

Charity number: 306096

# Royal Statistical Society

Report and financial statements  
For the year ended 31 December 2019

# Royal Statistical Society

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# Royal Statistical Society

## Reference and administrative information

For the year ended 31 December 2019

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**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:

<b>President/ Vice Presidents</b>	Professor Deborah Ashby	President (from 1 January 2019)
	Professor Sylvia Richardson	President Elect (from 1 January 2020)
	Professor David Spiegelhalter	Past President (to 31 December 2019)
	Professor John MacInnes	Vice President Professional Affairs
	Dr Jennifer Rogers	Vice President External Affairs
	Ms Sharon Witherspoon	Vice President Education and Statistical Literacy
	Professor Guy Nason	Vice President Academic Affairs (until 31 December 2019)
	Professor Jon Forster	Vice President Academic Affairs (from 1 January 2020)
<b>Honorary Officers</b>	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 & Study Groups
	Professor Robin Henderson	Honorary Officer, Discussion Meetings (until 31 December 2019)
	Dr Sara Hilditch	Honorary Officer, Membership
	Dr Kim Kavanagh	Honorary Officer, Conferences & Events
	Professor John Kent	Honorary Officer, Journals
	Mr Trevor Llanwarne	Honorary Treasurer (until 31 May 2020)
Dr Moira Mugglestone	Honorary Officer, Remuneration and Staffing	
	Mr Stephen Penneck	Honorary Officer, National Statistics

## Royal Statistical Society

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For the year ended 31 December 2019

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<b>Ordinary members</b>	Professor Giuliana Battisti	(until 31 December 2019)
	Professor Lucinda Billingham	
	Dr Mark Briers	
	Mr Simon Briscoe	
	Professor Mario Cortina Borja	
	Professor Christl Donnelly	
	Mr Blaise Egan	
	Professor Peter Elias	(from 1 January 2020)
	Mr Apostolos Fakis	(until 31 December 2019)
	Professor Arnaldo Frigessi	
	Dr Claire Gormley	
	Dr Malcolm Hall	(until 31 December 2019)
	Dr Lisa Hampson	
	Dr Katie Harron	(from 1 January 2020)
	Dr Rachel Hilliam	(from 1 January 2020)
	Dr Johanna Hutchinson	
	Dr Ruth King	
	Dr Emma McCoy	
	Dr Lisa McFetridge	(from 1 January 2020)
	Dr Jennifer Mehew	(until 31 December 2019)
	Dr Claire Miller	
	Professor Guy Nason	(until 31 December 2019)
	Dr Jamie Sergeant	(from 1 January 2020)
Dr Tom Smith		
Mr Andy Sutherland		
Dr Deirdre Toher		
Dr Simon White		
Mr Phil Woodward	(until 1 January 2020)	
<b>Senior Management Team</b>	Hetan Shah (Executive Director until 31 January 2020)	
	Stian Westlake (Chief Executive from 1 July 2020)	
	Nicola Emmerson (Director of Membership and Professional Affairs, and acting Chief Executive from 1 February 2020 to 30 June 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)	
	Iain Wilton (Director of Policy and Public Affairs)	

# Royal Statistical Society

## Reference and administrative information

For the year ended 31 December 2019

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### 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 2019.

The reference and administrative information set out on pages 1–3 forms 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, Deborah Ashby

I am pleased to present the Royal Statistical Society report and financial statements for the year ending 31st December 2019. This gives an overview of a successful year, it should be borne in mind when reading the accounts that they focus on picture before the Covid–19 pandemic. Since then, Covid–19 has had a major impact on RSS operations and activities.

As a consequence, there will be major changes ahead which are currently not easy to articulate: there are many contributing factors to the potential outturn for 2020 and at the time of writing, these are difficult to predict. RSS free reserves have declined and could take many months if not years to recover. However, there are opportunities on the horizon which both staff and trustees will be working hard to deliver. The Society has responded exceptionally well to the challenges brought about by Covid–19 and is developing new platforms to deliver both existing and new services to members and the wider public. We continue to deliver our objectives and increase our influence at a time when data is truly at the heart of government policy.

I would like to take this opportunity to thank the RSS staff for their hard work and dedication: their successful transition to remote working and delivering a seamless service to RSS members is appreciated and valued. Hetan Shah, who has taken up the role of Chief Executive of the British Academy, led the RSS for over eight years and during this time contributed fantastic work in raising the Society's profile and relevance. I would like to take this opportunity to formally thank him for his significant contribution to statistics and our community: his legacy will live on. I would also particularly like to thank Nicola Emmerson who has served as interim Chief Executive since February this year. She has carried out the role during extraordinary circumstances. During 2020, we will welcome Stian Westlake as our new Chief Executive. We should also thank Trevor Llanwarne, our retiring Treasurer who is stepping down from his role but will continue his work with the Society as Chair of the Audit and Risk Committee. Trevor's diligence has helped us achieve a solid base on which to build which will be more relevant than ever in the challenging months ahead. He is succeeded by Kevin Barnes as our new treasurer to steer us into the next period.

## 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 international development 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.

In 2019 the RSS increased its external focus which had a significant impact on the time allocated to this objective, see note 1j in the financial statements.

### 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;
- producing Significance magazine; and
- writing careers materials.



## Supporting the discipline

Activities include:

- publication of academic journals;
- running meetings and conferences;
- awarding honours;
- supporting sections, study groups 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 e.g. 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 an 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 sixteen 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 2019 Professor Deborah Ashby led us as President of the Society. Professor Deborah Ashby's term of office commenced on 1 January 2019, and will conclude on 31 December 2020. During 2019, our Fellows elected Professor Sylvia Richardson as President Elect; her term of office as President will commence on 1 January 2021. Sir David Spiegelhalter served as Past President until 31 December 2019.

**Related Parties:** The Society 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 provides 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 challenges related to mathematics and quantitative education for 3-19 year olds and the transition into further or higher education or employment.

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; hiring the Society's meeting space to external clients; and the sale of print and online advertising. 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:

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

**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 Remuneration and Staffing 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 Remuneration and Staffing Committee take 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 Executive Director and Remuneration and Staffing Committee look to 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 would it cost to replace a particular role in the market).

The Remuneration and Staffing 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 3.11 (2018 2.77) based on the employees in place at the end of the financial year.

In 2019, the Society's Council decided to phase out the Remuneration and Staffing Committee, and resolved that the Executive Committee would fully take 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 RSS 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. Trustees believe that given current turnover and staffing, maintaining levels of free reserves in the range between £1.5m and £2m is adequate provision for these purposes. Looking ahead there are a number of major projects that require significant investment from reserves, including: the new Customer Relationship Management (CRM) database project; refurbishment of the building; and reducing the deficit identified in the last triennial review of the closed defined benefit pension scheme. The Society's level of free reserves, calculated as general reserves less tangible assets and pension deficit, was £1.90m at the end of 2019 (2018 £2.34m).

**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 strategic risks, listed below, are reported to the Society's Council.

