

The Centre for Economic Policy Research

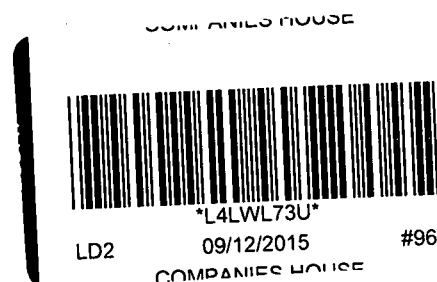
Trustees' Report and Financial Statements

For the year ended

31st March 2015

Company no. 1727026

Registered Charity No. 287287



The Centre for Economic Policy Research

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The Centre for Economic Policy Research

Legal and Administrative information

Directors and Trustees	Guillermo de la Dehesa (Chair - Resigned 20 March 2015) Sir Charles Bean (Chair since 20 March 2015) Petr Aven Richard Baldwin Diane Coyle (appointed 18 November 2014) Bronwen Curtis (appointed 7 July 2015) Jean-Pierre Danthine (appointed 18 July 2015) John Fingleton (appointed 28 July 2015) Vittorio Grilli Patricia Jackson (Resigned 18 November 2014) Andrew McIntyre Zanny Minton-Beddoes (appointed 18 November 2014, resigned 25 January 2015) Lucrezia Reichlin (appointed 1 April 2015) Anthony Venables
Company Secretary	Dr E M Ogden
Registered Office	2nd Floor 33 Great Sutton Street London EC1V 0DX
Bankers	Royal Bank of Scotland plc 48 Haymarket London SW1Y 4SE
Solicitors	Bates, Wells & Braithwaite Cheapside House 138 Cheapside London EC2V 6BB
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

The Centre for Economic Policy Research

Report of the Trustees

The Trustees have pleasure in presenting their report and the financial statements for the year ended 31st March 2015.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association (amended November 2003) and the Statement of Recommended Practice – Accounting and Reporting by Charities (2005).

The Centre for Economic Policy Research (Centre or CEPR) is a registered charity (No. 287287). It is also a company registered in England (No. 1727026) and limited by guarantee. The activities of the Centre are governed by its Memorandum and Articles of Association and the Trustees of the charity are elected by the Members of the limited company.

The Centre's Memorandum and Articles of Association provides that the Centre is not permitted to attempt to influence legislation by propaganda or otherwise, and is not permitted to participate directly or indirectly or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office.

Objects and objectives of the Charity

The Centre for Economic Policy Research was established in 1983 to “promote and advance education for the public benefit in the efficient functioning of the national and international economy by conducting and promoting studies and research into open economies and the relations between them”. The Centre aims to be pluralist and non-partisan, and promotes independent, objective analysis and public discussion, bringing economic and social research to bear on the analysis of medium and long-term policy questions.

Policies adopted to further the objectives

In order to advance these objectives the Centre has established an extensive network of researchers, based mainly throughout Europe, who collaborate through the Centre in a range of research projects and related activities, including its dissemination to private and public bodies and to the public at large. The Centre has over 900 Research Fellows, Affiliates and Associates, based in hundreds of different institutions in over two dozen countries. They carry out research in areas ranging from open economy macroeconomics and international trade to economic history and industrial organisation.

The Centre provides common services for its network of researchers and for the users of its research, and it obtains funding for the activities it develops. In particular, the Centre undertakes the following activities:

- Development of projects and obtaining funding for them, both in the UK and abroad;
- Administration and execution of projects once funding has been obtained for them, and reporting to the donors on the activities undertaken and expenditures incurred under the projects;
- Organising workshops and seminars to promote scientific exchanges among researchers; and
- Dissemination of the results of the research to a wide audience in the private sector, the research and policy communities, government and civil society.

There has been no change in these policies during the current financial year.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. They have referred to the guidance when reviewing their aims and objectives and in planning their future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Organisation

Role of the Trustees

The Trustees appoint an Executive Committee, which meets periodically to provide advice on management and policy issues.

