

**Charity registration number 1130567**

**Company registration number 06849844 (England and Wales)**

**PRO BONO ECONOMICS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

# PRO BONO ECONOMICS

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Lord Gus O'Donnell - Chair	
	Matthew Brumsen - Vice Chair	
	Dr Rubina Ahmed	
	David Gregson	
	Akiko Hart	(Appointed 7 September 2023)
	Edward Humpherson	
	Jonathon Loynes	(Appointed 7 September 2023)
	Michele Oliver	(Appointed 13 March 2023)
	Belinda Phipps	
	Damien Régent - Treasurer	
	Jenny Scott	
<b>Charity number</b>	1130567	
<b>Company number</b>	06849844	
<b>Registered office</b>	The Factory 120 London Road London SE1 6LF	
<b>Auditor</b>	Alliotts LLP Friary Court 13-21 High Street Guildford Surrey GU1 3DL	
<b>Bankers</b>	Barclays Bank PLC Leicester M60 4EP	
<b>Solicitors</b>	Weil, Gotshal & Manges LLP 110 Fetter Lane London EC4A 1AY	

# PRO BONO ECONOMICS

## CHAIR AND CEO'S STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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2023 marked an official end to the two-year pay squeeze that had afflicted millions across the country, as inflation fell faster than expected. But in practice, the cost-of-living challenge remained all too real for all too many households over the course of the year and the wellbeing of the nation's citizens remained in a precarious condition. Some 3.1 million adults reported low levels of satisfaction with their lives, an increase of 750,000 over just three years. The number of adults recording high anxiety scores stood at 12.8 million, some 3 million higher than the low recorded a decade earlier. And the UK languished fourth bottom in the OECD league table of life satisfaction among teens.

Given the scale and urgency of the wellbeing challenge, we are proud of the contribution that Pro Bono Economics (PBE) was able to make over the course of 2023.

This includes delivering a total of nine major policy wins that will better equip civil society to fulfil its potential. We secured changes designed to enable and encourage more philanthropy in the UK; to improve charity data, which is key to a more impactful sector; and to improve links between civil society and the civil service.

Through our work with coalitions of children's charities, poverty organisations, and those supporting disabled children, we published hard-hitting research on some of the most pressing issues affecting people with low wellbeing. This research is now being used by hundreds of charities to make the case for policy change.

Through our partnerships with the Bank of England, Nottingham Trent University and charity membership organisations, we provided insights to almost 2,000 individuals across civil society in attendance at sector events. We also provided important detail on the challenges facing charities at the highest levels of government, prompting the Chancellor to announce a £100 million fund for the sector in his Spring Budget.

And we helped 137 organisations from a huge range of areas – including women's refuges, LGBT+ community centres, black creative networks and rare disease charities – to measure, improve and communicate their impact and make better use of their data. In doing so, we matched our 500<sup>th</sup> economist volunteer in 2023, as part of our ongoing determination to help the profession to deliver impact.

In support of all of this, we have made some significant internal changes over 2023 too. We have widened the organisations we work with to include grant-makers, local authorities and public sector bodies, like integrated care systems, in order to have impact at scale and at source. And we have invested in our team, improved our culture, refreshed our strategy, and expanded our board to be stronger, more inclusive and ultimately more impactful.

Against the backdrop of another challenging year for the country – and with continued thanks to our staff, volunteers, partners and supporters – we will be working hard to deliver still more and deeper impact in 2024.



**Lord Gus O'Donnell**

Chair

Dated: 04.09.2024



**Matt Whittaker**

CEO

Dated: 05.09.2024

# PRO BONO ECONOMICS

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# PRO BONO ECONOMICS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

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The Trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### Objectives and activities

The objectives of the charity are to:

- promote the efficiency and effectiveness of charities and the effective use of charitable resources for the benefit of the public, in particular by providing analytical economic assistance and advice to the charitable sector
- advance the education of the public in the United Kingdom of Great Britain and Northern Ireland in subjects relating to civil society, and for that purpose to:
  - conduct or commission research into civil society;
  - coordinate, deliver, organise and assist in the provision of courses of education, conferences, seminars, lectures and other educational events and activities related to civil society; and
  - support all forms of civil society organisations.

When setting the objectives and planning the work of the charity for the year, the Trustees confirm that they have completed their duty under section 17 of the Charities Act 2011 with regards to Charity Commission guidance on public benefit.

### About Pro Bono Economics

Pro Bono Economics' (PBE's) vision is an end to low personal wellbeing in the United Kingdom. To support this, we use economic analysis and our unique connection to the social sector to help charities, funders, firms and policymakers to collectively tackle the causes and consequences of low wellbeing across the country. We do this through two main routes: our impact advice & analysis and our research & policy work.

On the former, we provide impact advice and analysis to individual charities to help them to measure, understand and communicate their impact. On the latter, we produce 'bigger picture' analysis and insight that helps to inform and steer the wider policy debate surrounding wellbeing and the social sector.

### How we work: Impact advice & analysis

Our in-house and associate experts work alongside our large pool of economist volunteers via three main service lines: Data First Aid; Unlocking Impact workshops; and analysis and advocacy projects.