<b>Risk Title</b>	<b>Detail</b>	<b>Metrics and recent developments</b>
<b>Strategic risks</b>		
<b>Failure to deliver against one of Society's six strategic objectives</b>	The Society's governance is aligned with its strategy, and there is a Vice President for each of the four core goals. Council and Executive Committee monitor performance via regular reports on the Society's work and hold the staff to account on this.	We are currently on track regarding delivery of all six strategic objectives. Detail on this is provided in the Chief Executive's report, which is presented at each Council and Executive meeting.

<b>Membership decline</b>	Membership has become a key theme of the new RSS strategy. We have invested in new staff who are dedicated to membership recruitment and engagement. We are also reaching out to new communities such as data scientists. In addition, we are undertaking research on membership trends within the Fellowship. Regular monitoring of membership numbers is undertaken at Senior Management, Executive Committee and Council meetings.	Paying membership decreased to 6,126 in 2019 (2018: 6,166). Total membership of all categories at 31 December 2019 was 10,152. This compares with 10,045 in 2018, 9,175 in 2017 and 8,740 in 2016. Membership numbers have increased year on year since 2013.
<b>Loss of journal income</b> (due to changes in the journal marketplace including the rise of open access publishing)	Journal income is our single biggest source of income. We have a journal contract with our publisher Wiley running until the end of 2022. The contract gives significant guaranteed payments. This means we have protection against changes in the academic publishing market in the short term. In addition, we have been looking to diversify our income streams, and monitoring trends in open access publishing without diluting quality.	There have been recent developments around open access which we are monitoring. Wiley, our journal publisher, has presented these to the Senior Management Team and to some of the RSS journal editors. They were also presented to Council in March 2019. The Senior Management Team is fully engaged in discussions with Wiley over post contract negotiations. The expected financial impact will not occur before the end of 2022.
<b>Internal risks</b>		
<b>Loss of key staff</b> (to sickness/ new jobs)	There is no way to fully mitigate this risk in a small organisation. Notice periods mirror staff seniority and difficulty of replacement. Some key processes have been mapped, and the Senior Management Team monitor the intentions of key staff members. In practice, where staff loss happens other staff rally round and manage.	Hetan Shah resigned as Executive Director in January 2020. The Director of Membership and Professional Affairs is the acting Chief Executive until the new Chief Executive, Stian Westlake, starts on 1 July 2020. Paul Hellmuth, Director of Finance, left the Society in March, Charlotte Stovell has been made acting Head of Finance in the interim while Nicola Emmerson has covered operations and HR. The Senior Management Team continues to monitor all staff changes and the reasons for them.

<b>Fraud</b>	The Society has a series of financial procedures in place to minimise the risk of fraud. The auditors review processes each year and we monitor any incidences of fraud.	No signs of concern at present.
<b>General</b>	There are a wide variety of operational risks which are outlined in a detailed Risk Register. These are reviewed annually by the Audit and Risk Committee and once a quarter by the Senior Management Team.	In February 2020 the Audit and Risk Committee reviewed this summarised Risk Report and the detailed Risk Register.
<b>External Risks</b>		
<b>Economic downturn reduces all income sources and reserves</b>	The Society has resilience in the form of significant free reserves and a building worth over £6m, based on offers received in 2019. The Society's finances are monitored on a monthly basis by the Senior Management Team and expenditure is cut back if required. If reserve levels drop due to market volatility, the trustees will review the situation in light of their reserves policy and adjust expenditure accordingly.	RSS free reserves were £1.92m at the close of 2019 (£2.34m 2018). Calculated as general reserves less tangible assets and including the pension deficit. The main drivers for this change were investments in the new Customer Relationship Management (CRM) database and a building refurbishment. A five year finance strategy was agreed by Executive Committee in October 2019 and presented to ARC in December 2019.
<b>Pension deficit requiring large payments</b>	The Society's final salary pension scheme has been closed to new entrants, and the deficit is monitored via triennial reviews.	A deficit in the scheme was identified in the latest triennial valuation and a payment plan began in 2019.
<b>Reputational risks</b>	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 is implementing data protection legislation including guidance for Sections and Local Groups. Social media is also monitored.	Following the Cambridge Analytica scandal and the introduction of new data protection legislation in the UK, the RSS needs to be particularly vigilant about maintaining high standards in its use of personal data. Upholding data ethics is critical to the Society's work and its reputation. There have been no complaints in 2019.

<b>Infrastructure risks (building and IT)</b>	We have a Business Continuity Plan (BCP) in place relating to both the building and IT infrastructures.	This plan has been updated and scenario testing is taking place. The implementation of the new CRM database will change how the BCP operates. A review of BCP policies and procedures will occur in 2020 once the CRM has been embedded.
<b>Virus and hacking risks</b>	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.	We continue to update our 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. Currently the systems have the latest versions of malware and anti-virus software.
<b>Major Project risks</b>		
<b>Customer relationship management (CRM) IT project</b>	The CRM project has its own risk register. Additional staff have been brought in to support the project. Considerable mapping and planning was done in-house prior to procurement of the CRM. The Senior Management Team regularly monitor the project, and the Executive Committee is kept informed of progress.	The Audit and Risk Committee considered extra possible risks to the CRM project at their May 2019 meeting and further mitigations were implemented by the Senior Management Team. Phase one of the CRM was launched in April 2020. Council is regularly updated about the project's progress.
<b>Quality of data</b>	Due to changes in membership systems and changes to the format of data over time, there is a risk of the quality of data being compromised, for example by duplicate member records.	The quality of the current data is under review and a number of duplicates and poor records have been identified. A process is well advanced to review all records in detail.

## Achievements and Performance

### Introduction

The trustees are proud of what the organisation is achieving, and believe that the strategic review is providing a framework for the RSS to become increasingly strategic and influential in its work. The majority of the activity plan was completed in 2019 with some activities carried forward into 2020. A more detailed review of the Society's performance in 2019 against each of our goals is set out below.

#### 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.

- **Data Manifesto:** We produced a new Data Manifesto, setting out ten recommendations for the UK government. This publication outlined how data should be used to strengthen democracy and trustworthiness, and to support policymaking, productivity and prosperity.
- **Media:** In 2019 we enjoyed regular coverage in the press, radio and television, which continued to raise the Society's profile. To give a few examples: our President was interviewed by BBC News; our Vice President for External Affairs appeared on six episodes of BBC's Watchdog; and our Executive Director wrote an opinion piece for the Financial Times. The Society received coverage via many other outlets including The Times, The Independent and Radio 4's More or Less.
- **TEF:** The UK Government announced an independent review of the Teaching Excellence Framework, and the RSS provided a representative for the review panel; two of our Fellows also gave oral evidence to this inquiry. Our concerns about the framework were reported in outlets including Times Higher Education and The Guardian.
- **Gender Pay Gap:** We published Better Data for Fairer Employment, which outlined problems with gender pay gap reporting by UK employers. In June, the RSS gave oral evidence to the House of Commons Treasury Select Committee on this issue. We also worked closely with the Government Equalities Office to examine how the reporting process could be improved. We are hopeful that this work will lead to a better template for the UK process, which other countries might then choose to adopt in the years ahead.
- **Data Ethics:** In October, we launched a new Guide for Ethical Data Science, which was produced in partnership with the Institute and Faculty of Actuaries.
- **UK Parliament:** We responded to inquiries on issues including regional economic imbalances, digital technologies and the National Data Strategy. Our Executive Director gave oral evidence to the Public Administration and Constitutional Affairs Committee, and we were quoted at length in the House of Lords Economic Affairs Committee's report on inflation measures.