The Centre for Economic Policy Research

Report of the Trustees

Recruitment and induction of new Trustees

Potential new Trustees of CEPR, identified by the Trustees, receive a letter of invitation from the Chair, which contains the following information:

- A description of the work and activities of the Centre, its current focus and position in terms of its development strategy and future plans, etc.
- A description of the status of CEPR, i.e. as an educational charity and a limited company.
- A description of the role and responsibilities of the Trustees, including the duration of term of office. It is explained that the Trustees are responsible to the UK Charities Commission for the Centre's activities. Since the Centre is also a limited company, the Trustees are Directors of the Company and so legally responsible for the conduct of the Centre's business and its solvency.
- A description of the role of the Members of the limited company.

Other relevant material is also sent with the letter. If the invitation is accepted the new Trustee is then sent the CEPR Memorandum and Articles of Association by the Company Secretary, which outlines in more detail the role and powers of the Board and Members, as well as the procedures for meetings etc. They are also sent the current set of audited accounts. New Trustees are provided with the Charity Commission guideline document *Responsibilities of Charity Trustees (CC3)*; and all Trustees are provided with the CC documents *Internal Financial Control for Charities (CC8)* and the *Hallmarks of a Well-run Charity (CC10)*. New Trustees are encouraged to seek any clarification on any matter from the Company Secretary or Director.

New Trustees are then formally appointed by resolution of the Members for an initial term of four years, renewable (twice) by resolution of the Members for a further four years.

Changes in Trustees

In the year ended 31st March 2015 there were various changes in the Trustee body.

CEPR's Chairman, Guillermo de la Dehesa, who has had a long association with CEPR, resigned on 20th March 2015. He was succeeded on the same date by Sir Charlie Bean, who had been appointed a CEPR Trustee on 1st September 2014. Vittorio Grilli, a CEPR Trustee since June 2013, was appointed Vice Chairman on 20th March 2015.

Patricia Jackson resigned as a CEPR Trustee on 18th November 2014. On 8th October 2014 Andrew McIntyre was appointed a Trustee, as was Diane Coyle (18th November 2014).

Appointment of CEPR leadership

The Trustees appoint the President and Director of the Centre, and set their remuneration.

The Director reports to the Trustees on matters that directly affect the overall finances and direction of CEPR.

CEPR leadership structure

Professor Richard Portes is President of CEPR. The Director, Richard Baldwin is in overall charge of all CEPR's activities, including academic initiatives, fundraising and ensuring CEPR's financial viability. In April 2014 Tessa Ogden was appointed Deputy Director, and is responsible for the management of CEPR's day-to-day operations.

CEPR Staff

At the end of the 2014/15 financial year, the Centre employed 12 full-time plus 3 part-time staff at its offices in London and 1 part-time IT Manager who is employed as a contractor. These staff provide the services described above to the research network and to the users of the Centre's research.

CEPR scientific organisation

The research carried out by the Centre falls broadly within eight programme areas:

- Financial Economics
- Industrial Organisation

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Report of the Trustees

- International Macroeconomics
- International Trade and Regional Economics
- Labour Economics
- Public Economics
- Development Economics
- Economic History

The Director, in consultation with the President, appoints one or more Programme Directors in each of these programme areas. Programme Directors provide intellectual leadership and quality control in their programme.

Appointment of Researchers

At the end of March 2015 there were 976 CEPR Research Fellows and Research Affiliates.

CEPR sets high standards by having a rigorous and transparent appointments process based on publication records, nomination recommendations and citations in marginal cases. Each Programme Area has an Appointments Committee, which meets annually, made up of the Programme Director(s), the Research Director, the Director and the President of CEPR. Well in advance, members of the Programme are asked to nominate candidates at the Research Affiliate (researchers who are within seven years of the award of their PhD) and Research Fellow levels. The Committee then considers the merits of all the nominated candidates. The successful candidates, at both levels, are appointed for a four year term. For Research Fellows this term can then be extended ad infinitum, provided they have shown that they are involved in CEPR's activities. Research Affiliates can be extended for further three year period, after which point they are either promoted to Research Fellow or their CEPR affiliation is ended.

During the 14-15 financial year, a total of 824 researchers were considered by CEPR's Appointment Committees. 68 researchers were appointed as fellows or affiliates for the first time and 25 researchers had their CEPR affiliations ended.

Development, activities and performance against objectives during 2014/15

The Centre organises workshops and conferences so that its researchers may meet with fellow researchers (and users of the research) in order to discuss and compare research findings. The Centre also distributes the results of this research in the first instance through its Discussion Paper series. These Discussion Papers are circulated widely to specialists in the research and policy communities and the private sector, so that the results of the research receive prompt and thorough professional scrutiny. Subscribers to CEPR's Discussion Paper series include university and college libraries, central banks, parliamentary libraries and research institutions.