- Data First Aid is our fast-track volunteer offer. It provides social sector organisations of any size with the opportunity to be matched with one of our volunteer economists to access support on any number of 'light touch' data tasks.
- Our Unlocking Impact workshops are half-day interactive sessions in which charities are introduced to the principles and practicalities of economic evaluation. They allow us to build capacity across a broad range of organisations, while also preparing some to take the next step towards a full analysis or advocacy project. Having attended the workshop, charities that feel ready to go further can follow up with bespoke one-to-one sessions with one of our expert economists, developing a deeper understanding of what impact might mean in their own context.
- Our analysis and advocacy projects provide focused support designed to help charities understand their impact and their effectiveness. When undertaking an analysis project, we provide detailed evaluations of the outcomes and impacts associated with an individual charity's interventions. When undertaking an advocacy project, we focus less on the specifics of an individual charity's programme of work and more on the conditions and issues relating to sub-sectors or policy themes.

# PRO BONO ECONOMICS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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Delivering support across these three different service lines allows us to work with charities and social sector organisations of all different levels of data 'maturity', while embedding a culture and appreciation of impact evaluation across the sector more broadly. In doing so, we highlight and support effectiveness in organisations focused on delivering wellbeing improvements for individuals across the UK.

### How we work: Research & policy

Our policy research function aims to uncover new insight and new influence that can complement and amplify our work with individual charities. It is delivered primarily by our in-house team, though we additionally commission work from external providers and experts and work in partnership with other research and policy organisations when appropriate.

Our work in 2023 was largely shaped by the conclusion of the Law Family Commission on Civil Society, our ambitious cross-sector two-year programme designed to explore the ways in which the UK might unleash the charity sector's full potential. We published the final report at the start of 2023, pulling together 180 people over the course of a morning in central London to discuss how civil society effectiveness, data, funding, business connections and relationships with government could all be improved.

Over its lifetime, the Commission helped advance a number of causes and arguments and elevated the position of civil society in political thinking. The launching of the final report was a moment to reflect and to celebrate, but it did not mark an end of PBE's work in this area. Instead, over the remainder of 2023, we both delivered policy change informed by the Commission and provided rich data and insights about civil society that helped charities better serve people with low wellbeing during a deeply challenging year.

Throughout 2023, PBE raised the volume on the state of volunteering, charity income, employee burnout, women in the charity sector, and recruitment challenges. As a result of our survey partnership with Nottingham Trent University and eight sector membership organisations, as well as data sharing with the Bank of England, we were able to amplify the voices of charities and their users, bring charity sector issues to national attention, and stimulate debate on neglected issues.

We support our policy research work through a programme of free, public events. These provide us with an opportunity to showcase our own work and open debate around issues of importance to wellbeing and the social sector. We invite a diverse range of experts and practitioners to speak on our panels and emphasise interaction with the audience by way of stimulating discussion and understanding.

### Organisational changes during the year

In 2023, after a review of trustee skills, experiences and perspectives gaps, we undertook an open recruitment process for new trustees, with an emphasis on trustee diversity. We were delighted to welcome Michele (Mitch) Oliver, Akiko Hart and Jonathan Loynes as new board members, each bringing unique and valuable insights to PBE. Mitch has since been nominated as the board diversity champion and is working closely with the executive to further develop and implement PBE's EDI strategy.

Early in 2023 we completed an internal restructure to merge our research and economist resources. We also recruited a further two researchers and an economist to develop our post-Law Family Commission research agenda and to increase the numbers of charities and consortium groups we work with. The Development team expanded in support of the organisation's ambitions for income diversification, with an additional fundraiser focused on grant and programmatic funding.

We maintained our focus on diversity and inclusion by taking a holistic view of our organisational culture, holding staff feedback sessions and an EDI audit, and engaging with the results. These were very positive exercises, and resulted in several actions to move forwards, including the development of our EDI strategy and the identification and implementation of internal values and behaviours.

At the end of 2023 our chair of trustees, Lord Gus O'Donnell, signalled his intention to step down. Gus has overseen a period of significant growth and enhanced impact at PBE and will remain a strong supporter of the organisation over the coming years. The trustees are working with an external agency to recruit someone with the right skills to bring to this phase of PBE's development as well as continuing to broaden the diversity of the PBE Board. We expect an appointment to be made in 2024, but Gus has been clear about his preparedness to continue as a fully committed chair until that time comes.

# PRO BONO ECONOMICS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### Achievements and performance

Armed with the evidence provided by both the Law Family Commission and our wider research, PBE had its most successful year ever in driving reform in 2023. Policy successes included:

- Cash for charities: PBE's evidence was the critical data that persuaded the Chancellor to commit to £100 million in grants to support charities struggling with high demand and high energy costs.
- Growing giving: Thanks to PBE and our partners, government started to actively look at ways to expand, enable and encourage more philanthropy in the UK. Action included establishing a diplomatic concierge service to support philanthropic flows into the UK, and a minister taking on the role of 'Philanthropy Champion'. Together, they supported a £35 million philanthropic investment in the UK BioBank and a £1 billion philanthropic investment in a technology institute.
- Drawing in data: In response to PBE's argument that more charity sector data is needed, the government commissioned a study to explore the potential of a civil society 'satellite account', commissioned a major research project on improving local charity infrastructure, and expanded significant surveys.
- Closer civil service relations: PBE's work prompted senior civil servants to act to increase civil service volunteering and trustee uptake, and brought senior civil servants and civil society leaders together to make cross-sector, cross-departmental plans for change.

