
Cost of additions	-	-
Settlement of fees	(6,975)	(13,021)
Gain/(loss) on market value	(847,720)	186,881
Market Value carried forward	<u>3,230,140</u>	<u>4,084,835</u>
Historical cost	<u>3,628,935</u>	<u>3,628,935</u>
The balance sheet figure is made up as follows:		
Investments at market value	<u>3,230,140</u>	<u>4,084,835</u>

The basis of valuation is market value as at 31 December 2008 and is analysed as follows:

Unit Trusts:	Cost Value	Market Value at 31/12/08
	£	£
L & G European Index Trust	366,337	340,983
L & G All Stocks Gilt Index Trust	732,762	781,085
L & G Japanese Index Trust	366,337	318,167
L & G Pacific Index Trust	366,337	339,690
L & G US Index Trust	366,337	333,173
CAF UK Equitrack Fund	1,430,825	1,085,721
	<u>3,628,935</u>	<u>3,198,819</u>
Others:		
Vanguard Horizon Global Equity Fund	-	31,321
	<u>3,628,935</u>	<u>3,230,140</u>

NB The Vanguard Horizon Global Equity Fund represents a donation by a Royal Economic Society Member and is therefore excluded from Cost Value.

THE ROYAL ECONOMIC SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2008

16.	STOCK	2008	2007
		£	£
	RES Risk Keynes Series	9,285	14,492
	RES Risk Ricardo Series	1,345	1,345
		<hr/>	<hr/>
		10,630	15,837
		<hr/> <hr/>	<hr/> <hr/>
17.	DEBTORS	2008	2007
			As restated
		£	£
	Publishing	98,965	82,855
	Sundry Debtors	50,781	54,067
		<hr/>	<hr/>
		149,746	136,922
		<hr/> <hr/>	<hr/> <hr/>
18.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2008	2007
		£	£
	Trade Creditors	-	13,233
	Accruals	243,295	103,852
		<hr/>	<hr/>
		243,295	117,085
		<hr/> <hr/>	<hr/> <hr/>