

Charity number: 306096

# Royal Statistical Society

Report and financial statements  
For the year ended 31 December 2018

# Royal Statistical Society

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# Royal Statistical Society

## Reference and administrative information

For the year ended 31 December 2018

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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 David Spiegelhalter	President (until 31 December 2018, and then Past President)
	Professor Deborah Ashby	President Elect (until 31 December 2018 and then President)
	Professor Peter Diggle	Past President (to 31 December 2018)
	Dr Paul Baxter	Vice President Professional Affairs (until 31 December 2018)
	Professor John MacInnes	Vice President Professional Affairs (from 1 January 2019)
	Professor Guy Nason Dr Jennifer Rogers Ms Sharon Witherspoon	Vice President Academic Affairs Vice President External Affairs Vice President Education and Statistical Literacy
<b>Honorary Officers</b>	Dr Karen Facey	Honorary Officer, Sections, Local Groups & Study Groups
	Professor Robin Henderson	Honorary Officer, Discussion Meetings
	Dr Sara Hilditch	Honorary Officer, Membership
	Dr Kim Kavanagh	Honorary Officer, Conferences & Events
	Professor John Kent	Honorary Officer, Journals
	Mr Trevor Llanwarne	Honorary Treasurer
	Dr Moira Mugglestone	Honorary Officer, Remuneration and Staffing
Mr Stephen Penneck	Honorary Officer, National Statistics	

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<b>Ordinary members</b>	Professor Giuliana Battisti	
	Professor Lucinda Billingham	
	Dr Mark Briers	
	Mr Simon Briscoe	
	Professor Mario Cortina Borja	(from 1 January 2019)
	Dr Daniela De Angelis	(until 31 December 2018)
	Professor Christl Donnelly	
	Mr Blaise Egan	
	Professor Sandra Eldridge	(until 31 December 2018)
	Mr. Apostolos Fakis	
	Professor Arnaldo Frigessi	
	Dr Claire Gormley	
	Dr Malcolm Hall	
	Dr Lisa Hampson	
	Dr Johanna Hutchinson	(from 1 January 2019)
	Dr Ruth King	
	Dr Emma McCoy	
	Dr Jennifer Mehew	
	Dr Claire Miller	(from 1 January 2019)
	Professor Gareth Roberts	(until 31 December 2018)
	Dr Tom Smith	(from 1 January 2019)
	Mr Andy Sutherland	
	Dr Deirdre Toher	(from 1 January 2019)
	Dr James Tucker	(until 31 December 2018)
	Dr Simon White	
	Mr Phil Woodward	
<b>Senior Management Team</b>	Hetan Shah (Executive Director)	
	Kerry Dyus (Director of Commercial and Marketing until 23 August 2018)	
	Nicola Emmerson (Director of Membership and Professional Affairs)	
	Paul Hellmuth (Finance and Operations Director from 1 July 2018)	
	Chris Sivers (Finance and Operations Director until 1 July 2018)	
	Iain Wilton (Director of Policy and Public Affairs)	

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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 2018.

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, Bye-laws 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.

## 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 goals 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 goals:

- 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.

## Royal Statistical Society

### Trustees' annual report

#### For the year ended 31 December 2018

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These strategic goals 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.

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### 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 a membership body with over 10,000 members (of whom over 6,000 are designated 'Fellows') internationally. Fellows with suitable qualifications and 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 Bye-laws 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 Bye-laws. 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.



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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. Council reviews the key risks and its approach to managing them annually and the Senior Management Team/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, Remuneration and Staffing 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 Executive Director 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 nineteen Local Groups which run events in their local and regional areas.

The Society has a subsidiary trading company, RSS (Services) Ltd, which gifts all of its profits to the Society. The main activities of the trading subsidiary are training courses, hiring the Society's meeting space to external clients and the sale of advertising online and in print in our magazine Significance

During 2018 Sir David Spiegelhalter led us as President of the Society, with his term of office having commenced on 1 January 2017. During 2017, our Fellows elected Professor Deborah Ashby as President Elect; her term of office as President commenced on 1 January 2019. Sir David Spiegelhalter will continue to serve us until 1 January 2021 as Past President.

**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 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 2.77 (2017 2.61) based on the employees in place at the end of the financial year.

**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. The £0.5m received as compensation for the building work surrounding our premises is reason enough for the Trustees to be content that reserves should in the medium run stand above £2m. Looking ahead there are a number of major projects that require significant investment from reserves; including the new CRM project; the refurbishment of the building and reducing the deficit identified in the last triennial review of the closed defined benefit pension scheme. The fact that current reserves stand above the reserves target will enable the Society to take forward these investments.

The Society's level of free reserves, calculated as general reserves less tangible assets and pension deficit, was £2.34m at the end of 2018 (2017 £2.14m).

**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 regularly by the Senior Management Team and by the Audit and Risk Committee. The top strategic risks are reported to Council.

**Strategic risks:**

- **Failure to deliver against one of Society's six strategic objectives:** The Society's governance is aligned with its strategy, and there is a Vice President for each of the four core goals. Council and Executive Committee monitor performance via regular reports on the Society's work, and hold the staff to account on this.
- **Membership decline:** membership has become a key theme of the new RSS strategy. We have invested in new staff 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.
- **Loss of journal income (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 signed a new journal contract with our publisher Wiley for a six year period 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.

**Internal risks:**

- **Loss of key staff (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.
- **Fraud:** 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.
- **General:** 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.

**External risks:**

- **Economic downturn reduces all income sources and reserves:** The Society cannot manage this risk. We have resilience in the form of significant free reserves and a building worth over £6m. The Society's finances are monitored on a monthly basis by the Senior Management Team and expenditure is cut back if required. If reserves levels drop due to market volatility the trustees will review the situation in light of their reserves policy and adjust expenditure accordingly.
- **Pension deficit requiring large payments:** The Society's final salary pension scheme has been closed to new entrants, and the deficit is monitored via triennial reviews.
- **Reputational risks:** 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.
- **Infrastructure risks (building and IT):** we have a Business Continuity Plan in place relating to both the building and IT infrastructures.
- **Virus/hacking risks:** hacking and virus incidents have significantly increased recently and have been prominent in the national press. The Society holds personal data on a significant number of individuals. The Society continues to update its IT systems in particular to prevent hacking attacks and monitor for any unusual digital activity. Currently the systems have the latest versions of malware and anti-virus software.