Together, the nine policy changes we secured over the course of 2023 set the foundations for a stronger civil society that is better able to support people with low wellbeing and to prevent people experiencing very low wellbeing in the first place.

Alongside our big picture, sector-wide research and policy work, we made a conscious effort in 2023 to seek out and support coalitions of civil society organisations in need of analytical help to build the evidence base on key issues affecting people with low wellbeing.

By putting our economic and research skills at the disposal of multiple partners, we were able to inform the campaigning efforts of hundreds of charities at once. Our efforts supported collaboration in the sector and drove coalescence around key, evidence-led, policy positions. In doing so, we increased the likelihood of making a difference in the lives of people with the lowest wellbeing.

### Evidencing the urgent need for better support for disabled children

The Disabled Children's Partnership (DCP) is a coalition of over 100 organisations, bringing together large charities like Mencap and Scope with smaller specialist organisations. One of the issues which unites them is that of education, health and care plans (EHCPs) – the single document which consolidates a young person's support.

PBE's research for the DCP showed that demand for these vital plans has doubled but that the support being offered is increasingly found by families to be insufficient or inappropriate.

In 2021-22, over 11,000 EHCPs were challenged at tribunal, meaning one tribunal was registered for every six new EHCPs issued. Of these tribunals, 96% were ruled in favour of the parent, carer or young person challenging the local authority's decisions. That means over £60 million was wasted, and the economy loses far more as parents give up work, children miss out on the support they need for their development, and the NHS likely takes on more emergency care.

This story had a major media impact, being covered by *The Financial Times*, *Daily Mail*, *Evening Standard*, *The Independent*, *The Sun* and on BBC Radio 4's *Woman's Hour*.

### Highlighting the plight of people in poverty

Benevolent charities and charities that make grants to individuals are brought together under an umbrella organisation called the Association of Charitable Organisations (ACO). Collectively, these organisations noted an increasing demand for grants for white goods over the course of cost-of-living crisis, with repairs out of reach for those struggling the most and an increasing number of people finding themselves with no recourse to public funds. They therefore turned to PBE for more formal analysis.

# PRO BONO ECONOMICS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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Our work showed that 480,000 households, or 1.2 million adults and children, in the UK are missing at least one essential large appliance. Further, having a large appliance could improve wellbeing by a value of £7,200 per adult per year lived with an appliance – or by as much as £6.7 billion a year across 940,000 adults.

The analysis headlined ITV News, and the ACO has used the report to bring together 14 grant-makers to collaborate on ending appliance poverty.

### *Shining a light on the inadequacy of looked-after children funding*

A coalition of the UK's leading children's charities turned to PBE for analytical support for a third year running in 2023, reflecting the impact that our previous work had made in helping to reverse a decade of decline in funding for children's services.

PBE's 2023 analysis for the NSPCC, The Children's Society, Action for Children, Barnardo's and the National Children's Bureau showed that £4 in £5 of the additional £800 million of children's services spending in 2021-22 went into late intervention services. Relative to 2010-11, the number of children entering residential care has increased by almost four-fifths (79%), but spending on those children has only risen by just under two-thirds (63%). Meanwhile spending on early intervention services, such as Sure Start children's centres and services for young people, fell by more than 45% over the same period.

Multiple local authorities have referenced the report at full council meetings while discussing budgets, and it was used by the Local Government Association (LGA) as a key piece of evidence for their influencing of the Autumn Statement. The children's charities continue to use this analysis to highlight the importance of delivering a children's services system which enables a greater number of children to stay with their families, more young people to grow up in stable and loving homes, and fewer children to experience abuse, neglect, harm, or exploitation. The charities tell us they are seeing more recognition for the issue as a result of the work.

### *Working with charities across the UK*

In terms of our wider support for the charity sector, in 2023 we supported more charities than ever before.. We delivered 159 services to provide 137 charities and other purposeful organisations with ways to better understand, measure and communicate their impact, and to make the best possible use of their data. This was a 71% year-on-year increase in the number of organisations provided with support and took PBE's all-time total above the 500 mark. As our activity level has scaled however, the high quality of our services has been maintained. On average, the organisations we worked with in 2023 rated their likelihood to recommend our services at 9.5 out of 10.