During the period from 1st April 2014 to 31st March 2015 the Centre met all of its stated objectives and targets in terms of research meetings and dissemination. The Centre published 683 CEPR Discussion Papers and organised 46 conferences and research workshops, and 6 dissemination/lunchtime meetings presenting CEPR reports and other important policy-relevant analyses were held in London and Brussels.

An important part of the dissemination is the Centre's policy portal VoxEU.org. Launched in June 2007, Vox has become the premier internet site for analysis and discussion of key European and global policy issues. The primary audience is economists in the private and public sectors, media and academics. The site gets about 200,000 users per month according to Google Analytics.

In addition, during 2014/15, CEPR issued a number of special publications, focusing on the policy implications of the Centre's research, including six Policy Reports (*Supply Chains, Mega-Regionals and Multilateralism: A Road Map for the WTO; Aid for Trade: What have we learnt? Which Way Ahead?; Deleveraging, What Deleveraging?; Restarting European Long-Term Investment Finance: A Green Paper Discussion Document; Growth in Mature Economies; A New Start for the Eurozone: Dealing with Debt*); five

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Report of the Trustees

VoxEU.org eBooks, two VoxEU Course Companions, and nine Policy Insights, together with four issues of the journal *Economic Policy*.

Partnerships and collaboration

CEPR collaborates with a range of partner institutions and organisations in the UK and beyond, in pursuit of its charitable objectives. For example, many of the large-scale collaborative research projects undertaken by CEPR require close interaction and collaboration with university departments across Europe; joint workshops, conferences, training programmes and a range of dissemination activities are organised and undertaken cooperatively. As a result of these sorts of project-based initiatives, CEPR has developed and maintained a significant number of 'network-based' activities within its wider 'virtual' network of academics. CEPR also works closely with a number of public and private sector organisations, including European central banks, corporate bodies and government departments (including the European Commission) in staging joint workshops, seminars and other discussion and dissemination-based activities.

Sources of funding

CEPR's income for its charitable activities is a mix of 'restricted' and 'unrestricted' funds. The restricted income, which is the main source of funding for CEPR's research activities, is derived predominantly from projects CEPR administers for the Department for International Development (DFID) and the European Commission.

DFID currently funds a large research project – Private Enterprise Development in Low Income Countries (PEDL). PEDL is a grant-giving initiative that aims to stimulate research on private-sector development in low-income countries. CEPR launched a programme of Exploratory Research Grants (ERGs) in early 2012, and has awarded 17 standard rounds of funding through March 2015, in addition to two special rounds specifically for researchers from LICs and two for PhD students, for a total of 92 projects. Since the first round of Major Research Grants (MRGs) in the autumn of 2012, PEDL has awarded a total of 17 major grants across three rounds, and will award the fourth round in the autumn of 2015. All MRGs are currently ongoing, while 34 ERGs have been completed, with several others nearing completion. PEDL also publishes outputs such as working papers and policy briefs, called *Research Notes*, to disseminate the available results from awarded projects, and has recently seen some of its funded research published in top academic journals.

European Commission funding has been secured in collaboration with other partners based in institutions (mainly universities) across Europe, to support collaborative research, training and dissemination projects that typically contain between 7-12 partner institutions and span a period of anything from 1-4 years. CEPR's 'unrestricted' funds have three principal sources – subscriptions from institutional members (central banks, government institutions and corporates); income from the sale of publications (mainly academic Discussion Papers); and administrative and management costs (or 'overheads') associated with our 'restricted' project activities. These funds typically support our unfunded research initiatives (such as our annual Programme symposia events), one-off research and dissemination activities (including lunchtime dissemination meetings in London and elsewhere) and our ongoing institution, building, administrative and personnel costs.

CEPR's impact

In-keeping with the objectives of the charity, a key goal of CEPR since its inception in 1983 has been to promote research excellence with policy relevance – the aim being to inform the public debate on important economic issues. To this end, the over 900 CEPR researchers collaborate on the production, funding and dissemination of research – forming a "producers' cooperative" where the whole is greater than the sum of the parts. While the Centre has no in-house researchers, it acts as a 'think-net' of researchers who are deeply involved in basic research as well as in the analysis of policy options and outcomes.