**Major Project risks:**

- **Customer relationship management (CRM) IT project:** the project has its own risk register. Additional staff are being 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.
- **Quality of Data:** due to the 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.
- **ISO 18404 project:** an oversight committee has been set up to monitor this initiative. The project is seeking to break-even or better. There is little likelihood of economic loss as little investment has been put in by the RSS to date. Legal advice has been taken on possible liabilities.

## 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 2018 with some activities carried forward into 2019. A more detailed review of performance relating to each of our goals follows:

- 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.
  - **Independent statistics:** We spoke out to counter threats to the independence and integrity of the statistical office in Puerto Rico; highlighted some disturbing developments in Tanzania; and supported the Greek statistician Andreas Georgiou in his continued defence of the independence of official statistics.
  - **Media:** We enjoyed regular coverage in the press, radio and television, which continued to raise the Society's profile. Our President, Executive Director and Statistical Ambassadors made numerous television and radio appearances including on the BBC's Today programme and News at 10, as well as in the UK and international editions of the Financial Times. Particularly favourable and widespread coverage was generated through 2018's 'Statistics of the Year'.
  - **Data ethics:** We helped to set up the Ada Lovelace Institute at the Nuffield Foundation. This new body will work to ensure that data and artificial intelligence are used in ways that promote the public interest.
  - **Research Councils:** Our voice is increasingly being heard within the UK Research Council community, which is now organised under UK Research and Innovation. The Society is in discussion with this new body about how statistics can be strengthened across the research landscape.
  - **UK Parliament:** We responded to inquiries and met with Parliamentarians on issues including inflation measures, algorithms in decision-making and artificial intelligence. The President, Executive Director and other Society representatives all appeared before Select Committees to give evidence. Our submissions were quoted at length in publications including the Science and Technology Committee's report on Algorithms in Decision-Making, and a report by the Scottish Parliament's Economy, Energy & Fair Work Committee on How to Make Data Count.
  - **Policy:** Our work to influence public policy has led to a number of important changes. Our 2017 Presidential Address was quoted in the new Code of Practice for Statistics issued by the UK Statistics Authority. Following dialogue with us, the Greater London Authority agreed to adopt this Code of Practice in its own work. In addition, following our campaign, the UK Government's pre-election guidance has been changed to make it clear that it does not apply to independent academics.

- 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:** We demonstrated our commitment to improving statistical education by successfully arguing for statistics courses to be covered by a new government financial premium for post-16 maths courses in England. In addition, we launched a new partnership project to review the maths education system in conjunction with the Royal Society, the Institute of Mathematics and its Applications and the London Mathematical Society.
  - **Statistical Ambassadors:** We have continued with our aim of improving the coverage of statistics in the media, recruiting a third cohort of Statistical Ambassadors from the UK and Ireland, and providing them with training and support to speak in public and to the media about statistics. Our Ambassadors spoke to the media many times throughout the year.
  - **Significance:** *Significance* magazine continues to grow in popularity, and our articles in the Wiley Online Library were downloaded more than 172,000 times in 2018.
  - **Training:** The range and popularity of our training courses continues to go from strength to strength. We ran 32 public training courses in 2018, and have exceeded our target for commissioned courses. We provided bespoke courses for clients including NHS England, the Banking Standards Board and the Financial Conduct Authority.
  - **Resources:** Building on our existing resources to enable members to deliver activities to young people, a new set of 'Hands on Statistics' resources are now available on our website. These are intended for use at science fairs and departmental open days, to help attendees learn about statistics in an accessible and engaging way.
  - **Events:** We organised a number of well-attended public events including: a compelling Beveridge Lecture from Will Moy of Full Fact, entitled 'Other truths are available'; a public event in Manchester on 'What's wrong with GDP and how do we fix it?'; and a number of free-to-attend seminars, with partners including the Office for National Statistics and the Society of Professional Economists, through our membership of the Economic Statistics Working Group.
- 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:** We developed a new junior level of recognition in our accreditation routes for statistics courses/modules, entitled 'The RSS Data Skills Quality Mark'. This will be launched in 2019.
  - **Awards:** In 2018, the Significance early career writing competition – part of our drive to recognise statistical excellence – had entries from 16 countries, and was won by the USA's Letisha Smith.
  - **Honours:** Each year we award medals and prizes to people who have made outstanding contributions to the development of statistics. The 2018 awards ceremony was held at our international conference in Cardiff.

The award winners were:

- Guy Medal in Silver: Peter Bühlmann
- Guy Medal in Bronze: Peng Ding
- Bradford Hill Medal: Nicky Best
- Greenfield Industrial Medal: Idris Eckley
- West Medal: Jill Leyland
- Barnett Award: Peter Diggle
- Research Prize: Emanuele Giorgi
- Howard Medal: Colin Aitken

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 thrive and six discussion meetings were held in 2018. In particular, a packed lecture hall at the Society's international conference participated in the three-paper presentation on 'Data visualization'. In total, the three series published nearly 4000 pages.
- **Local groups:** Our sections and local groups continue to be very active, holding 78 events and meetings. A Nigeria Local Group was formed in 2018, and the Manchester Group has been relaunched.
- **Data Ethics:** Our new Special Interest Group on data ethics was formed in 2018, to address emerging topics in the burgeoning data ethics landscape, and to champion best practice in this area.
- **International Conference:** In September, we ran our biggest and most successful annual conference to date in Cardiff, with 688 registrations. The packed programme included 55 invited sessions, 133 contributed talks, 37 rapid-fire talks and over 80 poster presentations. We have also announced that 2019's conference will be staged in Belfast and the following year's event in Bournemouth.

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.

The Society is seeking to grow its membership. The table below sets out the number of members on 31 December of 2017 and 2018.