**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.**

- **Education:** In 2019, the Society began working in partnership with the mathematics community on a new research project, led by Professor Frank Kelly, which aims to strengthen school curricula to meet the rising need for data skills in the workplace. This project is being undertaken in partnership with the Royal Society, the London Mathematical Society and the Institute of Mathematics and its Applications.
- **Outreach:** We developed a range of hands-on statistics activities which were showcased by members at events, including at a conference in Cambridge on 'Talking Maths in Public'.
- **Significance:** *Significance* magazine, which we publish jointly with the American Statistical Association, continues to grow in popularity. Our articles in the Wiley Online Library were downloaded more than 282,500 times in 2019.
- **Training:** The range and popularity of our training programme continues to go from strength to strength. In 2019, we ran 33 public courses, and 429 people booked onto these courses. In addition, we provided bespoke training for clients including NHS England, the Royal Society of Chemistry and the Ministry of Defence.
- **Events:** We ran several well-attended public events during 2019. These included a Parliamentary roundtable in February on the new poverty measure developed by the Social Metrics Commission. In July, we staged our annual awards evening, which attracted around 100 attendees to the Society's Lecture Theatre. In September, we held a panel discussion entitled '100 Years of Education Trials', organised by our Social Statistics Section and the National Foundation for Educational Research.

**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.**

- **Accreditation:** In 2019, the Society's Professional Affairs Committee reviewed our processes for accrediting statisticians. A number of member consultation events were held, and plans are now in place to improve procedures for universities and individuals seeking to meet our GradStat standards.
- **Healthcare:** In partnership with the Health Foundation, we launched a Florence Nightingale Award for Excellence in Healthcare Data Analytics. The first award will be made in 2020, as part of our work to celebrate the bicentenary of Florence Nightingale's birth.
- **Honours:** Each year we award medals and prizes to people who have made outstanding contributions to the development of statistics. The 2019 awards ceremony was held at our international conference in Belfast.

**The award winners were:**

- Guy Medal in Gold: Stephen Buckland
- Guy Medal in Silver: Susan Murphy
- Guy Medal in Bronze: Jonas Peters
- Barnett Award: Marian Scott
- Research Prize: Tengyao Wang

**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.**

- **Journals:** Our journals continue to prove popular as the place to be published in. Five discussion paper meetings were held during 2019. These included a very well-attended session at the Society's conference, comprising a pair of papers on 'Signs and sizes: understanding and replicating statistical findings'. In total, the three series published nearly 4,200 pages.
- **Sections and Local Groups:** Our Sections and Local Groups continue to be very active, and held over 100 events and meetings during 2019. For example, in October, the Environmental Statistics Section and the Edinburgh Local Group held a joint event on offshore renewables. Local Groups also organised valuable outreach activities with schoolchildren through partnership initiatives including Maths Week Scotland.
- **Special Interest Groups:** New Special Interest Groups were launched on the topics of: Women in Data Science and Statistics; Teaching Statistics; and Finance and Economics.
- **International Conference:** The September 2019 RSS International Conference in Belfast was attended by 555 delegates from 33 countries. The programme featured the first ever Data Ethics Day, sponsored by the Ada Lovelace Institute. Income from sponsors and exhibitors reached a record high in 2019, with new sponsorship from Deloitte and City University Hong Kong.

**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.**

- **Membership:** The Society's membership numbers continue to exceed 10,000. Of these members, over 6,000 are full Fellows, and most of the remainder are part of our e-student category.

The Society is seeking to grow its membership. The table below sets out the number of Members the RSS had on 31 December of 2017, 2018 and 2019.

<b>Membership Category</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Standard Fellows	4,460	4,680	4,615
CStats	1,004	1,016	1,003
GradStats	616	678	669
student members	2,498	2,796	2,915
e-teachers	597	875	950
<b>Total Members</b>	<b>9,175</b>	<b>10,045</b>	<b>10,152</b>

- **Statisticians for Society:** We have further developed our work on supporting RSS members to provide *pro bono* statistics expertise to small UK charities. In 2019, we matched 50 charities with volunteer statisticians.

- **International Development:** The Society continued 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.
- **Corporate Membership Partnerships:** The Society now has 28 corporate partners. We have developed membership schemes with a number of new organisations, including the UK's National Audit Office.
- **Partnerships:** The Society continued to work with a wide range of partners including government statistical 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. through the Council for the Mathematical Sciences); and scientific bodies (e.g. Royal Society).

**6 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:** In June, we won the 2019 MemCom award for 'Best Campaign on a Shoestring', for our Statistics of the Year initiative, which highlighted key international and UK statistics on issues including the environment, health and poverty. The judges noted that this was 'a very well executed campaign' with 'a relatively small outlay generating impressive results'.
- **IT:** In April 2020, the Society launched a new website and Customer Relationship Management database. This will lead to significant improvements in the service we can offer to members, and the efficiency of our internal systems.
- **Governance:** In March 2020 Council proposed to amend the supplemental charter and revise the bylaws of the Society to modernise and clarify the Charter in order to better administer the Society without changing the fundamental purpose for which it was founded. A Special General Meeting will be called in 2020 at which a resolution to make amendments to the Supplementary Charter and revisions to the Bylaws will be put to the fellowship of the Society.

## Financial Review

This is the financial review for 2019. At the end of this review we have included some commentary on how the Covid-19 pandemic will affect the financial situation beyond 2019. The RSS finished 2019 with an operational surplus of £173k. Our final position for the year once the changes in the value of our pension scheme and investments have been included is also a surplus of £70k.

**Income:** We report total income of £2.90m (2018: £3.04m).

The main income streams for the Society are journals income, membership subscriptions and the RSS international conference. We also have a trading subsidiary which manages professional training courses, hires out our venue to external clients and sells advertising in our magazine *Significance* and on our website. All profits from the trading company are donated to the Society via gift aid. We also actively seek grants and sponsorship to support our activities.

We are delighted to report that in 2019 we were awarded a grant of £396k from the National Lottery to continue the Statisticians in Society project. This grant will cover our activities for the next five years as we seek to provide individual and tailored support to charitable organisations with annual income less than £1m across the UK by matching them with expert volunteer statisticians.

Our income from journal sales through our publisher Wiley-Blackwell increased from £867k to £913k, this growth is largely an increase in revenue. A large portion of our journal income is guaranteed via contract until 2022, but after this we expect that the move to open source articles is likely to reduce our future income.

Membership subscription income has increased to £671k (2018: £658k). We increase our prices each year by a marginal amount to cover inflation, we also offer a discount for Direct Debit payers and a reduced rate for corporate partners. In September 2019 we moved to an anniversary membership model with the expectation that this will lead to an increase in new members. The RSS international conference held in Belfast in September achieved income of £214k, not quite matching the record set in Cardiff in 2018 of £230k. Our planned 2020 Conference which was to be held in Bournemouth has been cancelled, we are planning to provide an online version.