Typically, the impact of PBE's services last well beyond the original intervention. The capacity PBE builds, the skills we confer, the research we undertake, and the relationships we establish can transform the activity of an organisation over the longer term. In 2023, charities told us they had used what they gained accessing PBE's services to:

- *Improve how they understand and demonstrate their impact over the long term.* The Youth Sport Trust is now using what it learned from a PBE Unlocking Impact Workshop and follow-up sessions with PBE's economists to enhance its evaluation measures to better support children and young people.
- *Redefine their strategy.* Action Cerebral Palsy has used the logic chain developed at one of PBE's Unlocking Impact Workshops to redefine its strategic approach and set a more impactful long-term direction for the organisation.
- *Secure funding.* stem4 has used PBE's report to secure an NHS grant to expand its services to support young people with eating disorders, as well as a research grant to test the effectiveness of its apps to reduce NHS waiting lists.
- *Use data to make impactful interventions.* The Public Law Project has utilised the volunteer PBE matched it with to train its whole team in data visualisation, now that the organisation understands the potential of it.
- *Enhance their governance.* The volunteer PBE originally matched to Energise Barnsley to improve its financial modelling has joined its board. He continues to help the organisation with its finances and approaches to councils and housing associations.



# PRO BONO ECONOMICS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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In PBE's pursuit of greater impact in 2023, we trialled new approaches, models and services with organisations that have substantial reach. For example, we helped funders to establish an approach that works for them to measure the impact they are having through the charities they fund. This includes supporting grant-making trusts and foundations, but also local authorities. By working with East Sussex County Council, for example, we were able to support a substantial organisation to develop a logic model and evaluation methods for homelessness prevention, which has the potential to affect hundreds of people with very low wellbeing.

### Financial review

Total income for 2023 stood at £1,613,829, drawn from a combination of grants, donations, consultancy and gift aid (2022: £982,044 – NB income was artificially low in 2022 as the 2022 Law Family Commission on Civil Society funds were received in 2021 and carried over into 2022 as restricted reserves to be fully expended). In 2023 we successfully met our strategy to build the pipeline of research funding, largely thanks to several new multi-year programmatic grants. This also contributed to the diversification of our income sources, thereby continuing to de-risk our income profile.

Restricted income for the year stood at £426,894 (2022: £301,600), with continued funding for specific projects from Porticus, City Bridge Trust and the Law Family Charitable Foundation and new multi-year funding from CAF.

Income opportunities are generated by our in-house Development team, and we are regulated by the Fundraising Regulator. We do not use a professional fundraiser or commercial participator and have received no complaints from the public in relation to our fundraising.

We are grateful for the continued support of several grant making trusts, including CAF, City Bridge Trust, Garfield Weston, the Golden Bottle Trust, the Law Family Charitable Foundation, Mohn Westlake, and Porticus. Additionally, our thanks go to corporate funders such as Weil, Gotshal & Manges LLP, and OakNorth Bank PLC, and to all our major donors.

Expenditure in 2023 was £1,452,131 (2022: £1,568,797), a slight year-on-year reduction due to the completion of the Law Family Commission on Civil Society and a corresponding reduction in external commissioning and polling. At the end of the year, headcount remained at the steady state of 18 (2022: 18).

### Reserves policy

The net result of our income and expenditure outturns was a surplus of £161,698. This comprised a £65,253 surplus in restricted activities and a £96,445 surplus in unrestricted activities (reflecting our financial strategy in 2023 to build our reserves to reflect the larger cost base of the organisation).

Our policy is to maintain free reserves (unrestricted funds minus any fixed and intangible assets) that at any time cover our unrestricted operating expenses for at least three months, with an upper limit of six months. The policy is set to mitigate a key risk to PBE, namely periods of reduced income caused by our, at-times, 'lumpy' funding model.

Given the unrestricted expenditure profile at the end of 2023, the policy dictates that we hold somewhere between £271,000 and £543,000 in free reserves. At the end of 2023 our free reserves totalled £389,516.

The charity maintained restricted reserves of £195,375 at year-end, to be expended in 2024 on CAF, the Law Family research projects, and Porticus. The charity maintained no designated funds.

In agreeing the organisation's budget for 2024, the board was satisfied that the funding pipeline ensures that the organisation remains within the reserves policy. The board has approved a financial strategy for 2024-2026 to further grow our reserves incrementally to reflect both the larger size of the organisation and the increased risk of having periods of lower income given the longer lead times associated with research funding.

The reserves policy is reviewed annually by the Finance, Audit and Risk Committee (FARCom) and by the board.

The board carries out regular reviews of the charity's financial performance and reserves position. It considers that the charity has adequate financial reserves to continue to deliver its plans. It has a reasonable expectation that it will have adequate resources to continue to operate for the foreseeable future. The trustees believe that there are no material uncertainties that call into doubt the charity's ability to continue its operations. The accounts have therefore been prepared on the basis that the charity is a going concern.

# PRO BONO ECONOMICS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### Risk management

The trustees are responsible for ensuring that the charity has an appropriate system of risk management and controls. They are also responsible for safeguarding the assets of the charity, and for taking reasonable steps to prevent fraud and other irregularities.

FARCom works closely with the executive to identify, manage and mitigate appropriate risks through a risk register, and to report progress to board meetings. Trustees have a programme of controls to manage financial risks through management account reporting and consideration of liquidity, cash flows and going concern status.

The key issues identified in the risk register in 2023 remained the potential loss of income or difficulties with reserves, as we moved away from the Law Family Commission work and built the pipeline of research funding. Mitigants included recruiting a dedicated grant and programmatic fundraiser and increasing the number of researchers and economists to enable the executive to focus on funding applications.