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

- **Statisticians for Society:** We launched a programme to enable our members to provide *pro bono* statistics expertise to small UK charities. So far, we have recruited more than 290 fellows as volunteers, and matched 24 organisations with volunteer statisticians.
  - **International Development:** We have signed a new agreement with Partnership in Statistics for Development in the 21st Century (PARIS21) to enable RSS fellows to volunteer to help low-income countries develop their statistical systems. In addition, the Society continues to send a series of lecturers to the different branches of the African Institute for Mathematical Sciences (AIMS).
  - **Group Membership Schemes:** We have continued to expand our partnerships by developing corporate membership schemes with seven new organisations, including the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Transport.
  - **Member Update:** In response to the results of our last members' survey, we have launched a new printed Member Update to keep fellows informed about our work and how they can get involved.
  - **Partnerships:** The Society has continued to work with a wide range of partners throughout the year including government statistical bodies (e.g. the UK Statistics Authority, the Office for National Statistics); research councils (e.g. UK Research and Innovation); civil society bodies (e.g. Sense About Science, Full Fact); 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, British Academy).
- 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.
- **Awards:** In May, we won several 2018 MemCom awards including 'Professional Association of the Year'. We were awarded 'Best Campaign on a Shoestring', for our successful work on the abolition of pre-release access to statistics. For this category, the judges noted that our 'outstanding entry was head and shoulders above the rest.'
  - **Database:** We are using technology to improve the member experience, by working with an external provider to develop a customer relationship management system. This will replace our existing member database, integrate with our new website and improve personalised content for members.

## Financial Review

The RSS finished 2018 with an operational surplus of £171k and an overall surplus of £399k. The biggest contributors to the positive outcome was compensation of £523k that the RSS received in relation to the construction surrounding our building. Set against this is the decline in our investment portfolio which recorded an unrealised loss of £133k.



**Income:** We report total income of £3.04m(2017: £2.62m). Included within this is £523k of exceptional income relating to compensation for construction work surrounding our building at Errol Street.

As a professional membership body we are delighted to report that our total subscription income increased by £27k to £700k (2017: £673k). This reflects a 4.8% increase of paid members reversing a long-term downward trend for the Society's membership dues.

The 2018 RSS international conference in Cardiff experienced its most successful year to date adding £234k of income, an increase of over £30k from the previous year. The 2019 conference in Belfast is expected to beat that record.

The first full year of our paid scheme to accredit university courses brought in £20k. While this has yet to match the income from RSS examinations, which we ceased to run in 2017, it has great potential growth for the future.

Income from our journal publications has dropped by £47k to £867k but 2017 was an exceptional year due to additional content and favourable currency fluctuations. A large proportion of our journal income is guaranteed by contract until 2021 but the financial deterioration promised by open access journals is likely to impact this income in the future.

To compensate the RSS has been proactive and implemented a strategy to increase our commercial income, primarily through offering professional training courses. Training income for 2018 was £432k (2017: £437k) which is a small decrease but still on par with previous years.

The RSS owns our building and like many organisations we make that building available for external hire to clients. From July 2018 venue hire was closed as a result of the building work surrounding our site, but despite this we achieved income of £33k (2017: £39k). We have taken the opportunity during the closure to invest in the refurbishment of the building, in particular the room available for venue hire and this revenue is expected to increase in 2019.

The uncertainty in the UK job market negatively impacted our income from recruitment and print advertising with our total income reduced by £14k from the previous year to £28k.

**Expenditure:** We report total expenditure of £2.87m (2017: 2.38m). Our direct and trading costs, those that fund our day to day activities, decreased by £6k to £660k. However, our staffing costs increased by £430k. £161k relates to our defined benefit pension scheme (see pension section). Excluding this staffing costs were still higher as the overall staff complement increased to resource the CRM project and one of our staff was seconded to the Nuffield Foundation, for which we were reimbursed.

We began two major projects which required a commitment to fund from reserves. The first was the CRM project to replace our existing web and IT infrastructure. We officially appointed a vendor and began the project in the final quarter of the year. The project costs will be capitalised and

spread across 4 years. In 2018 it added £192k to our fixed assets and a charge of £48k to depreciation.

The second major project was a refurbishment of our Errol Street premises. We added some additional office space, undertook some building repair and began the task of double glazing the building. Overall the costs shown in the 2018 accounts totalled £36.3k. Again some of this work could be capitalised adding a further £75k to fixed assets and spreading the cost with a charge of £12k to depreciation over the next 6 years.

**Pension Scheme:** The RSS operates a defined contribution pension scheme whereby it pays a percentage of employees' salaries into a pension scheme and has no further liability. However, historically, like many employers, it used to provide a defined benefit (or final salary) pension scheme to its employees, whereby the pension received relates to the number of years' service and the salary paid on leaving the company's employment. Although this latter scheme was closed to new employees in 2017 and now has no active members we are obliged by the accounting standard to value the scheme each year and this valuation is shown in the SOFA.

Entirely separate from this purely accounting valuation we are also obliged by law to undertake a full valuation of the scheme every three years to determine if the funding of the scheme is sufficient to match the liability. In 2018 this valuation identified a deficit in funding of £667k. The RSS duly agreed a payment schedule to fund the anticipated deficit by 2025. These payments will begin in 2019.

**Reserves:** Our free reserves position improved from £2.14m to £2.34m. This allows us to continue to invest in the new CRM database and building refurbishment projects without compromising our ongoing projects and activities.

## Plans for the future

The Society's Activity Plan for 2019 is available online and gives detail about our work programme for the year.

Some of the important activities planned for 2019 include:

- **Conference:** Our 2019 annual conference will take place in Belfast in September. We plan to continue to grow participation for the main conference and increase the income stream from sponsors and exhibitors. Our goal is for the conference to move towards covering its full costs and generate a surplus and we expect to see further progress towards this in 2019.
- **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 in Society project, for which we received a grant from the Big Lottery Fund.

- **Data science:** We will consider the opportunities for developing professional support for the data science community. We will build our training offering in this space, building on the success of our Introduction to Machine Learning course.
- **External engagement:** The Society in recent years 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 coming year will be dominated by work to move to a new Customer Relationship Management (CRM) system, culminating in a launch in late 2019. The new system will allow more personalised member content and a better user experience.
- **Operational matters:** The YMCA building next door to us is being rebuilt. The Finsbury Tower building opposite is also being extended. These building works may affect the ambience of our work environment in the forthcoming period.

