

Honorary Treasurer's Report (to the accounts) for the year ended 31 December 2022

Dear Members,

The financial year 2022 saw the re-awakening of the academy after the turmoil of the Covid-19 pandemic measures. This necessarily entailed an increase in expenditures. During the year, there was an increase in support given to academic activities, including funds allocated from the Curien Fund (small grants to member-initiated activity), a restoration of the full physical annual conference and advance planning of new initiatives, including funding allocations for the AE Environmental Sustainability Task Force. In addition, a number of delayed events were held. These are described in the Trustees activity report for 2022.

The examined accounts and accompanying notes are in your Pack and are also available on our website. These provide details for all of these expenditures and related administrative costs of running the Academia Europaea. It is important to note, that these accounts are expressed in pounds sterling (a regulatory requirement for a UK registered entity) as these accounts will be lodged with the UK regulatory authorities that govern our registrations (Companies House and the Charity Commission for England and Wales). Furthermore, readers should note that the accounts regularly mention '*restricted funds*' – these are funds received, or held and that have been donated or are grants won for specific purposes. These funds cannot be utilised for other purposes. It is only the '*unrestricted funds*' that can be applied in support of the operations of the academy and dispersed by the Board of trustees in delivery of our strategic plan and our charitable objectives.

I would like to report that 2022 saw a continuing, stable financial situation. Members' payments continued to increase and follow the long established year-on-year trend (See Figure 3). This is a result of the growth in our membership. However, a significant number of established members fail to make an annual payment, despite many regular reminders. The Finance Sub-committee (FinComm) will investigate this and consider options to address the situation. The numbers of members opting to make a single one-time life payment increased in 2022. This is especially financially beneficial to the younger members. The Academy is now wholly dependent upon membership income for its unrestricted expenditures. This is a situation that presents a risk and is a limiting factor on our ability to grow our range and numbers of activities. The Board of trustees are seeking to address this issue through a new finance and external sponsorship development strategy currently under development.

In summary, 2022 saw an increase in expenditure for our charitable activities from £30,606 in 2021 to £78,754 in 2022. Governance costs tripled in 2022 (over 2021) as more physical meetings were held. Income from our journal *The European Review* held up. The journal is now a net cash generator.

The costs of our administration in London fell slightly in 2022, but overall remained static when premises costs are included.

Some key observations included:

Our only Patron member – (the Leopoldina) ceased its association with us after a long membership period. This entailed a loss in income of £22,123. We are grateful for their support over many years.

Membership income increased from £227,308 in 2021 to £242,894 in 2022. A happy and continuing trend.

Expenditures (unrestricted) on charitable activities doubled in 2022 as we returned to an active programme (2021 – £30,605, - £78,547 in 2022).

A new Prize fund – **The Sydney Brenner Prize** was established with an initial £9,000 in donations. Many thanks to Prof. Balasz Gulyas who has been the initiator of this new Life Sciences Class prize.

Other points

The net result as expressed in the detailed annual accounts for 2022 (**tabled and available online**), was an unrestricted funds (cash) reserve carried forward to 2022 of **£119,401 (equivalent to €142,205 at 1 January 2022)**.

Reserves policy

The total funds for the year ended 31 December 2022 was **£387,731** [YE 31 December 2021, £393,771].

It is the policy of the trustees to maintain sufficient reserves for the Academia Europaea to continue its charitable activities and in view of this, the trustees aim to achieve reserves equal to approximately six months of operations.

A review of reserves policy will be undertaken every year. Recent developments in 2023 will mean we will need to utilise a proportion of these reserves in 2023/24. This will be reported on later in this AGM.