The Society accredits honours and masters degrees in statistics and related disciplines. In only our second full year we achieved income of £48k in 2019 (2018: £20k). Six new institutions applied in 2019, taking the total number of organisations to 26. Significant work was done in 2019 to streamline the process and we expect growth in 2020 despite the economic climate as institutions will want to do even more to make themselves competitive in the months and years ahead. Each organisation is obligated to remain in the scheme for five years, securing this income for the next few years.

More than five years ago the Society implemented a strategy to diversify our income streams and reduce some of our reliance on income from our journals. The largest investment we made was in our commercial activities, largely through offering professional training. In 2019 we achieved £300k of income (2018: £413k). In 2018 we developed training courses for Sage Publishing which resulted in £127k of income, excluding this project our commercial income increased.

**Expenditure:** Total expenditure for the year was £2.73m (2018: £2.87m).

In 2019 we spent £436k on our direct service costs for our charitable activities, £53k more than 2018. The growing number of delegates attending our international conference requires a larger venue, adding £30k of extra costs for Belfast 2019. We also increased our financial support to the Royal Society's Advisory Committee on Mathematics Education (ACME) which is a project designed to shape mathematics curricula of the future.

Support costs have increased from £389k in 2017 to £595k in 2019 due to two investment projects started in 2018 which required a commitment to fund from reserves. The first was to replace our existing web and IT infrastructure, which went live in April 2020. And the second was a refurbishment of our Errol Street premises by adding some additional office space, double glazing the building and replacing the audio-visual system in our Lecture Theatre.

The new CRM database also required a short-term increase in staffing numbers to resource the project. Staffing costs are already by far the largest investment the Society makes in 2019 we spent £1.53m and employed an average of 30.3 people in the year. Prior to starting the CRM project in 2017 we spent £1.32m with an average of 27 people.

**Impact of Covid-19:** Like every organisation our plans for 2020 have been affected by the lockdown required to contain the spread of the virus. All our meetings and events have either been cancelled or postponed to a future date. Our trading subsidiary has had to shift from in-person training courses to offering those same courses online with very little notice and our venue hire business stopped when we could no longer access our building. Fortunately, the largest proportion of our income is from members, who continue to renew and join, and from our world class journals, the largest portion of which is guaranteed by contract with our publisher until 2022. Despite this the Society's free reserves will reduce in 2020 with a risk of falling further in 2021. We are monitoring the situation and, with a new Chief Executive appointed to start in July 2020, there will be active consideration as to how best to continue or amend our plans for the future while remaining as ambitious as possible. There will also be a review of the reserves policy for the new situation in which we and every other organisations find ourselves in.

At the end of 2019 our investment portfolio was valued at £2.05m. Following the impact of Covid-19 this has fallen to £1.92m, as at 31 May 2020. While this is a significant fall, our overall free reserves position provides cover for our expenditure for the foreseeable future. Furthermore, the RSS owns the freehold on our premises at Errol Street which provides additional security.

## Plans for the future

The Society's Activity Plan for 2020 is available online and gives detail about our work programme for the year.

- **Covid-19 Taskforce:** 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's president elect) and Sir David Spiegelhalter (past president) – supported by a steering group of eleven eminent members. A key aim of the task force is to offer the UK government and devolved administrations an expert statistical task force that can be called upon to contribute its collective expertise.
- **Chief Executive:** Hetan Shah, who served as the Society's Executive Director for over eight years, moved on from the Society in January 2020 to become Chief Executive of the British Academy. During 2020, the Society recruited a new Chief Executive, Stian Westlake from 1 July 2020 (having decided to move away from the title of Executive Director). The Society's Director of Membership and Professional Affairs, Nicola Emmerson, was appointed as the Society's acting Chief Executive until June.
- **Florence Nightingale Bicentenary:** 2020 is the bicentenary of the birth of Florence Nightingale, the Society's first female Fellow. A number of celebrations are planned, a new Nightingale award and a celebratory edition of *Significance*.
- **Conference:** Our 2020 annual conference was due to take place in Bournemouth in September. It was decided due to the Covid-19 virus and the difficulty maintaining social distancing to cancel Bournemouth but to continue the conference. We have some exciting plans to move the conference online.
- **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.
- **Planning for new IT:** the launch of a new Customer Relationship Management system dominated in Spring 2020. The new system allows more personalised member content and a better user experience and we will be rolling out new functionality in phases in 2020.

## Statement of responsibilities of the 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

In 2019 Sayer Vincent LLP was re-appointed as the charity's auditor after an open tender. To address the risk of long association, a new audit partner was assigned to the Society.

The trustees' annual report has been approved by the trustees on 24 June 2020 and signed on their behalf by

Deborah Ashby  
President

Kevin Barnes  
Honorary Treasurer

## Independent auditor's report

To the members of

Royal Statistical Society

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### Opinion

We have audited the financial statements of Royal Statistical Society for the year ended 31 December 2019 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2019 and of the group's and parent charity'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; and
- 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

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

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



## Independent auditor's report

To the members of

Royal Statistical Society

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### Other information

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

We have nothing to report in this regard.

### 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 Act 2011 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; or
- 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 responsibilities of the trustees 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## **Independent auditor's report**

**To the members of**

**Royal Statistical Society**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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.

3 July 2020

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

## Consolidated statement of financial activities

For the year ended 31 December 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
<b>Income from:</b>							
Donations	2a	56	-	56	101	-	101
Charitable activities							
Statistics & Public Interest	2b	-	-	-	725	-	725
Education & Statistical Literacy	2c	90,995	-	90,995	60,564	-	60,564
Developing the Profession	2d	389,507	-	389,507	493,737	-	493,737
Strengthening the Discipline	2e	1,157,137	-	1,157,137	1,100,981	-	1,100,981
Engaging the Membership & Partners	2f	703,425	396,121	1,099,546	689,910	36,000	725,910
Venue hire	2g	7,583	-	7,583	33,273	-	33,273
Investments	2h	68,949	-	68,949	61,402	-	61,402
Other incoming resources	2i	88,728	-	88,728	560,530	-	560,530
<b>Total income</b>		<b>2,506,380</b>	<b>396,121</b>	<b>2,902,501</b>	<b>3,001,223</b>	<b>36,000</b>	<b>3,037,223</b>
<b>Expenditure on:</b>							
Charitable activities							
Statistics & Public Interest		490,913	-	490,913	350,576	725	351,301
Education & Statistical Literacy		376,867	-	376,867	397,631	-	397,631
Developing the Profession		536,229	-	536,229	693,346	-	693,346
Strengthening the Discipline		695,480	10,852	706,332	747,826	5,317	753,143
Engaging the Membership & Partners		561,229	21,037	582,266	594,340	22,415	616,755
Venue hire		36,611	-	36,611	53,803	-	53,803
<b>Total expenditure</b>	3	<b>2,697,329</b>	<b>31,889</b>	<b>2,729,218</b>	<b>2,837,522</b>	<b>28,457</b>	<b>2,865,979</b>
<b>Net income before net gains on investments</b>		<b>(190,949)</b>	<b>364,232</b>	<b>173,283</b>	<b>163,701</b>	<b>7,543</b>	<b>171,244</b>
Net gain/(loss) on investments	10	209,542	-	209,542	(133,330)	-	(133,330)
<b>Net income</b>		<b>18,593</b>	<b>364,232</b>	<b>382,825</b>	<b>30,371</b>	<b>7,543</b>	<b>37,914</b>
Transfers between funds	16	(18,431)	18,431	-	5,796	(5,796)	-
<b>Net income/(expenditure) before other recognised gains and losses</b>		<b>162</b>	<b>382,663</b>	<b>382,825</b>	<b>36,167</b>	<b>1,747</b>	<b>37,914</b>
Actuarial gain/(loss) on defined benefit pension schemes	14	(313,000)	-	(313,000)	361,000	-	361,000
<b>Net movement in funds</b>		<b>(312,838)</b>	<b>382,663</b>	<b>69,825</b>	<b>397,167</b>	<b>1,747</b>	<b>398,914</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		3,421,993	203,975	3,625,968	3,024,826	202,228	3,227,054
<b>Total funds carried forward</b>		<b>3,109,155</b>	<b>586,638</b>	<b>3,695,793</b>	<b>3,421,993</b>	<b>203,975</b>	<b>3,625,968</b>

