

Treasurer's statement to the examined accounts of the Academia Europaea to the end of the financial year 2023 (January – December)

The financial year 2023 saw some major developments in the Academy. This necessarily entailed an increase in expenditures and some use of our cash reserves.

During the year the Board of trustees authorised expenditures of some £54,000 (64,000 Euros) on legal services to establish a new Munich based, not-for-profit legal entity. This new Academia Europaea was established with statutes that mirror the current UK ones. The same Board of trustees manages the two legal entities. Over time, the new Munich office will assume many of the tasks that are currently run out of London and the London office will be wound down. The reason for taking this significant decision, was to secure the future of AE participation in EU funded projects, such as the SAPEA science advice project, in the event of any future unexpected changes to the current UK association (to Horizon) agreements.

We are also pleased to have been able to continue to fund some Curien Funded initiatives (small grants to member-initiated activity). We also further supported new corporate initiatives through the HERCuLES group, the Environment, Sustainability Task Force and the new A.I Task Force. A number of delayed events were held. The examined accounts tabled for you to look at and the accompanying notes 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 that have been donated or grants won for specific purposes ( for example EU projects, Prize funds). These funds cannot be utilised for other purposes. It is only the '*unrestricted funds*' that form those financial resources 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 despite the additional legal fees expenditures, 2023 saw a continuing, stable financial situation. The members' payments continued to increase and follow the long established year-on-year trend. This is a result of the growth in membership. However, a significant number of members still fail to make an annual payment. The Finance Sub-committee (FinComm) will investigate this and consider how to address the situation. The numbers of members opting to make a single one-time life payment increased in 2023. This is especially financially beneficial to younger members. The Academy is now wholly dependent upon membership income for its unrestricted expenditures. This is a situation that presents a risk and that the Board of trustees are seeking to address through a new finance and sponsorship development strategy currently under development.

In summary: 2023 saw an increase in expenditure for unrestricted charitable activities from £78,754 in 2022 to £116,943 in 2023. Governance costs in 2023 were £27,319 (see graph 3). Income from

our journal The European Review held up and showed a slight increase. The journal is now a net cash generator.

The costs of our administration in London fell slightly in 2023, as the executive secretary reduced his working days. Further London office costs reductions are planned for 2024 to offset costs needed for supporting the establishing of the Munich office.

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. However, discussions started in 2023 to recruit new Patron members. (see graph 2 for all income categories)

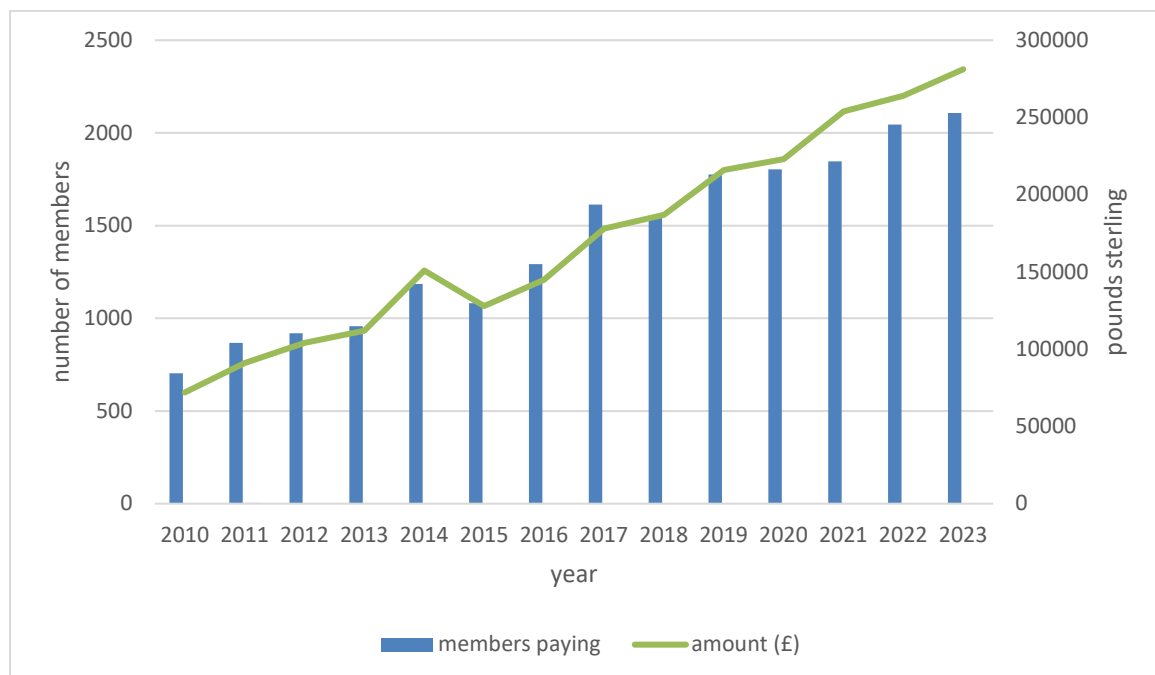
Membership income increased from £242,894 in 2022 to £281,211 ( see graph 1)