## 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 the 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.

**Royal Statistical Society**

**Trustees' annual report**

**For the year ended 31 December 2018**

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## **Auditor**

Sayer Vincent LLP was re-appointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

The Society's Council has agreed to tender for the 2019 audit and Sayer Vincent LLP will be included in that process.

The trustees' annual report has been approved by the trustees on 26 June 2019 and signed on their behalf by

Deborah Ashby  
President

Trevor Llanwarne  
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 2018 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 2018 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.

12 July 2019

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 2018

	Note	Unrestricted £	Restricted £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
<b>Income from:</b>							
Donations	2a	101	-	101	54	-	54
Charitable activities							
Statistics & Public Interest	2b	725	-	725	5,479	-	5,479
Education & Statistical Literacy	2c	60,564	-	60,564	56,776	-	56,776
Developing the Profession	2d	493,737	-	493,737	559,263	-	559,263
Strengthening the Discipline	2e	1,100,981	-	1,100,981	1,117,462	47,500	1,164,962
Engaging the Membership & Partners	2f	689,910	36,000	725,910	677,181	12,041	689,222
Venue hire	2g	33,273	-	33,273	38,958	-	38,958
Investments	2h	61,402	-	61,402	63,200	-	63,200
Other incoming resources	2i	560,530	-	560,530	42,912	-	42,912
<b>Total income</b>		<b>3,001,223</b>	<b>36,000</b>	<b>3,037,223</b>	<b>2,561,285</b>	<b>59,541</b>	<b>2,620,826</b>
<b>Expenditure on:</b>							
Charitable activities							
Statistics & Public Interest	3	350,576	725	351,301	340,929	79	341,008
Education & Statistical Literacy	3	397,631	-	397,631	235,252	-	235,252
Developing the Profession	3	693,346	-	693,346	659,191	-	659,191
Strengthening the Discipline	3	747,826	5,317	753,143	567,638	7,594	575,232
Engaging the Membership & Partners	3	594,340	22,415	616,755	507,139	8,513	515,652
Venue hire	3	53,803	-	53,803	54,068	-	54,068
<b>Total expenditure</b>		<b>2,837,522</b>	<b>28,457</b>	<b>2,865,979</b>	<b>2,364,217</b>	<b>16,186</b>	<b>2,380,403</b>
<b>Net income before net gains on investments</b>		<b>163,701</b>	<b>7,543</b>	<b>171,244</b>	<b>197,068</b>	<b>43,355</b>	<b>240,423</b>
Net gain/(loss) on investments	10	(133,330)	-	(133,330)	103,147	-	103,147
<b>Net income / (expenditure)</b>		<b>30,371</b>	<b>7,543</b>	<b>37,914</b>	<b>300,215</b>	<b>43,355</b>	<b>343,570</b>
Transfers between funds	16	5,796	(5,796)	-	(11,655)	11,655	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>36,167</b>	<b>1,747</b>	<b>37,914</b>	<b>288,560</b>	<b>55,010</b>	<b>343,570</b>
Actuarial gain/(loss) on defined benefit pension schemes	14	361,000	-	361,000	(263,000)	-	(263,000)
<b>Net movement in funds</b>		<b>397,167</b>	<b>1,747</b>	<b>398,914</b>	<b>25,560</b>	<b>55,010</b>	<b>80,570</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		3,024,826	202,228	3,227,054	2,999,266	147,218	3,146,484
<b>Total funds carried forward</b>		<b>3,421,993</b>	<b>203,975</b>	<b>3,625,968</b>	<b>3,024,826</b>	<b>202,228</b>	<b>3,227,054</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 2018

	Note	The group		The Society	
		2018	2017	2018	2017
		£	£	£	£
<b>Fixed assets:</b>					
Tangible assets	9	1,081,695	882,397	1,081,695	882,397
Investments	10	1,855,652	1,999,685	1,856,652	2,000,685
		<b>2,937,347</b>	<b>2,882,082</b>	<b>2,938,347</b>	<b>2,883,082</b>
<b>Current assets:</b>					
Debtors	12	950,636	404,531	1,013,545	532,317
Short term deposits		49,565	29,516	49,565	29,516
Cash at bank and in hand		273,326	653,540	156,700	483,778
		<b>1,273,527</b>	<b>1,087,587</b>	<b>1,219,810</b>	<b>1,045,611</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	13	(311,719)	(291,728)	(259,002)	(250,752)
<b>Net current assets</b>		<b>961,808</b>	<b>795,859</b>	<b>960,808</b>	<b>794,859</b>
<b>Total assets less current liabilities</b>		<b>3,899,155</b>	<b>3,677,941</b>	<b>3,899,155</b>	<b>3,677,941</b>
Creditors: amounts falling due after one year	13	(38,187)	(27,887)	(38,187)	(27,887)
<b>Net assets excluding pension asset</b>		<b>3,860,968</b>	<b>3,650,054</b>	<b>3,860,968</b>	<b>3,650,054</b>
Defined benefit pension scheme (liability)	14	(235,000)	(423,000)	(235,000)	(423,000)
<b>Total net assets</b>		<b>3,625,968</b>	<b>3,227,054</b>	<b>3,625,968</b>	<b>3,227,054</b>
<b>Funds:</b>					
Restricted income funds	16	203,975	202,228	203,975	202,228
Unrestricted income funds:					
Designated funds		2,038	2,138	2,038	2,138
General funds		3,654,955	3,445,688	3,654,955	3,445,688
		<b>3,656,993</b>	<b>3,447,826</b>	<b>3,656,993</b>	<b>3,447,826</b>
Pension reserve	14	(235,000)	(423,000)	(235,000)	(423,000)
<b>Total unrestricted funds</b>		<b>3,421,993</b>	<b>3,024,826</b>	<b>3,421,993</b>	<b>3,024,826</b>
<b>Total charity funds</b>		<b>3,625,968</b>	<b>3,227,054</b>	<b>3,625,968</b>	<b>3,227,054</b>