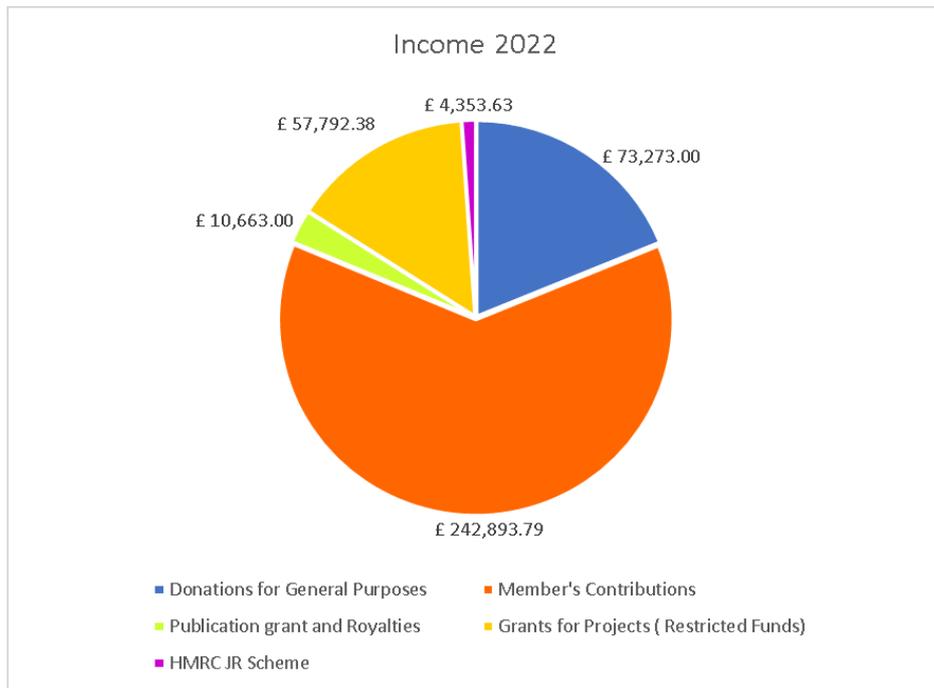
Sponsorship is important to us as a way to create and fund for individual activity. The Board continues to recognise the ongoing difficulty in obtaining core financial support from public and private institutions. So, in my role as Treasurer and with the assistance of our Finance sub-committee, we will take a strategic view on opportunities for external patronage and sponsorship in 2024. To this end, I today announce that we will establish a ***Sponsorship and Fundraising consultants group***, to take forward the development and implementation of a new fundraising plan. **I would be happy to hear from any members with contacts and experience of fundraising and who may be willing to get their hands dirty as a part of this group.**

The examined and signed accounts for 2022 are filed separately and can be viewed through the Academia Europaea website; the UK government Companies House and the Charities Commission of England and Wales websites respectively.

I am pleased to report that the AE finances are in a stable position. I recommend to the members to adopt the 2022 examined accounts.

Figure 1 and 2 - Graphical representation of income and expenditures for 2022

Income for 2022 Total income was £316,117



Expenditure for 2022 Total expenditure was £343,891

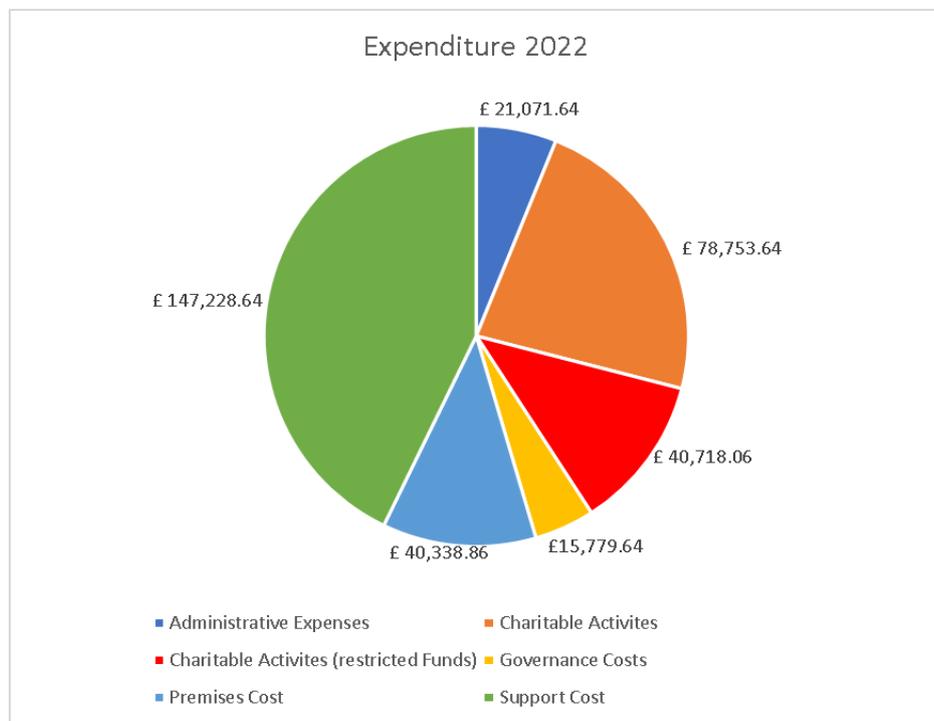


Figure 3. Pattern of membership income



Stephen Evans

Honorary Treasurer

Cambridge

September 2023