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Report of the Trustees

Research excellence

For over three decades CEPR has played a key role in establishing the scientific excellence of economics in Europe. The Directors of each of the Centre's Programme Areas are all leaders in their fields. Together with CEPR leadership, they play a key role in ensuring the high quality of the Centre's workshops, conferences and publications as well as ensuring that CEPR researchers meet high standards in terms of publication output. They also play a catalytic role in launching research initiatives and moving CEPR researchers into promising new areas. A testimony to the Centre's commitment to research excellence is evident in scientific honours that have been awarded to its Fellows. The Yrjö Jahnsson Prize, for example, is awarded every other year to an outstanding young European economist. Since its inception in 1993, all winners of the prize have been CEPR Research Fellows. The Bernácer Prize is awarded annually to European economists under the age of 40 who have made outstanding contributions in the fields of macroeconomics and finance. All winners have also been CEPR Research Fellows. Furthermore, the 2014 Nobel Prize for Economics was awarded to Professor Jean Tirole (Toulouse School of Economics) who has been a CEPR Research Fellow since 1991.

Policy relevance

CEPR is committed to enhancing the quality of policymaking in Europe and beyond. It does this by facilitating the participation of the best economists in policy debates, and working hard to get the results into the hands of decision-makers. Specifically, the Centre produces a range of policy-relevant publications. Most notable are its annual report series.

- The Geneva Reports on the World Economy

These are annual monographs focusing on reform of international financial and monetary systems. Launched in 1999 by the International Centre for Monetary and Banking Studies (ICMB) in cooperation with CEPR, each report is written by a team of internationally-known macroeconomists.

- The Global Trade Alert

This was set up by CEPR Programme Director Simon Evenett in the wake of crisis-linked protectionism. It provides real-time information on state measures taken during the current global downturn that are likely to affect foreign commerce. In addition to monitoring policies that affect world trade, it produces regular reports that draw out the policy implications of the latest data.

- Monitoring the Eurozone

This is the newest of CEPR's report series. The genesis of this initiative is a group of scholars – led by Beatrice Weder di Mauro and Luis Garicano – who came together to work towards developing a pan-European analysis of the EZ Crisis' causes and cures. The first report, published in Spring 2015, focused on the resolving the debt overhang while simultaneously implementing institutional changes to prevent future debt overhang from arising.

- Economic Policy

In addition to these monographs, CEPR contributes with its support and co-ownership of the journal *Economic Policy*, which was founded by CEPR together with the *Maison de l'Homme*. Soon to celebrate its 30th year, the journal has earned a reputation around the world for publishing the best, cutting-edge analyses of a wide-range of economic issues. It is consistently ranked amongst the top economics journals in the world according to impact factor. Over the decades, *Economic Policy* has published some of the most widely cited studies on financial crises, deregulation, unions, the euro, unemployment and other pressing topics. Articles in the journal are commissioned from leading professional economists all over the world. Their brief is to illuminate topical policy issues by combining the insights of modern economics with the best available evidence. Written in plain language, its presentation is incisive and accessible to a wide range of participants in the policy debate. Each paper is discussed by a panel of distinguished economists. This unique approach guarantees insightful debate and alternative interpretations of the evidence.

Because CEPR draws on such a large and widely dispersed network of researchers, the Centre is able to produce a wide range of research that not only addresses key UK, European and global policy issues, but also reflects a broad spectrum of individual viewpoints and perspectives drawn from civil society.

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Report of the Trustees

As mentioned above, the Centre is also active in fostering web-based dissemination and policy debate via its site VoxEU.org. The goal of Vox has been to raise the level of the policy debate by making it easier for researchers to draw out the policy implications of their research and to make this work more accessible to professional economists and the interested public in government, the private sector, academics and journalism.

Vox has been a clear success on the supply side. Since June 2007, Vox has published over 5000 columns by more than 4000 authors. The site has also been a success on the demand side. It is now routinely ranked as among the most influential economic 'blogs' in the world, enjoying over 200,000 distinct visitors per month. The most popular column (by Eichengreen and O'Rourke) has been viewed almost a million times, but almost all columns receive one to two thousand views on the first day and four to five thousand views over the first year.