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 2019

	Note	The group		The Society	
		2019	2018	2019	2018
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	9	1,211,062	1,081,695	1,211,062	1,081,695
Investments	10	2,053,349	1,855,652	2,054,349	1,856,652
		<b>3,264,411</b>	2,937,347	<b>3,265,411</b>	2,938,347
<b>Current assets:</b>					
Debtors	12	812,025	950,636	812,575	1,013,545
Short term deposits		39,710	39,559	39,710	39,559
Cash at bank and in hand		276,913	283,332	240,021	166,706
		<b>1,128,648</b>	1,273,527	<b>1,092,306</b>	1,219,810
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	(296,829)	(311,719)	(261,487)	(259,002)
<b>Net current assets</b>		<b>831,819</b>	961,808	<b>830,819</b>	960,808
<b>Total assets less current liabilities</b>		<b>4,096,230</b>	3,899,155	<b>4,096,230</b>	3,899,155
Creditors: amounts falling due after one year	13	(48,437)	(38,187)	(48,437)	(38,187)
<b>Net assets excluding pension asset</b>		<b>4,047,793</b>	3,860,968	<b>4,047,793</b>	3,860,968
Defined benefit pension scheme (liability)	14	(352,000)	(235,000)	(352,000)	(235,000)
<b>Total net assets</b>		<b>3,695,793</b>	3,625,968	<b>3,695,793</b>	3,625,968
<b>Funds:</b>					
Restricted income funds	16	586,638	203,975	586,638	203,975
Unrestricted income funds:					
Designated funds		1,888	2,038	1,888	2,038
General funds		3,459,267	3,654,955	3,459,267	3,654,955
		<b>3,461,155</b>	3,656,993	<b>3,461,155</b>	3,656,993
Pension reserve	14	(352,000)	(235,000)	(352,000)	(235,000)
<b>Total unrestricted funds</b>		<b>3,109,155</b>	3,421,993	<b>3,109,155</b>	3,421,993
<b>Total charity funds</b>		<b>3,695,793</b>	3,625,968	<b>3,695,793</b>	3,625,968

Approved by the trustees on 24 June 2020 and signed on their behalf by

Deborah Ashby  
President

Kevin Barnes  
Honorary Treasurer

## Consolidated statement of cash flows

For the year ended 31 December 2019

	Note	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net income / (expenditure) for the reporting period		382,825		37,914	
Depreciation charges		153,866		106,019	
Loss on disposal		73		-	
(Gain)/loss on investments		(209,542)		133,330	
Dividends and interest		(68,949)		(61,402)	
Defined benefit pension employer contribution		(200,000)		-	
Defined benefit pension adjustment		4,000		173,000	
Finance lease rentals		(5,250)		(1,189)	
(Increase)/decrease in debtors		138,611		(546,105)	
Increase in creditors		2,435		32,891	
<b>Net cash (used in) / provided by operating activities</b>			<b>198,069</b>		<b>(125,542)</b>
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		(283,306)		(305,317)	
Proceeds from sale of investments		418,662		112,809	
Purchase of investments		(373,070)		(112,104)	
Movement on cash held in investments		(33,747)		9,998	
Dividends and interest		68,949		61,402	
<b>Net cash (used in) / provided by investing activities</b>			<b>(202,512)</b>		<b>(233,212)</b>
<b>Cash flows from financing activities</b>					
Repayment of finance lease liability		(1,825)		(1,411)	
<b>Net cash (used in) / provided by financing activities</b>			<b>(1,825)</b>		<b>(1,411)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(6,268)</b>		<b>(360,165)</b>
Cash and cash equivalents at the beginning of the year			<b>322,891</b>		<b>683,056</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>316,623</b>		<b>322,891</b>
<b>Analysis of cash and cash equivalents</b>					
		At 1 January 2019 £	Cash flows £		At 31 December 2019 £
Cash in hand		283,332	(6,419)		276,913
Notice deposits (more than 3 months)		39,559	151		39,710
<b>Total cash and cash equivalents</b>		<b>322,891</b>	<b>(6,268)</b>		<b>316,623</b>

**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.

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.

Notes to the financial statements

For the year ended 31 December 2019

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**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	2019 %	2018 %
● Statistics & Public Interest	22.09	11.22
● Education & Statistical Literacy	14.58	15.43
● Developing the Profession	15.24	18.54
● Strengthening the Discipline	18.81	23.92
● Engaging the Membership & Partners	22.93	23.62
● Venue Hire	1.96	2.10
● Governance costs	4.39	5.17



## Notes to the financial statements

For the year ended 31 December 2019

## 1 Accounting policies (continued)

## k) Allocation of governance costs

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

Governance cost reallocation	2019 %	2018 %
● Statistics & Public Interest	23.10	11.83
● Education & Statistical Literacy	15.25	16.27
● Developing the Profession	15.94	19.55
● Strengthening the Discipline	19.68	25.23
● Engaging the Membership & Partners	23.98	24.90
● Venue Hire	2.05	2.22

## 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.

## 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	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 and believe that at this moment in time if sold it may realise in excess of £6 million based on the last offer received for the property. In addition there is a regular maintenance programme which is designed to ensure its continual useful life. The maintenance programme results in a long term provision see note 13. 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.