Approved by the trustees on 26 June 2019 and signed on their behalf by

Deborah Ashby  
President

Trevor Llanwarne  
Honorary Treasurer

## Consolidated statement of cash flows

For the year ended 31 December 2018

	Note	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net income / (expenditure) for the reporting period		37,914		343,570	
Depreciation charges		106,019		43,814	
(Gain)/loss on investments		133,330		(103,147)	
Dividends and interest		(61,402)		(63,200)	
Defined benefit pension adjustment		173,000		4,000	
Finance lease rentals		(1,189)		(1,602)	
(Increase)/decrease in debtors		(546,105)		109,767	
Increase in creditors		32,891		13,494	
<b>Net cash (used in) / provided by operating activities</b>			<b>(125,542)</b>		<b>346,696</b>
<b>Cash flows from investing activities:</b>					
Purchase of fixed assets		(305,317)		(13,853)	
Proceeds from sale of investments		112,809		55,282	
Purchase of investments		(112,104)		(19,540)	
Movement on cash held in investments		9,998		(28,690)	
Dividends and interest		61,402		63,200	
<b>Net cash (used in) / provided by investing activities</b>			<b>(233,212)</b>		<b>56,399</b>
<b>Cash flows from financing activities</b>					
Repayment of finance lease liability		(1,411)		(998)	
<b>Net cash (used in) / provided by financing activities</b>			<b>(1,411)</b>		<b>(998)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>(360,165)</b>		<b>402,097</b>
Cash and cash equivalents at the beginning of the year		683,056		280,959	
<b>Cash and cash equivalents at the end of the year</b>		<b>322,891</b>		<b>683,056</b>	
<b>Analysis of cash and cash equivalents</b>					
		At 1 January 2018 £	Cash flows £	At 31 December 2018 £	
Cash in hand		653,540	(380,214)	273,326	
Notice deposits (more than 3 months)		29,516	20,049	49,565	
<b>Total cash and cash equivalents</b>		<b>683,056</b>	<b>(360,165)</b>	<b>322,891</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 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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) issued on 16 July 2014 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.

**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. The membership year is the same as the financial year.

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

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

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

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

**1 Accounting policies (continued)**

**f) Donations of gifts, services and facilities**

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

In accordance with the Charities SORP (FRS 102), volunteer time is not recognised in the financial statements so refer to the trustees' annual report for more information about their contribution.

**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	2018	2017
	%	%
● Statistics & Public Interest	11.22	14.78
● Education & Statistical Literacy	15.43	9.93
● Developing the Profession	18.54	20.21
● Strengthening the Discipline	23.92	21.11
● Engaging the Membership & Partners	23.62	25.86
● Venue Hire	2.10	2.64
● Governance costs	5.17	5.47

**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	2018	2017
	%	%
● Statistics & Public Interest	11.83	15.63
● Education & Statistical Literacy	16.27	10.51
● Developing the Profession	19.55	21.37
● Strengthening the Discipline	25.23	22.34
● Engaging the Membership & Partners	24.90	27.36
● Venue Hire	2.22	2.79

**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. 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 asset**

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) 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 most recent actuarial valuation available for this accounting period was at 1 January 2015, the actuarial valuation from 1 January 2018 was not completed until March 2019 so was unavailable. 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 £	2018 Total £	Unrestricted £	Restricted £	2017 Total £
a) Donations	101	-	101	54	-	54
b) Statistics & Public Interest Receptions & Public Events	725	-	725	5,479	-	5,479
	725	-	725	5,479	-	5,479
c) Education & Statistical Literacy Significance Magazine Grants & Sponsorship	38,888 21,676	- -	38,888 21,676	39,464 17,312	- -	39,464 17,312
	60,564	-	60,564	56,776	-	56,776
d) Developing the Profession Subscriptions Examinations Accreditation Scheme Commercial Training	41,518 - 20,250 431,969	- - - -	41,518 - 20,250 431,969	47,297 72,852 2,000 437,114	- - - -	47,297 72,852 2,000 437,114
	493,737	-	493,737	559,263	-	559,263
e) Strengthening the Discipline Publications Conferences & Events Honours & Prizes	866,833 234,148 -	- - -	866,833 234,148 -	913,470 203,992 -	- - 47,500	913,470 203,992 47,500
	1,100,981	-	1,100,981	1,117,462	47,500	1,164,962
f) Engaging the Membership & Partners Subscriptions Advertising Grants & Sponsorship	658,336 27,673 3,901	- - 36,000	658,336 27,673 39,901	625,915 41,948 9,318	- - 12,041	625,915 41,948 21,359
	689,910	36,000	725,910	677,181	12,041	689,222
g) Venue hire	33,273	-	33,273	38,958	-	38,958
h) Investments Dividends Interest receivable	59,946 1,456	- -	59,946 1,456	63,022 178	- -	63,022 178
	61,402	-	61,402	63,200	-	63,200
i) Other incoming resources Compensation for building works Other	523,582 36,948	- -	523,582 36,948	42,912 -	- -	42,912 -
	560,530	-	560,530	42,912	-	42,912
<b>Total income</b>	<b>3,001,223</b>	<b>36,000</b>	<b>3,037,223</b>	<b>2,561,285</b>	<b>59,541</b>	<b>2,620,826</b>