### Future plans

Alongside the help of our partners and supporters, PBE's success in 2023 was built on three solid foundations: the work of the Law Family Commission on Civil Society, our long track record of supporting charities in ever-improving ways, and our relationships with the economist profession.

The Law Family Commission enabled us to apply our research skills to major issues affecting society in the UK, to grow our networks, and to deliver meaningful policy change. Our services ground all we do in the organisations which are making a difference day after day. And for nearly 15 years, we have operated at the intersection of economists and the charitable sector, serving as a pivotal link that facilitates collaboration between these two sectors.

In 2024, we enter a new three-year strategic phase. In continuing to pursue our mission of using economic analysis and the unique insight provided by our connection to the social sector to help charities, funders, firms and policymakers to collectively tackle the causes and consequences of low personal wellbeing in the UK, we have established three priority ambitions:

- i. More impact: We will be scaling our existing service delivery work with not-for-profit organisations across the UK, developing new products and reaching new audiences within the public, private and social sectors, and continuing to grow and diversify our funding base.
- ii. Deeper impact: We will develop expertise across more policy themes associated with low wellbeing, grow and strengthen our network of partners to amplify our influence, and support better policy and practice by raising the bar on data and evidence.
- iii. Better working: We will agree, develop and display an internal culture that prioritises the wellbeing of our workforce, improve our internal processes to better support our working practices, and invest in our management expertise and personal development.

# PRO BONO ECONOMICS

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### Structure, governance and management

PBE is a registered charity and a company limited by guarantee and is governed by its memorandum and articles of association. The company was incorporated on 17 March 2009 and registered as a charity on 15 July 2009.

The Trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Lord Gus O'Donnell - Chair	
Matthew Brumsen - Vice Chair	
Dr Rubina Ahmed	
David Gregson	
Akiko Hart	(Appointed 7 September 2023)
Edward Humpherson	
Jonathon Loynes	(Appointed 7 September 2023)
Michele Oliver	(Appointed 13 March 2023)
Belinda Phipps	
Sir David Ramsden	(Resigned 17 January 2023)
Damien Régent - Treasurer	
Jenny Scott	

PBE is governed by a Board of Trustees which meets up to four times a year. Trustees are appointed by Board resolution. In selecting new Trustees, the Board utilises a Nominations Committee to consider the skills, knowledge and experience needed for the effective running of the charity. Since 2017, Trustees are initially appointed for a term of three years and may be reappointed at the annual retirement meeting for up to two further terms.

The Board is responsible for the strategic direction of PBE and for appointing the Chief Executive. Charity staff are accountable to the Trustees through the Chief Executive and carry out the day-to-day operations of the charity in accordance with the policies and procedures approved by the Board.

The Board has five sub-committees:

- The Finance, Audit and Risk Committee (FARCom) has two Trustee members (Damien Régent, Chair, and Ed Humpherson) and is an advisory committee of the Board. Its main duty is to help the Board ensure that all matters related to the statutory audit and the risk register are dealt with appropriately and to review the financial performance of the charity. FARCom leads the work of the Board on the statutory audit, reviews risk management processes including the risk register, and helps ensure that the charity complies with all aspects of the law, relevant legislation and good practice.
- The Policy, Politics and Communications Committee (PolCom) has three Trustee members (Jenny Scott, Chair, Akiko Hart and Damien Régent) and is an advisory committee of the Board. The committee provides greater trustee oversight of PBE's policy development, approach to policymakers and external communications. It reviews the risks related to communications, the principles by which the charity should undertake its communications, policy development and political engagement, and it oversees the crisis communications process.
- The Remuneration Committee (RemCom) has two Trustee members (Belinda Phipps, Chair, and Jenny Scott) and is an advisory committee of the Board, advising the Board on all matters related to staff compensation. The executive undertook a salary benchmarking exercise in 2022, with a payroll specialist, to ensure staff were being fairly compensated. The committee approved a three-year staged approach to salary increases to ensure continued focus on high calibre recruitment and retention of current staff.

## PRO BONO ECONOMICS

### TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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- The Development Committee (DevCom) has four Trustee members (Matthew Brumsen, Damien Régent, Belinda Phipps and David Gregson). The committee was set up as an advisory panel to consider PBE's fundraising strategy as PBE diversifies its income base.
- The Nominations Committee (NomCom) has five Trustee members (Lord Gus O'Donnell, Chair, Belinda Phipps, Jenny Scott, Rubina Ahmed and Ed Humpherson). The committee considers the diversity of skills and experience represented within the Board and manages subsequent Trustee recruitment.

In 2023, Trustees updated, reviewed and approved the charity's risk register, delegation of authority, investment, accounting and safeguarding policies.

Prior to their appointment, new Trustees go through an induction process, and are provided with a copy of the Memorandum and Articles of Association, the Trustees' Annual Report and Financial Statements, together with other relevant information, and are invited to spend time with the charity executive.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up. Indemnity insurance is held for the Trustees.

#### Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Trustees' report was approved by the Board of Trustees.