VoxEU has gradually introduced new innovations including eBooks, videos (VideoVox) and collections of columns to accompany textbooks (Vox Course Companions). The latest feature is the 'Vox as it happened' series which collects Vox columns that illustrate the development of economists' thinking on issues such as bank regulation and the causes of the Global Crisis.

Simultaneously with VoxEU, CEPR also launched *Policy Insights*, a new web-based series of publications. *Policy Insights* are serious, tightly argued policy essays, typically 5-10 pages and aimed at economists working in governments, international organisations, the private sector, academics and the media. The series encourages serious researchers to participate in the policy debate by reflecting on the policy implications that flow from their research, the research they read, and their general understanding of the world.

CEPR has also strengthened its engagement with policy-makers at the UK through its close partnership with the UK Department for Business, Innovation and Skills (BIS), HM Treasury, and the UK Department for International Development (DFID) on initiatives such as Global Trade Alert, which helps defend the global trading system from the threat of protectionism during the global downturn, and policy reports such as "Twenty Years On - The UK and the Future of the Single Market".

The Financial Position

At 31st March 2015 the Centre held funds totalling £1,684,717. Of this, £314,170 represented accumulated donations, subscriptions and memberships for general funds and restricted funds of £1,370,547 were held for specific projects.

At the year-end, the Centre had incurred costs on some projects with restricted funding, for which funding has been contractually negotiated and is due to be received, but not yet received as of 31st March 2015. The Trustees have no reason to doubt that the funds to cover these incurred costs will be forthcoming; the total amount in deficit being £152,069, which has been netted off within the restricted year-end balance of £1,370,547.

Reserves Policy

The Trustees have reviewed the Reserves Policy and have agreed that CEPR should hold unrestricted reserves for the following purposes:

1. to enable the organisation to operate at full capacity for three months even if all income were to cease, recognising that shifts in support do occur and that three months of leeway would enable the organisation to identify new emergency funding sources, and that it would be necessary for the organisation to continue to operate at near to full capacity during this time.
2. to enable the organisation to meet its statutory obligations and wind up in an orderly fashion if all income were to cease, and the Trustees so ordered.

Based on the above the Trustees believe that, at the year-end date, CEPR needed to hold £366,391 in reserves to meet the stated obligations. At 31st March 2015 CEPR had unrestricted reserves of £314,170.

The Centre for Economic Policy Research

Report of the Trustees

The Trustees are aware of the need to increase unrestricted reserves and anticipate that sufficient levels will be reached over the next two financial years.

Future Plans

CEPR will continue to seek funding for its ongoing research and dissemination activities. We will also seek to increase the number of Central Bank and Corporate Membership subscribers and the average level of subscriptions. We have also widened the range of organisations from who we seek funding to include international organisations and foreign research institutes. This involved the creation of two new types of membership, Institutional Memberships and Vox Outreach Memberships. We will continue to use these member formats to forge new partnerships and alliances with relevant institutions in the academic and policy communities. As part of this, we have launched 'Campaign 2015' that has the goal of increasing annual Membership income by €100,000.

Risk Management

The Trustees confirm that they have reviewed the major risks to which the charity is exposed, and are satisfied that appropriate action has been taken to mitigate those risks. A risk register is maintained and reviewed on a six-monthly basis.

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Centre for Economic Policy Research for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- 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 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Audit information

So far as each of the directors at the time the trustees' report is approved is aware:

- there is no relevant information of which the auditors are unaware; and
- they have taken all relevant steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Centre for Economic Policy Research

Report of the Trustees

Auditors

The auditors, Kingston Smith LLP, will not be seeking re-appointment. PKF Littlejohn LLP will be proposed for election as CEPR's auditors at the forthcoming AGM. The Trustees wish to thank Kingston Smith LLP for their past services.

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Signed on behalf of the Trustees:



.....
Sir Charles Bean
Chairman

Date: 3/12 2015

The Centre for Economic Policy Research

Report of the Auditors

Independent Auditors' Report to the Trustees of the Centre for Economic Policy Research

We have audited the financial statements of The Centre for Economic Policy Research for the year ended 31st March 2015 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.