## 3a Analysis of expenditure (current year)

	Charitable activities						Governance costs £	2018 Total £	2017 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	<b>1,541,592</b>	1,249,920
Other staff costs	12,747	17,530	21,063	27,176	26,835	2,386	5,874	<b>113,611</b>	74,984
Direct service costs	22,057	26,844	20,322	214,627	52,321	–	47,613	<b>383,784</b>	388,763
Trading costs	–	–	261,835	–	220	14,041	–	<b>276,096</b>	277,120
	<b>270,819</b>	<b>286,948</b>	<b>560,353</b>	<b>581,546</b>	<b>447,331</b>	<b>38,730</b>	<b>129,356</b>	<b>2,315,083</b>	<b>1,990,787</b>
<b>Support costs</b>									
Establishment costs	18,593	25,570	30,724	39,639	39,142	3,480	8,567	<b>165,715</b>	140,160
IT costs	9,318	12,814	15,397	19,865	19,616	1,744	4,294	<b>83,048</b>	89,750
Office costs	3,219	4,427	5,319	6,863	6,777	603	1,483	<b>28,691</b>	29,852
Legal and professional	4,181	5,750	6,909	8,913	8,802	783	1,926	<b>37,264</b>	22,324
Irrecoverable VAT	10,985	15,106	18,151	23,418	23,125	2,056	5,062	<b>97,903</b>	42,184
Depreciation	11,895	16,359	19,656	25,360	25,042	2,226	5,481	<b>106,019</b>	43,814
Other expenses	3,619	4,977	5,980	7,716	7,619	677	1,668	<b>32,256</b>	21,532
	<b>61,810</b>	<b>85,003</b>	<b>102,136</b>	<b>131,774</b>	<b>130,123</b>	<b>11,569</b>	<b>28,481</b>	<b>550,896</b>	<b>389,616</b>
Total expenditure	<b>332,629</b>	<b>371,951</b>	<b>662,489</b>	<b>713,320</b>	<b>577,454</b>	<b>50,299</b>	<b>157,837</b>	<b>2,865,979</b>	<b>2,380,403</b>
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>693,346</b>	<b>753,143</b>	<b>616,755</b>	<b>53,803</b>	<b>–</b>	<b>2,865,979</b>	
Total expenditure 2017	341,008	235,252	659,191	575,232	515,652	54,068	–		<b>2,380,403</b>

## 3b Analysis of expenditure (prior year)

	Charitable activities						Governance costs £	2017 Total £	2016 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)	225,495	148,033	220,445	250,722	304,677	23,671	76,877	<b>1,249,920</b>	1,196,099
Other staff costs	11,082	7,448	15,148	15,832	19,393	1,979	4,102	<b>74,984</b>	45,471
Direct service costs	23,974	25,697	50,562	193,740	50,778	–	44,012	<b>388,763</b>	431,960
Trading costs	–	–	263,059	–	–	14,051	10	<b>277,120</b>	146,222
	<b>260,551</b>	<b>181,178</b>	<b>549,214</b>	<b>460,294</b>	<b>374,848</b>	<b>39,701</b>	<b>125,001</b>	<b>1,990,787</b>	<b>1,819,752</b>
<b>Support costs</b>									
Establishment costs	20,715	13,922	28,314	29,592	36,251	3,699	7,667	<b>140,160</b>	120,129
IT costs	13,264	8,915	18,131	18,949	23,212	2,369	4,910	<b>89,750</b>	96,018
Office costs	4,412	2,965	6,031	6,303	7,720	788	1,633	<b>29,852</b>	24,540
Legal and professional	3,299	2,217	4,510	4,713	5,775	589	1,221	<b>22,324</b>	29,831
Irrecoverable VAT	6,234	4,190	8,522	8,906	10,911	1,113	2,308	<b>42,184</b>	49,832
Depreciation	6,475	4,352	8,851	9,250	11,333	1,156	2,397	<b>43,814</b>	42,622
Other expenses	3,182	2,139	4,350	4,546	5,569	568	1,178	<b>21,532</b>	35,445
	<b>57,581</b>	<b>38,700</b>	<b>78,709</b>	<b>82,259</b>	<b>100,771</b>	<b>10,282</b>	<b>21,314</b>	<b>389,616</b>	<b>398,417</b>
Total expenditure	318,132	219,878	627,923	542,553	475,619	49,983	146,315	<b>2,380,403</b>	2,218,169
Governance costs reallocated	22,876	15,374	31,268	32,679	40,033	4,085	(146,315)	–	–
<b>Total expenditure 2017</b>	<b>341,008</b>	<b>235,252</b>	<b>659,191</b>	<b>575,232</b>	<b>515,652</b>	<b>54,068</b>	<b>–</b>	<b>2,380,403</b>	
Total expenditure 2016	346,524	278,769	422,293	632,547	456,377	81,659	–		2,218,169

**4 Net incoming resources for the year**

This is stated after charging / crediting:

	2018 £	2017 £
Depreciation		
Owned	104,711	42,506
Leased	1,308	1,308
Trustees' remuneration	-	-
Trustees' expenses	7,028	9,680
Auditor's remuneration (excluding VAT):		
Audit	11,200	10,800
Pension Audit	3,000	3,000
Other services	2,270	1,975
Finance lease rentals		
Equipment	1,189	1,602
	<u>1,189</u>	<u>1,602</u>

28 (2017: 24) 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:

	2018 £	2017 £
Salaries and wages	1,102,019	988,576
Social security costs	104,692	94,372
Pension contributions		
Defined benefit pension contributions	-	-
Net interest expense	12,000	4,000
Loss due to benefit change	161,000	-
Defined contribution pension contributions	151,278	154,688
Life assurance	10,603	8,284
	<u>1,541,592</u>	<u>1,249,920</u>

Staff are entitled to carry over a maximum of 10 days allowance of unused annual leave. For the 2018 accounting year this was calculated at £19,514 (2017: £17,478). This amount is not material and so is not included as an adjustment in the salary and wages expense.

Employer contributions paid over to the defined benefit Scheme trustees in the year amounted to £nil (2017: £nil) at a rate of 0% (2017: 0%). 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 2018 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 £151,278 (2017: £154,688).

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:

	2018 No.	2017 No.
£90,000 – £99,999	1	1
	<u>1</u>	<u>1</u>

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, the Director of Commercial and Marketing (until 23 August 2018) 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 £385,951 (2017: £385,173).

The trustees were not paid nor received any other benefits from employment with the Society in the year (2017: £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:

	2018 No.	2017 No.
Total staff	29.2	27.0
	<u>29.2</u>	<u>27.0</u>

**7 Related party transactions**

RSS professional examinations ceased in 2017, trustees were paid £nil for setting and marking exam papers run by the Society (2017: £1,341). For teaching and developing commercial training courses one trustee, Mark Briers was paid £2,000. The employer of one trustee, the University of Leeds, was paid £4,500 for Paul Baxter to teach commercial training courses (2017: £4,500). There were no amounts outstanding at 31 December 2018 (2017: £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 (2017: £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	188,958	38,150	316,874	1,611,127
Additions in year	–	102,012	10,363	192,942	305,317
Disposals in year	–	(46,464)	(8,018)	(5,241)	(59,723)
At the end of the year	1,067,145	244,506	40,495	504,575	1,856,721
<b>Depreciation</b>					
At the start of the year	229,694	159,361	36,528	303,147	728,730
Charge for the year	10,071	29,567	6,802	59,579	106,019
Eliminated on disposal	–	(46,464)	(8,018)	(5,241)	(59,723)
At the end of the year	239,765	142,464	35,312	357,485	775,026
<b>Net book value</b>					
At the end of the year	827,380	102,042	5,183	147,090	1,081,695
At the start of the year	837,451	29,597	1,622	13,727	882,397

Land with a historic value of £60,000 (2017: £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.