Lord Gus O'Donnell - Chair

Chair of Trustees

Dated: 04.09.2024

# **PRO BONO ECONOMICS**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 DECEMBER 2023***

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The Trustees, who are also the directors of Pro Bono Economics for the purpose 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 the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 charity will continue in operation.

The Trustees are responsible for keeping adequate 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# PRO BONO ECONOMICS

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PRO BONO ECONOMICS

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### Opinion

We have audited the financial statements of Pro Bono Economics (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 charitable company's affairs as at 31 December 2023 and of its 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 Companies Act 2006.

### 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 charity 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

# PRO BONO ECONOMICS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PRO BONO ECONOMICS

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### **Responsibilities of Trustees**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, 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 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 charitable company 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 the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with Trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Companies Act 2006, the Charities SORP, taxation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

# PRO BONO ECONOMICS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PRO BONO ECONOMICS

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the board of Trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Meredith BA FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of Alliotts LLP**

19/9/2024  
\*\*\*\*\*

**Chartered Accountants**  
**Statutory Auditor**

Friary Court  
13-21 High Street  
Guildford  
Surrey  
GU1 3DL

Alliotts LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



# PRO BONO ECONOMICS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes						
<b>Income from:</b>							
Donations and legacies	3	1,043,016	426,894	1,469,910	638,624	301,600	940,224
Charitable activities	4	138,889	-	138,889	41,500	-	41,500
Investments	5	5,030	-	5,030	320	-	320
<b>Total income</b>		<b>1,186,935</b>	<b>426,894</b>	<b>1,613,829</b>	<b>680,444</b>	<b>301,600</b>	<b>982,044</b>
<b>Expenditure on:</b>							
Raising funds	6	255,924	32,326	288,250	171,398	17,194	188,592
Charitable activities	7	834,566	329,315	1,163,881	673,774	706,431	1,380,205
<b>Total expenditure</b>		<b>1,090,490</b>	<b>361,641</b>	<b>1,452,131</b>	<b>845,172</b>	<b>723,625</b>	<b>1,568,797</b>
<b>Net income/(expenditure) for the year/</b>							
<b>Net movement in funds</b>		<b>96,445</b>	<b>65,253</b>	<b>161,698</b>	<b>(164,728)</b>	<b>(422,025)</b>	<b>(586,753)</b>
Fund balances at 1 January 2023		301,381	130,122	431,503	466,109	552,147	1,018,256
<b>Fund balances at 31 December 2023</b>		<b>397,826</b>	<b>195,375</b>	<b>593,201</b>	<b>301,381</b>	<b>130,122</b>	<b>431,503</b>

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# PRO BONO ECONOMICS

## BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	£	2022 £
<b>Fixed assets</b>					
Tangible assets	12		8,310		12,504
<b>Current assets</b>					
Debtors	13	52,200		138,230	
Cash at bank and in hand		606,045		354,892	
		658,245		493,122	
<b>Creditors: amounts falling due within one year</b>	14	(73,354)		(74,123)	
Net current assets			584,891		418,999
<b>Total assets less current liabilities</b>			593,201		431,503
<b>Income funds</b>					
Restricted funds	16	195,375			130,122
Unrestricted funds		397,826			301,381
		593,201			431,503

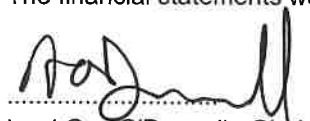
The charitable company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The members have not required the charitable company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 04.09.2024



Lord Gus O'Donnell - Chair  
Trustee

Company registration number 06849844

# PRO BONO ECONOMICS

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	22		249,459		(644,680)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(3,336)		(11,354)	
Investment income received		5,030		320	
<b>Net cash generated from/(used in) investing activities</b>			1,694		(11,034)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			251,153		(655,714)
Cash and cash equivalents at beginning of year			354,892		1,010,606
<b>Cash and cash equivalents at end of year</b>			606,045		354,892

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

##### Charity information

Pro Bono Economics is a private company limited by guarantee incorporated in England and Wales. The registered office is The Factory, 120 London Road, London, SE1 6LF.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

The Trustees are confident the charity has the resources to meet its liabilities as they fall due for at least 12 months from date of signing the accounts. Hence, they consider the charity to be a going concern.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

##### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

##### 1.5 Expenditure

Expenditure is recognised on the accruals basis. Liabilities are recognised as soon as there is a legal constructive obligation to pay.