**1 Accounting policies (continued)**

**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.

## 2 Analysis of income

	Unrestricted £	Restricted £	2019 Total £	Unrestricted £	Restricted £	2018 Total £
a) Donations	56	-	56	101	-	101
b) Statistics & Public Interest Receptions & Public Events	-	-	-	725	-	725
	-	-	-	725	-	725
c) Education & Statistical Literacy Significance Magazine	41,874	-	41,874	38,888	-	38,888
Grants & Sponsorship	49,121	-	49,121	21,676	-	21,676
	90,995	-	90,995	60,564	-	60,564
d) Developing the Profession Subscriptions	41,895	-	41,895	41,518	-	41,518
Accreditation Scheme	47,750	-	47,750	20,250	-	20,250
Commercial Training	299,862	-	299,862	412,819	-	412,819
	389,507	-	389,507	474,587	-	474,587
e) Strengthening the Discipline Publications	913,384	-	913,384	866,833	-	866,833
Conferences & Events	224,153	-	224,153	234,148	-	234,148
ISO 18404 sector scheme	19,600	-	19,600	19,150	-	19,150
	1,157,137	-	1,157,137	1,120,131	-	1,120,131
f) Engaging the Membership & Partners Subscriptions	670,919	-	670,919	658,336	-	658,336
Advertising	27,901	-	27,901	27,673	-	27,673
Grants & Sponsorship	4,605	396,121	400,726	3,901	36,000	39,901
	703,425	396,121	1,099,546	689,910	36,000	725,910
g) Venue hire	7,583	-	7,583	33,273	-	33,273
h) Investments Dividends	66,064	-	66,064	59,946	-	59,946
Interest receivable	2,885	-	2,885	1,456	-	1,456
	68,949	-	68,949	61,402	-	61,402
i) Other incoming resources Compensation for building works	81,000	-	81,000	523,582	-	523,582
Other	7,728	-	7,728	36,948	-	36,948
	88,728	-	88,728	560,530	-	560,530
<b>Total income</b>	<b>2,506,380</b>	<b>396,121</b>	<b>2,902,501</b>	<b>3,001,223</b>	<b>36,000</b>	<b>3,037,223</b>

## 3a Analysis of expenditure (current year)

	Charitable activities						Venue Hire £	Governance costs £	2019 Total £	2018 Total £
	Statistics & Public Interest £	Education & Statistical Literacy £	Developing the Profession £	Strengthening the Discipline £	Engaging the Membership & Partners £					
<b>Direct Costs</b>										
Staff costs (note 5)	275,554	214,549	229,763	273,894	335,812	17,750	69,123	1,416,445	1,541,592	
Other staff costs	24,951	16,474	17,213	21,256	25,907	2,217	4,955	112,973	113,611	
Direct service costs	25,719	37,104	22,434	258,483	49,548	–	43,191	436,479	383,784	
Trading costs	–	–	153,202	12,400	–	2,012	169	167,783	276,096	
	326,224	268,127	422,612	566,033	411,267	21,979	117,438	2,133,680	2,315,083	
<b>Support costs</b>										
Establishment costs	38,642	25,514	26,659	32,919	40,123	3,433	7,674	174,964	165,715	
IT costs	18,863	12,455	13,013	16,069	19,586	1,676	3,746	85,408	83,048	
Office costs	6,808	4,496	4,697	5,800	7,069	605	1,352	30,827	28,691	
Legal and professional	4,559	3,010	3,145	3,884	4,734	405	905	20,642	37,264	
Irrecoverable VAT	18,425	12,165	12,711	15,696	19,131	1,637	3,659	83,424	97,903	
Depreciation	33,982	22,438	23,444	28,950	35,284	3,019	6,749	153,866	106,019	
Other expenses	10,249	6,767	7,071	8,731	10,642	911	2,036	46,407	32,256	
	131,528	86,845	90,740	112,049	136,569	11,686	26,121	595,538	550,896	
Total expenditure	457,752	354,972	513,352	678,082	547,836	33,665	143,559	2,729,218	2,865,979	
Governance costs reallocated	33,161	21,895	22,877	28,250	34,430	2,946	(143,559)	–	–	
<b>Total expenditure 2019</b>	<b>490,913</b>	<b>376,867</b>	<b>536,229</b>	<b>706,332</b>	<b>582,266</b>	<b>36,611</b>	<b>–</b>	<b>2,729,218</b>		
Total expenditure 2018	351,301	397,631	682,304	764,185	616,755	53,803	–		2,865,979	

3b Analysis of expenditure (prior year)

	Charitable activities						Governance costs £	2018 Total £
	Statistics & Public Interest £	Education & Statistical Literacy £	Developing the Profession £	Strengthening the Discipline £	Engaging the Membership & Partners £	Venue Hire £		
<b>Direct Costs</b>								
Staff costs (note 5)	236,015	242,574	257,133	339,743	367,955	22,303	75,869	1,541,592
Other staff costs	12,747	17,530	21,063	27,176	26,835	2,386	5,874	113,611
Direct service costs	22,057	26,844	20,322	214,627	52,321	–	47,613	383,784
Trading costs	–	–	250,793	11,042	220	14,041	–	276,096
	270,819	286,948	549,311	592,588	447,331	38,730	129,356	2,315,083
<b>Support costs</b>								
Establishment costs	18,593	25,570	30,724	39,639	39,142	3,480	8,567	165,715
IT costs	9,318	12,814	15,397	19,865	19,616	1,744	4,294	83,048
Office costs	3,219	4,427	5,319	6,863	6,777	603	1,483	28,691
Legal and professional	4,181	5,750	6,909	8,913	8,802	783	1,926	37,264
Irrecoverable VAT	10,985	15,106	18,151	23,418	23,125	2,056	5,062	97,903
Depreciation	11,895	16,359	19,656	25,360	25,042	2,226	5,481	106,019
Other expenses	3,619	4,977	5,980	7,716	7,619	677	1,668	32,256
	61,810	85,003	102,136	131,774	130,123	11,569	28,481	550,896
Total expenditure	332,629	371,951	651,447	724,362	577,454	50,299	157,837	2,865,979
Governance costs reallocated	18,672	25,680	30,857	39,823	39,301	3,504	(157,837)	–
<b>Total expenditure 2018</b>	<b>351,301</b>	<b>397,631</b>	<b>682,304</b>	<b>764,185</b>	<b>616,755</b>	<b>53,803</b>	<b>–</b>	<b>2,865,979</b>

**4 Net incoming resources for the year**

This is stated after charging / crediting:

	2019 £	2018 £
Depreciation		
Owned	152,558	104,711
Leased	1,308	1,308
Loss on disposal of fixed assets	73	–
Trustees' remuneration	–	–
Trustees' expenses	5,377	7,028
Auditor's remuneration (excluding VAT):		
Audit	11,200	11,200
Pension Audit	2,900	3,000
Other services	950	2,270
Finance lease rentals		
Equipment	5,250	1,189
	<u>5,250</u>	<u>1,189</u>

18 (2018: 28) 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:

	2019 £	2018 £
Salaries and wages	1,140,749	1,102,019
Social security costs	107,142	104,692
Pension contributions		
Defined benefit pension contributions	(4)	–
Net interest expense	4,000	12,000
Loss due to benefit change	–	161,000
Defined contribution pension contributions	153,676	151,278
Life assurance	10,882	10,603
	<u>1,416,445</u>	<u>1,541,592</u>

Staff are entitled to carry over a maximum of 10 days allowance of unused annual leave. For the 2019 accounting year this was calculated at £22,757 (2018: £19,514). 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 £199,996 (2018: £nil) during the year. In June 2018 the Society trustees changed the commutation factors for the scheme. The new factors are more generous resulting in a loss of £161,000, but the change also reduced the overall pension liability as members are more likely to take a cash lump sum and therefore a smaller pension. 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 2019 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 £153,676 (2018: £151,278).