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

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

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

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

All of the above assets are used for charitable purposes.

10 Listed investments

	The group		The Society	
	2018	2017	2018	2017
	£	£	£	£
Market value at the start of the year	1,999,685	1,903,590	2,000,685	1,904,590
Cash movement	(9,998)	28,690	(9,998)	28,690
Additions at cost	112,104	19,540	112,104	19,540
Disposal proceeds	(112,809)	(55,282)	(112,809)	(55,282)
Net gain on revaluation	(133,330)	103,147	(133,330)	103,147
Total market value at year end	<u>1,855,652</u>	<u>1,999,685</u>	<u>1,856,652</u>	<u>2,000,685</u>

Investments comprise:

	The group		The Society	
	2018	2017	2018	2017
	£	£	£	£
Bonds	283,058	278,465	283,058	278,465
Shares listed on recognised stock exchanges including unit trusts	1,332,772	1,477,032	1,332,772	1,477,032
Property fund	207,792	202,160	207,792	202,160
Cash	32,030	42,028	32,030	42,028
Investment in subsidiary undertakings	–	–	1,000	1,000
	<u>1,855,652</u>	<u>1,999,685</u>	<u>1,856,652</u>	<u>2,000,685</u>

Dividends of £59,946 were received in the year (2017: £63,022)

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, and the Director of Commercial and Marketing Kerry Dyus (until 23 August 2018), are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2018 £	2017 £
Turnover	492,915	476,072
Cost of sales	(276,096)	(277,110)
<b>Gross profit</b>	<b>216,819</b>	<b>198,962</b>
Administrative expenses	(14,376)	(3,373)
Management charge from parent entity	(172,629)	(164,278)
<b>Profit on ordinary activities before taxation</b>	<b>29,814</b>	<b>31,301</b>
Taxation on profit on ordinary activities	-	-
<b>Profit for the financial year</b>	<b>29,814</b>	<b>31,301</b>
<b>Retained earnings</b>		
Total retained earnings brought forward	-	(1,990)
Profit for the financial year	29,814	31,301
Distribution under Gift Aid to parent charity	(29,814)	(29,311)
<b>Total retained earnings carried forward</b>	<b>-</b>	<b>-</b>

The aggregate of the assets, liabilities and funds was:

Assets	155,730	250,438
Liabilities	(154,730)	(249,438)
Funds	1,000	1,000

Parent charity

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

	2018 £	2017 £
Gross income	2,746,750	2,338,342
Result for the year	405,053	78,580

12 Debtors

	The group		The Society	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	37,271	70,195	-	-
Other debtors & prepayments	913,365	334,336	911,532	323,854
Amounts owed by subsidiary company	-	-	102,013	208,463
	<b>950,636</b>	<b>404,531</b>	<b>1,013,545</b>	<b>532,317</b>

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	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	5,057	8,393	-	-
Other creditors, provisions and accruals	89,377	63,391	82,946	58,946
Deferred income	210,705	176,392	169,476	148,254
Finance lease commitments	1,825	1,411	1,825	1,411
Taxation and social security costs	4,755	42,141	4,755	42,141
	<b>311,719</b>	<b>291,728</b>	<b>259,002</b>	<b>250,752</b>

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

	The group		The Society	
	2018	2017	2018	2017
	£	£	£	£
Finance lease commitments (one to five years)	2,862	4,687	2,862	4,687
External decoration provision (greater than five years)	35,325	23,200	35,325	23,200
	<b>38,187</b>	<b>27,887</b>	<b>38,187</b>	<b>27,887</b>

## Deferred income

	The group		The Society	
	2018	2017	2018	2017
	£	£	£	£
Balance at the beginning of the year	176,392	175,062	148,254	154,810
Amount released to income in the year	(175,207)	(174,020)	(147,069)	(153,769)
Amount deferred in the year	209,520	175,350	168,291	147,213
Balance at the end of the year	<b>210,705</b>	<b>176,392</b>	<b>169,476</b>	<b>148,254</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 2015. The actuarial assessment dated 1 January 2018 was not completed until March 2019. The 2019 assessment showed a funding shortfall (technical provisions minus value of assets) of £667,000, a recovery plan has been agreed and contributions will be made into the scheme to eliminate the shortfall. 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.

Employer contributions paid over to the Scheme trustees in the year amounted to £nil (2017: £nil) at a rate of 0% (2017: 0%). The actuarial gains and losses on the Scheme for the year, are recognised in the statement of financial activities in accordance with FRS102. Insurance premiums for death in service benefits were payable in addition.

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

	2018	2017
	£	£
Present value of funded obligations	(4,644,000)	(5,006,000)
Fair value of plan assets	4,409,000	4,583,000
	<b>(235,000)</b>	<b>(423,000)</b>
Amounts in the balance sheet:		
Liabilities	(4,644,000)	(5,006,000)
Assets	4,409,000	4,583,000
Net asset	<b>(235,000)</b>	<b>(423,000)</b>



**14 Pension scheme (continued)**

Amounts recognised in net incoming resources are as follows:

	2018	2017
	£	£
Current service cost	–	–
Net interest expense	(12,000)	(4,000)
Losses / (gains) due to benefit changes	(161,000)	–
<b>Total</b>	<b>(173,000)</b>	<b>(4,000)</b>
Actual return on plan assets	<b>(96,000)</b>	<b>262,000</b>