Nicholas Brooks, Senior Statutory Auditor
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date:

31/2/2015

The Centre for Economic Policy Research
Statement of Financial Activities
(incorporating the Income and Expenditure Account)
Year ended 31st March 2015

	Note	Unrestricted Funds General	Designated	Restricted Funds	2015	2014
		£	£	£	£	£
Incoming Resources						
Incoming Resources from Generated Funds						
Voluntary income	4	467,758	-	-	467,758	423,926
Investment Income	5	3,602	-	-	3,602	4,029
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total incoming resources from Generated Funds		471,360	-	-	471,360	427,955
Income Resources from Charitable Activities	6	300,110	-	3,523,704	3,823,814	3,952,135
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Incoming Resources		771,470	-	3,523,704	4,295,174	4,380,090
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Resources Expended						
Costs of generating funds:						
Fundraising and publicity	7	19,148	-	-	19,148	33,267
Charitable expenditure:						
Research and dissemination	7	757,986	42,400	3,616,658	4,417,044	3,876,862
Other expenditure:						
Governance	7	10,663	-	-	10,663	9,778
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Resources Expended	7	787,797	42,400	3,616,658	4,446,855	3,919,907
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Movement in Funds		(16,327)	(42,400)	(92,954)	(151,681)	460,183
Balance brought forward at 1 st April 2014		330,497	42,400	1,463,501	1,836,398	1,376,215
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Balance carried forward At 31 st March 2015		£314,170	£-	£1,370,547	£1,684,717	£1,836,398
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial years.

Statement of Total Recognised Gains and Losses

The company has no recognised gains or losses in either year presented above other than the deficit (2014 surplus) for the year.

The notes on pages 13 to 19 form an integral part of these financial statements.

The Centre for Economic Policy Research
Balance Sheet
as at 31st March 2015

	Note	2015	2014
		£	£
Fixed Assets			
Tangible	11	7,379	27,807
Current Assets			
Debtors	12	668,440	686,240
Cash at bank and in hand		1,468,575	1,893,681
		<u>2,137,015</u>	<u>2,579,921</u>
Creditors: Amounts falling due within one year	13	(459,677)	(771,330)
Net Current Assets		<u>1,677,338</u>	<u>1,808,591</u>
Net Assets		<u>£1,684,717</u>	<u>£1,836,398</u>
Funds			
Unrestricted	15/16	314,170	330,497
Designated	15/16	-	42,400
Restricted	17	1,370,547	1,463,501
		<u>£1,684,717</u>	<u>£1,836,398</u>

These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved and authorised for issue by the Board of Directors

on 3/12

2015 and signed on its behalf by:



Sir Charles Bean

Chairman

Company number : 1727026

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Notes to the Financial Statements

for the year ended 31st March 2015

1. Status

The Centre for Economic Policy Research is a non profit-making company limited by guarantee incorporated on 26 May 1983 and is registered as a charity (No. 287287). The liability of each member is restricted to one pound.

2. Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Statement of Recommended Practice: Accounting and Reporting by Charities (2005) and the Companies Act 2006.

Leased Assets

Assets held under finance lease and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the Statement of Financial Activities over the period of the lease.

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

Depreciation

Depreciation is provided on all tangible fixed assets at rates that will write off the cost of each asset evenly over its expected useful life as follows:

Office furniture and equipment	- 33% per annum
Computer equipment	- 33% per annum
Improvements to leasehold premises	- Duration of lease

Tangible fixed assets are capitalised where the cost exceeds £1,000.

Incoming Resources

Restricted income and income from donors is recognised in the period in which it becomes due.

Income from subscription publication sales is recognised in the period in which it becomes due.

Grants for general funding are spread evenly over the period which they are intended to finance.

Resources Expended

Expenditure is recognised when a liability is incurred and includes irrecoverable VAT. Expenditure is allocated within the Statement of Financial Activities to one of the following three headings:

Research and Dissemination

The direct costs of research undertaken, and the dissemination of that research through meetings and publications, and the proportion of the overheads of CEPR required to support those activities.

Fundraising

The direct costs of fundraising activities and the proportion of the overheads of CEPR required to support them.

Governance

Governance costs include those costs incurred in the governance of the charity and are primarily associated with constitutional compliance and statutory requirements.

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Notes to the Financial Statements

for the year ended 31st March 2015

Foreign Exchange

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Investment Income

Interest is accounted for on a receivable basis.