##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3 years
Computers	3 years

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Items are capitalised where the net expenditure value is greater than £500 and the expense is capital by nature.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	384,016	-	384,016	379,132	-	379,132
Grants	659,000	426,894	1,085,894	250,050	301,600	551,650
Donated goods and services	-	-	-	9,442	-	9,442
	<u>1,043,016</u>	<u>426,894</u>	<u>1,469,910</u>	<u>638,624</u>	<u>301,600</u>	<u>940,224</u>
<b>Donations and gifts</b>						
Major gifts	365,000	-	365,000	361,000	-	361,000
General donations	5,647	-	5,647	6,125	-	6,125
Events income	1,926	-	1,926	373	-	373
Gift Aid	11,443	-	11,443	11,635	-	11,635
	<u>384,016</u>	<u>-</u>	<u>384,016</u>	<u>379,132</u>	<u>-</u>	<u>379,132</u>
<b>Grants receivable for core activities</b>						
Porticus	-	108,694	108,694	-	80,000	80,000
Law Family Charitable Foundation	350,000	154,680	504,680	250,000	94,300	344,300
Oak Foundation	-	-	-	-	72,800	72,800
City Bridge	-	37,500	37,500	50	54,500	54,550
Charities Aid Foundation	-	125,000	125,000	-	-	-
Other	309,000	1,020	310,020	-	-	-
	<u>659,000</u>	<u>426,894</u>	<u>1,085,894</u>	<u>250,050</u>	<u>301,600</u>	<u>551,650</u>

### 4 Charitable activities

	Supporting Charities 2023	Supporting Charities 2022
	£	£
Fees for Services	<u>138,889</u>	<u>41,500</u>

Fees for services relates to consultancy income. As part of our work to diversify our funding base we have increased the amount of consultancy work we undertake and have subsequently become VAT registered.

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Interest receivable	5,030	320

### 6 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fundraising						
Staging fundraising events	17,333	-	17,333	7,349	-	7,349
Staff costs	203,017	30,181	233,198	137,422	15,259	152,681
Support costs	35,574	2,145	37,719	26,627	1,935	28,562
	<u>255,924</u>	<u>32,326</u>	<u>288,250</u>	<u>171,398</u>	<u>17,194</u>	<u>188,592</u>
	<u>255,924</u>	<u>32,326</u>	<u>288,250</u>	<u>171,398</u>	<u>17,194</u>	<u>188,592</u>



# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 7 Charitable activities

	Supporting Charities £	External Affairs £	Research & Policy £	Total 2023 £	Total 2022 £
Staff costs	286,406	184,321	321,140	791,867	835,365
Consultancy	-	4,136	53,128	57,264	104,513
Economic associates	9,062	-	-	9,062	21,704
Other service delivery costs *	46,205	93,065	11,809	151,079	262,352
	<u>341,673</u>	<u>281,522</u>	<u>386,077</u>	<u>1,009,272</u>	<u>1,223,934</u>
Share of support costs (see note 8)	49,476	25,643	54,691	129,810	133,120
Share of governance costs (see note 8)	9,452	4,899	10,448	24,799	23,151
	<u>400,601</u>	<u>312,064</u>	<u>451,216</u>	<u>1,163,881</u>	<u>1,380,205</u>
<b>Analysis by fund</b>					
Unrestricted funds	310,331	228,753	295,482	834,566	
Restricted funds	90,270	83,311	155,734	329,315	
	<u>400,601</u>	<u>312,064</u>	<u>451,216</u>	<u>1,163,881</u>	
<b>For the year ended 31 December 2022</b>					
Unrestricted funds	341,513	144,277	187,984		673,774
Restricted funds	186,125	54,071	466,235		706,431
	<u>527,638</u>	<u>198,348</u>	<u>654,219</u>		<u>1,380,205</u>

\* Other Service Delivery costs include direct spend associated with the Porticus grant of £37,726 and conference spend associated with the CAF grant of £11,809. In 2022, it included direct spend associated with the Oak Foundation grant of £13,111 and Research & Policy spend on commissioning and polling of £85,187.

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 8 Support costs

	Support costs £	Governance costs £	2023 Support costs £	Governance costs £	2022 £
Depreciation	7,530	-	7,530	7,399	7,399
Rent	26,225	-	26,225	44,677	44,677
Office supplies	14,342	-	14,342	22,969	22,969
Computer running costs	57,094	-	57,094	32,458	32,458
Travelling expenses	872	-	872	3,463	3,463
Insurance	7,840	-	7,840	3,363	3,363
Bank charges	105	-	105	112	112
Other staff costs	47,472	-	47,472	31,597	31,597
HR consultancy	-	-	-	8,474	8,474
Audit fees	-	7,788	7,788	-	6,600
Accountancy	-	6,139	6,139	-	11,340
Legal and professional	-	16,921	16,921	-	12,381
	<u>161,480</u>	<u>30,848</u>	<u>192,328</u>	<u>154,512</u>	<u>184,833</u>
Analysed between					
Fundraising	31,670	6,049	37,719	21,392	28,562
Charitable activities	129,810	24,799	154,609	133,120	156,271
	<u>161,480</u>	<u>30,848</u>	<u>192,328</u>	<u>154,512</u>	<u>184,833</u>

Governance costs include payments to the auditors of £7,788 (2022- £6,600) for audit fees.

Other staff costs relate to staff recruitment and staff training costs for the year.

### 9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or were paid expenses during the year.

### 10 Employees

The average monthly number of employees during the year was:

2023 Number	2022 Number
<u>18</u>	<u>18</u>

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 10 Employees

(Continued)

Employment costs	2023 £	2022 £
Wages and salaries	873,659	847,329
Social security costs	92,572	87,173
Other pension costs	58,834	53,544
	<u>1,025,065</u>	<u>988,046</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,000 - £69,999	2	-
£70,000 - £79,999	1	-
£120,000 - £129,999	1	1
	<u>4</u>	<u>1</u>

#### Remuneration of key management personnel

The remuneration of key management personnel (defined as Chief Executive Officer, Operations and Finance Director, Director of Development, Director of Services, Research and Policy Director and Policy and Communications Director) is as follows.