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

	2018	2017
	£	£
Opening defined benefit obligation	5,006,000	4,557,000
Service cost	–	–
Interest cost	121,000	117,000
Actuarial losses / (gains)	(566,000)	412,000
Members contributions	–	–
Benefits paid	(78,000)	(80,000)
Losses / (gains) due to benefit changes	161,000	–
<b>Closing defined benefit obligation</b>	<b>4,644,000</b>	<b>5,006,000</b>

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

	2018	2017
	£	£
Opening fair value of plan assets	4,583,000	4,401,000
Interest Income	109,000	113,000
Actuarial gains / (losses)	(205,000)	149,000
Contributions by employer	–	–
Members contributions	–	–
Benefits paid	(78,000)	(80,000)
<b>Closing fair value of plan assets</b>	<b>4,409,000</b>	<b>4,583,000</b>

Net actuarial (loss) on defined benefit pension scheme

	2018	2017
	£	£
Actuarial gain / (loss) on plan obligations	566,000	(412,000)
Actuarial gain / (loss) on plan assets	(205,000)	149,000
<b>Total</b>	<b>361,000</b>	<b>(263,000)</b>

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

	2018	2017
	%	%
Retail Price Inflation assumption	3.1%	3.3%
Consumer Price Inflation assumption	2.1%	2.3%
Discount rate at the end of the year	2.9%	2.4%
Statutory revaluation in deferment	2.1%	2.3%
Future salary increases	2.6%	2.8%
Future pension increases	3.3%	3.2%
Life expectancy – Male	88 years	88 years
Life expectancy – Female	90 years	90 years

**14 Pension scheme (continued)**

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

	2018 £	2017 £	2016 £	2015 £	2014 £
Defined benefit obligation	(4,644,000)	(5,006,000)	(4,557,000)	(3,173,000)	(3,208,000)
Plan assets	4,409,000	4,583,000	4,401,000	3,846,000	3,798,000
Surplus / (deficit)	(235,000)	(423,000)	(156,000)	673,000	590,000
FRS 102 cap	-	-	-	-	-
Experience (loss)/gain on benefit obligation	(26,000)	(98,000)	(258,000)	(34,000)	43,000
Asset return less expected return on assets	(205,000)	149,000	364,000	(159,000)	97,000

**15a Current 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>

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

	General funds £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	882,395	-	-	882,395
Investments	1,999,687	-	-	1,999,687
Net current assets	591,493	2,138	202,228	795,859
Long term liabilities	(27,887)	-	-	(27,887)
Defined benefit pension liability	(423,000)	-	-	(423,000)
<b>Net assets at the end of the year</b>	<b>3,022,688</b>	<b>2,138</b>	<b>202,228</b>	<b>3,227,054</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>					
Mardia Fund	42,149	-	-	-	42,149
Francis Wood Memorial Fund	4,625	-	-	(183)	4,442
Chambers Medal Fund	8,199	-	-	(324)	7,875
Guy Medal Fund	5,493	-	(727)	(188)	4,578
Greenfield Medal Fund	2,459	-	(364)	(82)	2,013
Research Prize Medal Fund	71,946	-	(2,000)	(2,766)	67,180
Bradford Hill Medal Fund	3,837	-	(363)	(138)	3,336
Cathie Marsh Appeal Fund	4,303	-	-	(170)	4,133
J. H. West Prize Fund	25,649	-	(1,863)	(941)	22,845
Barnett Award	25,391	-	-	(1,004)	24,387
EPSRC	725	-	(725)	-	-
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>

## 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>					
Mardia Fund	39,649	2,500	-	-	42,149
Francis Wood Memorial Fund	7,229	-	(2,959)	355	4,625
Chambers Medal Fund	7,787	-	(217)	629	8,199
Guy Medal Fund	5,774	-	(702)	421	5,493
Greenfield Medal Fund	2,270	-	-	189	2,459
Research Prize Medal Fund	22,426	45,000	(1,000)	5,520	71,946
Bradford Hill Medal Fund	3,542	-	-	295	3,837
Cathie Marsh Appeal Fund	4,173	-	(200)	330	4,303
J. H. West Prize Fund	25,084	-	(1,403)	1,968	25,649
Barnett Award	24,556	-	(1,113)	1,948	25,391
EPSRC	804	-	(79)	-	725
AIMS Next Einstein Project	3,924	41	(3,965)	-	-
Big Lottery Fund	-	12,000	(4,548)	-	7,452
<b>Total restricted funds</b>	<b>147,218</b>	<b>59,541</b>	<b>(16,186)</b>	<b>11,655</b>	<b>202,228</b>
<b>Unrestricted funds:</b>					
Designated funds:					
International Conference Fund	225	-	(225)	-	-
C. Oswald George Prize Fund	2,238	-	(100)	-	2,138
<b>Total designated funds</b>	<b>2,463</b>	<b>-</b>	<b>(325)</b>	<b>-</b>	<b>2,138</b>
<b>General funds</b>	<b>3,154,793</b>	<b>2,188,360</b>	<b>(1,885,810)</b>	<b>(11,655)</b>	<b>3,445,688</b>
<b>Non-charitable trading funds</b>	<b>(1,990)</b>	<b>476,072</b>	<b>(474,082)</b>	<b>-</b>	<b>-</b>
<b>Total unrestricted funds</b>	<b>3,152,803</b>	<b>2,664,432</b>	<b>(2,360,217)</b>	<b>(11,655)</b>	<b>3,447,826</b>
<b>Pension fund</b>	<b>(156,000)</b>	<b>-</b>	<b>(267,000)</b>	<b>-</b>	<b>(423,000)</b>
<b>Total funds including pension fund</b>	<b>3,146,484</b>	<b>2,723,973</b>	<b>(2,643,403)</b>	<b>-</b>	<b>3,227,054</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 medals, awards, and prizes. The More Maths Grads fund is to provide web information for Statistics graduates. The EPSRC fund is for Statistics User activities. The AIMS project was established in 2016 to fund RSS fellows volunteering as visiting lecturers at the African Institute for Mathematical Sciences. The Big Lottery Fund is pilot a 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 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 International Conference Fund has been set up to provide for future expenditure, as appropriate.

The C. Oswald George Prize Fund has been set up to meet future costs of awarding the C. Oswald George Statistical Prize.