Pensions

The Centre makes contributions to the pensions of staff members based on qualifying periods of service.

Funds Policy

Funds held by the charity are:

- Unrestricted general funds - these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity.
- Designated funds - these are unrestricted funds that have been set aside by the trustees for specific purposes. These funds may be released for general charitable purposes at the discretion of the trustees.

Restrictions arise when specified by the donor, or when funds are raised for particular restricted purposes.

3. Turnover

Of the total incoming resources for the year 29% (2014 - 29%) is attributable to markets outside the United Kingdom.

4. Voluntary Income

	2015 Unrestricted Funds £	2014 Unrestricted Funds £
Unrestricted Funds		
Subscriptions - Central Banks	228,522	179,168
Subscriptions - Corporates	196,294	243,485
Subscriptions - Institutional members	42,942	1,273
	<hr/>	<hr/>
	£467,758	£423,926
	<hr/>	<hr/>

5. Investment Income

Bank interest receivable	£3,602	£4,029
	<hr/>	<hr/>

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Notes to the Financial Statements
for the year ended 31st March 2015

6. Incoming Resources from Charitable Activities

	2015		2014	
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
	£	£	£	£
Income from publications sales	256,110		199,501	
Income from other activities	25,799		-	
Grants for designated core activities	18,201		16,752	
	<u>£300,110</u>		<u>£216,253</u>	

Restricted Income for Project Funding

International Macroeconomics	208,040	224,430
International Trade	209,973	315,357
Public Policy	169,414	39,544
Labour Economics	-	-
Industrial Organisation	14,873	38,141
Financial Economics	69,133	12,344
Development Economics	54,000	-
Economic History	7,687	-
Private Enterprise Development in Low-income Countries	2,234,242	2,639,970
Non-specific project activity	407,821	317,770
Remittances for distribution to partners	148,521	148,326
	<u>£3,523,704</u>	<u>£3,735,882</u>

7. Analysis of Total Resources Expended

	Staff	Other	Depreciation	2015 Total	2014 Total
	£	£	£	£	£
Charitable expenditure:					
Research and dissemination	846,357	3,540,041	30,646	4,417,044	3,876,862
Other expenditure:					
Fundraising	-	19,148	-	19,148	33,267
Governance	-	10,663	-	10,663	9,778
	<u>£846,357</u>	<u>£3,569,852</u>	<u>£30,646</u>	<u>£4,446,855</u>	<u>£3,919,907</u>

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Notes to the Financial Statements
for the year ended 31st March 2015

8. Salaries and Consultancy Fees	2015 £	2014 £
Salaries and related costs	500,370	543,340
Social security costs	48,628	50,551
Other pension costs	2,106	17,317
	<hr/>	<hr/>
Consultancy fees and salary costs to project related staff	551,104 295,253	611,208 256,090
	<hr/>	<hr/>
	£846,357	£867,298
	<hr/>	<hr/>

The average monthly number of employees, excluding the directors, of the Centre during the year was 13 (2014 - 15).

The Centre had one employee who was paid at a rate in excess of £60,000 (2014: two) as follows:

	2015 £	2014 £
£100,000 - £110,000	1	1
£120,001 - £130,000	-	1
Pension contributions paid on their behalf were as follows:	£3,518	£12,967
	<hr/>	<hr/>

Trustees received no remuneration for their work as trustees.

No trustees received expense reimbursements (2014 - £Nil).

9. Pension Costs

During the year the Centre contributed to the personal pension schemes of 3 members of staff. The pension cost charge represents contributions payable by the Centre to the schemes and amounted to £2,106 (2014 - £17,317). Arrears of contributions at the year-end amounted to £Nil (2014 - £8,785).