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

**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:

	2019 No.	2018 No.
£60,000 – £69,999	1	–
£70,000 – £79,999	1	–
£80,000 – £89,999	–	–
£90,000 – £99,999	1	1
	3	1
	3	1

The key management personnel of the Society comprise the Executive Director, the Director of Membership and Professional Affairs, the Director of Policy and Public Affairs and the Director of Finance and Operations. The total employee benefits (including pension contributions and employer national insurance contributions) of the key management personnel were £367.393 (2018: £385.951).

The trustees were not paid nor received any other benefits from employment with the Society in the year (2018: £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:

	2019 No.	2018 No.
Total staff	30.3	29.2
	30.3	29.2
	30.3	29.2

**7 Related party transactions**

For teaching and developing commercial training courses one trustee, Mark Briers was paid £2,000 (2018: £2,000). The employer of one trustee, the University of Leeds, was paid £nil (2018: £4,500) for Paul Baxter to teach commercial training courses. There were no amounts outstanding at 31 December 2019 (2018: £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 (2018: £nil).

## 9 Tangible fixed assets

## The group and Society

	Freehold land and buildings £	Fixtures and fittings and equipment £	Computers and Laptops £	Database, Servers and Conference Equipment £	Total £
<b>Cost</b>					
At the start of the year	1,067,145	244,506	40,495	504,575	1,856,721
Additions in year	–	97,248	5,220	180,838	283,306
Disposals in year	–	(7,117)	(1,374)	(10,234)	(18,725)
At the end of the year	1,067,145	334,637	44,341	675,179	2,121,302
<b>Depreciation</b>					
At the start of the year	239,765	142,464	35,312	357,485	775,026
Charge for the year	10,071	40,552	7,792	95,451	153,866
Eliminated on disposal	–	(7,044)	(1,374)	(10,234)	(18,652)
At the end of the year	249,836	175,972	41,730	442,702	910,240
<b>Net book value</b>					
<b>At the end of the year</b>	817,309	158,665	2,611	232,477	1,211,062
At the start of the year	827,380	102,042	5,183	147,090	1,081,695

Land with a historic value of £60,000 (2018: £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 £6 million based on the last offer we received.

A finance lease with an original value of £7,850 (2018: £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 Udney 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	
	2019	2018	2019	2018
	£	£	£	£
Market value at the start of the year	1,855,652	1,999,685	1,856,652	2,000,685
Cash movement	33,747	(9,998)	33,747	(9,998)
Additions at cost	373,070	112,104	373,070	112,104
Disposal proceeds	(418,662)	(112,809)	(418,662)	(112,809)
Net gain/(loss) on revaluation	209,542	(133,330)	209,542	(133,330)
Total market value at year end	<b>2,053,349</b>	<b>1,855,652</b>	<b>2,054,349</b>	<b>1,856,652</b>

Investments comprise:

	The group		The Society	
	2019	2018	2019	2018
	£	£	£	£
Bonds	297,731	283,058	297,731	283,058
Shares listed on recognised stock exchanges including unit trusts	1,484,113	1,332,772	1,484,113	1,332,772
Property fund	205,728	207,792	205,728	207,792
Cash	65,777	32,030	65,777	32,030
Investment in subsidiary undertakings	-	-	1,000	1,000
	<b>2,053,349</b>	<b>1,855,652</b>	<b>2,054,349</b>	<b>1,856,652</b>

Dividends of £66,064 were received in the year (2018: £59,946)

Please see note 17 regarding the impact of Covid-19.

**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. One trustee, Paul Baxter together with the Executive Director Hetan Shah, were also directors of the subsidiary in 2019. In January 2020 Hetan Shah was replaced by Stuart McKendrick, Head of Commercial, an employee of the Society. A summary of the results of the subsidiary is shown below:

	2019 £	2018 £
Turnover	354,946	492,915
Cost of sales	(167,614)	(276,096)
<b>Gross profit</b>	<b>187,332</b>	<b>216,819</b>
Administrative expenses	(3,834)	(14,376)
Management charge from parent entity	(155,876)	(172,629)
<b>Profit on ordinary activities before taxation</b>	<b>27,622</b>	<b>29,814</b>
Taxation on profit on ordinary activities	-	-
<b>Profit for the financial year</b>	<b>27,622</b>	<b>29,814</b>
<b>Retained earnings</b>		
Total retained earnings brought forward	-	-
Profit for the financial year	27,622	29,814
Distribution under Gift Aid to parent charity	(27,622)	(29,814)
<b>Total retained earnings carried forward</b>	<b>-</b>	<b>-</b>

The aggregate of the assets, liabilities and funds was:

Assets	71,727	155,730
Liabilities	(70,727)	(154,730)
Funds	1,000	1,000

**Parent charity**

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

	2019 £	2018 £
Gross income	2,731,052	2,746,750
Result for the year	69,823	405,053

## 12 Debtors

	The group		The Society	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	33,003	37,271	–	–
Other debtors & prepayments	779,022	913,365	777,189	911,532
Amounts owed by subsidiary company	–	–	35,386	102,013
	<b>812,025</b>	<b>950,636</b>	<b>812,575</b>	<b>1,013,545</b>

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 2022 but is currently being held as a debtor. In November 2018 the RSS signed an agreement to receive a single payment of £515,000 as compensation for inconvenience caused by local construction works. This money was received in January 2019 but was held as a debtor at 31 December 2018.

## 13 Creditors: amounts falling due within one year

	The group		The Society	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	7,219	5,057	–	–
Other creditors, provisions and accruals	106,542	89,377	103,007	82,946
Deferred income	153,184	210,705	128,596	169,476
Finance lease commitments	2,238	1,825	2,238	1,825
Taxation and social security costs	27,646	4,755	27,646	4,755
	<b>296,829</b>	<b>311,719</b>	<b>261,487</b>	<b>259,002</b>

## Creditors: amounts falling due in more than one year

	The group		The Society	
	2019	2018	2019	2018
	£	£	£	£
Finance lease commitments (one to five years)	624	2,862	624	2,862
External decoration provision (greater than five years)	47,813	35,325	47,813	35,325
	<b>48,437</b>	<b>38,187</b>	<b>48,437</b>	<b>38,187</b>

## Deferred income

	The group		The Society	
	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the year	210,705	176,392	169,476	148,254
Amount released to income in the year	(209,799)	(175,207)	(168,570)	(147,069)
Amount deferred in the year	152,278	209,520	127,690	168,291
	<b>153,184</b>	<b>210,705</b>	<b>128,596</b>	<b>169,476</b>

14 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.

Please see note 17 regarding the impact of Covid-19.