Expenditures (unrestricted) on charitable activities were £116,943 in 2023 as we returned to an active programme (£78,547 in 2022).

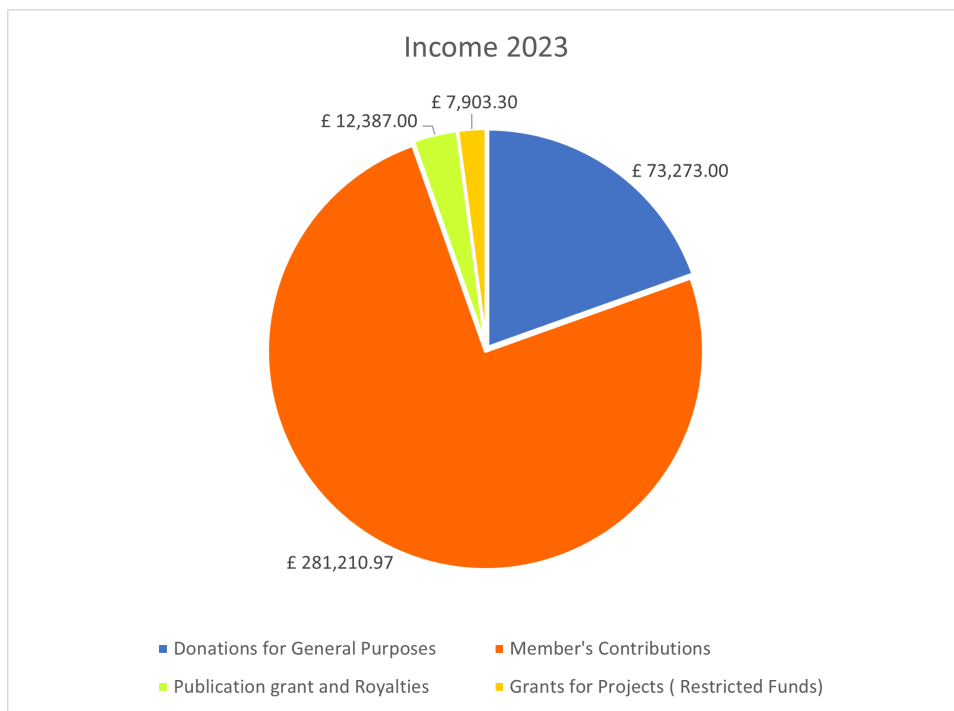
The overall picture for 2023 is one of continuing careful management of our resources.

The Board of trustees therefore invite you to adopt the 2023 examined accounts via the E-ballot that you have received.

Graph 1. Pattern of member payments



Graph 2 Income 2023



Graph 3 Expenditures 2023