10. Deficit/surplus for the year	2015 £	2014 £
This is stated after charging:		
Auditors:-		
Audit fees	9,400	8,810
Other services provided by auditors' related party	5,400	5,000
Exchange losses	163,760	23,228
Depreciation - owned tangible fixed assets	30,646	5,557
Operating leases rentals - equipment	1,879	4,420
- premises	36,400	24,267
	<hr/>	<hr/>

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Notes to the Financial Statements
for the year ended 31st March 2015

11. Tangible Fixed Assets

	Leasehold Improvements £	Computer Equipment £	Office Furniture and Equipment £	Total £
Cost				
At 1 st April 2014	41,556	43,593	22,793	107,942
Additions	1,800	5,953	2,465	10,218
Disposals	-	(30,020)	-	(30,020)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2015	£43,356	£19,526	£25,258	£88,140
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 st April 2014	14,201	43,141	22,793	80,135
Charge for the year	29,155	1,197	294	30,646
On disposals	-	(30,020)	-	(30,020)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2015	£43,356	£14,318	£23,087	£80,761
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 st March 2015	£-	£5,208	£2,171	£7,379
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 st March 2014	£27,355	£452	£-	£27,807
	<hr/>	<hr/>	<hr/>	<hr/>

12. Debtors

	2015 £	2014 £
Trade debtors	439,717	455,770
Other debtors	2,410	943
Prepayments and accrued income	226,313	229,527
	<hr/>	<hr/>
	£668,440	£686,240
	<hr/>	<hr/>

13. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	89,696	230,250
Taxes and social security costs	78,481	64,836
Other creditors	225	8,829
Accruals and deferred income	291,275	467,415
	<hr/>	<hr/>
	£459,677	£771,330
	<hr/>	<hr/>

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Notes to the Financial Statements
for the year ended 31st March 2015

14. Movement in Deferred Income	2015	2014
	£	£
Amount brought forward	2,500	151,367
Released in current year	(2,500)	(148,867)
	<u>£-</u>	<u>£2,500</u>

15. Unrestricted Funds	Brought Forward	Incoming Resources	Resources Expended	Carried Forward
	£	£	£	£
Designated funds:				
IT Systems Development	42,400	-	(42,400)	-
Other unrestricted funds	330,497	771,470	(787,797)	314,170
	<u>£372,897</u>	<u>£771,470</u>	<u>£(830,197)</u>	<u>£314,170</u>

The IT Systems Development' Designated Fund is in support of CEPR's IT systems and infrastructure development.

16. Analysis of Net Assets between Funds	Tangible Fixed Assets	Net Current Assets	Total
	£	£	£
Restricted funds	-	1,370,547	1,370,547
Unrestricted funds	7,379	306,791	314,170
Designated funds	-	-	-
	<u>£7,379</u>	<u>£1,677,338</u>	<u>£1,684,717</u>

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Notes to the Financial Statements

for the year ended 31st March 2015

17. Restricted Funds

Restricted funds comprise funds donated towards the cost of specific economic research projects which are used to finance research, meetings and publications. These projects are classified into one of CEPR's eight programme areas: International Macroeconomics; International Trade; Public Policy; Labour Economics; Industrial Organisation; Financial Economics; Development Economics and Economic History as well as other core and non-specific project activities. Any amounts not expended at the year-end date are carried forward. The movement in restricted funds across programme areas is shown below.

	Balance 1 st April 2014 £	Income £	Expended £	Balance 31 st March 2015 £
International Macroeconomics	83,261	208,040	(256,854)	34,447
International Trade	133,632	209,973	(230,264)	113,341
Public Policy	250,594	169,414	(124,888)	295,120
Labour Economics	-	-	-	-
Industrial Organisation	57,536	14,873	(21,049)	51,360
Financial Economics	10,369	69,133	(51,158)	28,344
Development Economics	-	54,000	(60,116)	(6,116)
Economic History Initiative	95,802	7,687	-	103,489
Private Enterprise Development in Low-income Countries	540,198	2,234,242	(2,381,876)	392,564
Core/Non-specific project activity	292,109	407,821	(341,932)	357,998
Partner payments	-	148,521	(148,521)	-
	<u>£1,463,501</u>	<u>£3,523,704</u>	<u>£ (3,616,658)</u>	<u>£1,370,547</u>

Historically, the Centre has incurred costs on restricted projects for which funding is to be received in future periods. At the year-end, the debit balances on such projects totalled £152,069 (2014 - £114,398), and the restricted funds balance is shown net of this amount.

18. Future Financial Commitments - Operating Leases

The Centre has annual financial commitments in respect of non-cancellable operating leases as follows:

	2015 £	2014 £
Leases expiring:		
In less than one year		
Premises	19,699	-
Office equipment	-	4,336
In the second to fifth years inclusive		
Premises	-	36,400
Office equipment	2,420	-
	<u>£22,119</u>	<u>£40,736</u>