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

	2019 £	2018 £
Present value of funded obligations	(5,205,000)	(4,644,000)
Fair value of plan assets	4,853,000	4,409,000
	<u>(352,000)</u>	<u>(235,000)</u>
Amounts in the balance sheet:		
Liabilities	(5,205,000)	(4,644,000)
Assets	4,853,000	4,409,000
Net (liability)	<u>(352,000)</u>	<u>(235,000)</u>

Amounts recognised in net incoming resources are as follows:

	2019 £	2018 £
Current service cost	-	-
Net interest expense	(4,000)	(12,000)
Losses / (gains) due to benefit changes	-	(161,000)
Total	<u>(4,000)</u>	<u>(173,000)</u>
Actual return on plan assets	<u>337,000</u>	<u>(96,000)</u>

14 Pension scheme (continued)

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

	2019 £	2018 £
Opening defined benefit obligation	4,644,000	5,006,000
Service cost	–	–
Interest cost	133,000	121,000
Actuarial losses / (gains)	521,000	(566,000)
Members contributions	–	–
Benefits paid	(93,000)	(78,000)
Losses / (gains) due to benefit changes	–	161,000
Closing defined benefit obligation	<u>5,205,000</u>	<u>4,644,000</u>

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

	2019 £	2018 £
Opening fair value of plan assets	4,409,000	4,583,000
Interest Income	129,000	109,000
Actuarial gains / (losses)	208,000	(205,000)
Contributions by employer	200,000	–
Members contributions	–	–
Benefits paid	(93,000)	(78,000)
Closing fair value of plan assets	<u>4,853,000</u>	<u>4,409,000</u>

Net actuarial (loss) on defined benefit pension scheme

	2019 £	2018 £
Actuarial gain / (loss) on plan obligations	(521,000)	566,000
Actuarial gain / (loss) on plan assets	208,000	(205,000)
	<u>(313,000)</u>	<u>361,000</u>

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

	2019 %	2018 %
Retail Price Inflation assumption	2.7%	3.1%
Consumer Price Inflation assumption	1.9%	2.1%
Discount rate at the end of the year	2.1%	2.9%
Statutory revaluation in deferment	1.9%	2.1%
Future salary increases	2.4%	2.6%
Future pension increases	3.3%	3.3%
Life expectancy – Male	87 years	88 years
Life expectancy – Female	89 years	90 years

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

	2019 £	2018 £	2017 £	2016 £	2015 £
Defined benefit obligation	(5,205,000)	(4,644,000)	(5,006,000)	(4,557,000)	(3,173,000)
Plan assets	4,853,000	4,487,000	4,583,000	4,401,000	3,846,000
Surplus / (deficit)	(352,000)	(157,000)	(423,000)	(156,000)	673,000
FRS 102 cap	–	–	–	–	–
Experience (loss)/gain on benefit obligation	(14,000)	(26,000)	(98,000)	(258,000)	(34,000)
Asset return less expected return on assets	<u>208,000</u>	<u>(205,000)</u>	<u>149,000</u>	<u>364,000</u>	<u>(159,000)</u>

## 15a Current 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)
<b>Net assets at the end of the year</b>	<b>3,107,267</b>	<b>1,888</b>	<b>586,638</b>	<b>3,695,793</b>

## 15b Prior year analysis of group net assets between funds

	General funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	1,081,695	-	-	1,081,695
Investments	1,855,652	-	-	1,855,652
Net current assets	755,795	2,038	203,975	961,808
Long term liabilities	(38,187)	-	-	(38,187)
Defined benefit pension liability	(235,000)	-	-	(235,000)
<b>Net assets at the end of the year</b>	<b>3,419,955</b>	<b>2,038</b>	<b>203,975</b>	<b>3,625,968</b>

## 16a Current year movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
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	-	-	8,749	12,085
Research Prize Fund	67,180	-	(2,000)	448	65,628
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
<b>Total restricted funds</b>	<b>203,975</b>	<b>396,121</b>	<b>(31,889)</b>	<b>18,431</b>	<b>586,638</b>
<b>Unrestricted funds:</b>					
Designated funds:					
C. Oswald George Prize Fund	2,038	-	(150)	-	1,888
<b>Total designated funds</b>	<b>2,038</b>	<b>-</b>	<b>(150)</b>	<b>-</b>	<b>1,888</b>
<b>General funds</b>	<b>3,654,955</b>	<b>1,838,434</b>	<b>(2,015,691)</b>	<b>(18,431)</b>	<b>3,459,267</b>
<b>Non-charitable trading funds</b>	<b>-</b>	<b>354,946</b>	<b>(354,946)</b>	<b>-</b>	<b>-</b>
<b>Total unrestricted funds</b>	<b>3,656,993</b>	<b>2,193,380</b>	<b>(2,370,787)</b>	<b>(18,431)</b>	<b>3,461,155</b>
<b>Pension fund</b>	<b>(235,000)</b>	<b>-</b>	<b>(117,000)</b>	<b>-</b>	<b>(352,000)</b>
<b>Total funds including pension fund</b>	<b>3,625,968</b>	<b>2,589,501</b>	<b>(2,519,676)</b>	<b>-</b>	<b>3,695,793</b>

## 16b Prior year movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
<b>Restricted funds:</b>					
Francis Wood Memorial Medal Fund	4,625	-	-	(183)	4,442
Chambers Medal Fund	8,199	-	-	(324)	7,875
Guy Medal Fund	5,493	-	(727)	(188)	4,578
Greenfield Industrial Medal Fund	2,459	-	(364)	(82)	2,013
Bradford Hill Medal Fund	3,837	-	(363)	(138)	3,336
Research Prize Fund	71,946	-	(2,000)	(2,766)	67,180
Cathie Marsh Memorial Bursary Fund	4,303	-	-	(170)	4,133
John Howard West Bursary & Medal Fund	25,649	-	(1,863)	(941)	22,845
Barnett Award Fund	25,391	-	-	(1,004)	24,387
EPSRC	725	-	(725)	-	-
Mardia Interdisciplinary Workshop Prize Fund	42,149	-	-	-	42,149
Statisticians for Society (Big Lottery Fund)	7,452	36,000	(22,415)	-	21,037
<b>Total restricted funds</b>	<b>202,228</b>	<b>36,000</b>	<b>(28,457)</b>	<b>(5,796)</b>	<b>203,975</b>
<b>Unrestricted funds:</b>					
Designated funds:					
C. Oswald George Prize Fund	2,138	-	(100)	-	2,038
<b>Total designated funds</b>	<b>2,138</b>	<b>-</b>	<b>(100)</b>	<b>-</b>	<b>2,038</b>
<b>General funds</b>	<b>3,445,688</b>	<b>2,681,308</b>	<b>(2,477,837)</b>	<b>5,796</b>	<b>3,654,955</b>
<b>Non-charitable trading funds</b>	<b>-</b>	<b>492,915</b>	<b>(492,915)</b>	<b>-</b>	<b>-</b>
<b>Total unrestricted funds</b>	<b>3,447,826</b>	<b>3,174,223</b>	<b>(2,970,852)</b>	<b>5,796</b>	<b>3,656,993</b>
<b>Pension fund</b>	<b>(423,000)</b>	<b>188,000</b>	<b>-</b>	<b>-</b>	<b>(235,000)</b>
<b>Total funds including pension fund</b>	<b>3,227,054</b>	<b>3,398,223</b>	<b>(2,999,309)</b>	<b>-</b>	<b>3,625,968</b>

**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 EPSRC fund is for Statistics User Group activities. 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 Big 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.

17 **Post period disclosures**

As a consequence of the Covid-19 pandemic we are disclosing a significant movement in the value of our investment portfolio since 31 December 2019 (see note 10). As at 31 May 2020 our investment portfolio has fallen to £1.92m.

In addition, there is a high likelihood that the events of 2020 will have a significant impact on the funding position of the pension scheme resulting in a change in contributions. This will need to be considered at the time of the next actuarial valuation, which is due at 1 January 2021.