### 11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

### 12 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 January 2023	6,841	31,979	38,820
Additions	-	3,336	3,336
At 31 December 2023	<u>6,841</u>	<u>35,315</u>	<u>42,156</u>
<b>Depreciation and impairment</b>			
At 1 January 2023	3,681	22,635	26,316
Depreciation charged in the year	1,307	6,223	7,530
At 31 December 2023	<u>4,988</u>	<u>28,858</u>	<u>33,846</u>
<b>Carrying amount</b>			
At 31 December 2023	<u>1,853</u>	<u>6,457</u>	<u>8,310</u>
At 31 December 2022	<u>3,160</u>	<u>9,344</u>	<u>12,504</u>

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 13 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	21,150	2,250
Other debtors	-	6,650
Prepayments and accrued income	31,050	129,330
	<u>52,200</u>	<u>138,230</u>

### 14 Creditors: amounts falling due within one year

	2023 £	2022 £
Other taxation and social security	35,588	26,027
Trade creditors	3,913	13,018
Accruals and deferred income	33,853	35,078
	<u>73,354</u>	<u>74,123</u>

### 15 Retirement benefit schemes

#### Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to the SOFA in respect of defined contribution schemes was £58,834 (2022 - £53,544).

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds			Movement in funds			
	Balance at 1 January 2022	Incoming resources	Resources <sup>1</sup> expended	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	£	£	£	£	£	£	£
Charities Aid Foundation	-	-	-	-	125,000	(62,140)	62,860
The Oak Foundation	22,336	72,800	(91,536)	3,600	-	(3,600)	-
City Bridge	4,167	54,500	(54,500)	4,167	37,500	(41,667)	-
The Law Family Charitable Foundation	-	-	-	-	130,000	(114,179)	15,821
The Law Family Commission	468,597	94,300	(520,542)	42,355	24,680	(67,035)	-
Porticus	57,047	80,000	(57,047)	80,000	108,694	(72,000)	116,694
Metropolitan Public Gardens Association	-	-	-	-	1,020	(1,020)	-
	<u>552,147</u>	<u>301,600</u>	<u>(723,625)</u>	<u>130,122</u>	<u>426,894</u>	<u>(361,641)</u>	<u>195,375</u>

The Charities Aid Foundation funded a programme to put the case of civil society at the forefront of policymakers' minds before and after the General Election. Funds were spent in the year, with the balance carried forward as restricted reserves to be spent in 2024.

The Oak Foundation delivered support to a portfolio of homelessness charities. The grants received have been spent during 2023.

The City Bridge Trust project supports charities providing services in London. The grant received was spent within the year.

The Law Family Charitable Foundation funded a programme of research around specific recommendations from the Law Family Commission on Civil Society. The grants received in 2023 were largely spent during the year.

The Law Family Commission on Civil Society is a programme of ground-breaking research into how the potential of civil society can be unleashed. The grants carried forward from 2022 and received in 2023 have been spent during the year.

Porticus granted funds to support the project, IntegratED bridge: economics of wellbeing for children in adversity. The grant received in 2022 was largely spent in 2023 and the grant received in 2023 was carried forward into 2024 as restricted reserves to be spent in 2024.

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
General funds	301,381	1,186,935	(1,090,490)	397,826
Previous year:	At 1 January	Incoming	Resources	At 31
	2022	resources	expended	December
	£	£	£	2022
General funds	466,109	680,444	(845,172)	301,381

### 18 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<b>Fund balances at 31 December 2023 are represented by:</b>			
Tangible assets	8,310	-	8,310
Current assets/(liabilities)	389,516	195,375	584,891
	397,826	195,375	593,201
	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<b>Fund balances at 31 December 2022 are represented by:</b>			
Tangible assets	12,504	-	12,504
Current assets/(liabilities)	288,877	130,122	418,999
	301,381	130,122	431,503

# PRO BONO ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	15,000	14,622

### 20 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel (defined as Chief Executive Officer, Operations and Finance Director, Director of Development, Director of Services, Research and Policy Director and Policy and Communications Director) is as follows.

	2023 £	2022 £
Aggregate compensation	573,596	460,709

There were no other disclosable related party transactions during the year (2022 - none).

### 21 Analysis of changes in net funds

The charity had no material debt during the year.

### 22 Cash generated from operations

	2023 £	2022 £
Surplus/(deficit) for the year	161,698	(586,753)
Adjustments for:		
Investment income recognised in statement of financial activities	(5,030)	(320)
Depreciation and impairment of tangible fixed assets	7,530	7,399
Movements in working capital:		
Decrease/(increase) in debtors	86,030	(77,358)
(Decrease)/increase in creditors	(769)	12,352
<b>Cash generated from/(absorbed by) operations</b>	<b>249,459</b>	<b>(644,680)</b>

