

EXPERIMENTAL PSYCHOLOGY SOCIETY
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

EXPERIMENTAL PSYCHOLOGY SOCIETY

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FOR THE YEAR ENDED 30 SEPTEMBER 2016

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**LEGAL AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

NAME OF CHARITY:	The Experimental Psychology Society
CHARITY NUMBER:	258747
REGISTERED ADDRESS:	Dr J Towse The Hon. Secretary Department of Psychology Fylde College Lancaster University Bailrigg Lancaster LA1 4YF
NATURE OF CHARITY'S GOVERNING DOCUMENT:	The Governing Document is the Society's Rules - first drafted when the Society was founded in 1959, and last amended in January 2000.
CHARITY TRUSTEES:	President - Prof K Patterson (retired 7 January 2016) President – Prof A M Burton (appointed 7 January 2016) Hon Sec. - Dr J Towse Hon Treasurer - Prof. P T Hollins (retired 7 January 2016) Hon Treasurer - Prof P Haggard (appointed 7 January 2016) QJEP Editor - Prof M Brysbaert Dr I Jentzsch - (retired 7 January 2016) Dr P Adank Dr S Beck Dr K Brondt - (appointed 7 January 2016) Dr H Ferguson Dr R Jenkins Prof S Liversedge - (appointed 7 January 2016) Dr A McGregor - (appointed 7 January 2016) Prof L Phillips (appointed 7 January 2016) Dr A Woolland Dr K Paterson
BANKERS:	HSBC 65 Cornmarket Street Oxford OX1 3HY National Savings Bank Glasgow G58 1SB The Charity Bank 194 High Street Tonbridge Kent TN9 1BE (QJEP Support) Record Bank Kortrijksesteenweg 302A 9000 Ghent Belgium
REPORTING ACCOUNTANTS AND INDEPENDENT EXAMINERS:	Simpkins Edwards LLP Michael House Castle Street Exeter EX4 3LQ

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

The trustees present their report along with the financial statements of the charity for the year ended 30 September 2016. The financial statements have been prepared in accordance with the accounting policies set out in the 'Notes to the Financial Statements' and comply with the charity's governing document, the Charities Act 2011 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 2015).

AIMS AND ORGANISATIONS

The Society's aims and purposes are set out below.

The Objects of the Society shall be the furtherance of scientific enquiry within the field of Psychology and cognate subjects, by holding periodical meetings at which papers may be read and discussions held, and by such other activities as may be decided upon by the Society, and the dissemination of information and educational material made available as a consequence of psychological research including the publication of The Quarterly Journal of Experimental Psychology. The Society shall not engage in any activity intended to affect the professional status of its members or of psychologists generally.

The trustees confirm that they have referred to the guidance in the Charity Commissions General Guidance on public benefit when reviewing the Experimental Psychology Society's aims and objectives and in planning future activities.

Organisation of the Society

The Officers and Ordinary Committee members of the Society work on a voluntary basis, while the Editors are given modest annual research grants as a means of providing partial compensation for the personal research time given up for their editorial duties. The secretarial expenses of the Officers and Editors are reimbursed from Society funds.

Grant Making Policy

Details of the Society's policy for making grants can be found in the Society's Handbook. Copies of the handbook can be obtained from the Society's registered address.

Summary of charitable activities undertaken during the year and how they relate to the Society's objects

1. During the last year, scientific meetings of the Society were held at University College London, Durham University and University of Oxford.
2. A total of 159 oral papers were delivered to the Society and 134 posters were presented throughout the London, Durham and Oxford meetings.
3. At the 68th Annual General Meeting, Professor Mike Burton was elected as President and Professor Patrick Haggard was elected as Treasurer. Professor Simon Liversedge was elected as Quarterly Journal of Experimental Psychology editor-elect.
4. Professor Louise Phillips was elected as Ordinary Committee Member (2016-2018 inclusive).
5. Thirty five new members of the Society were elected. The total membership (including Honorary and Retired members) is now 940. The Postgraduate Mailing List now has 133 members.
7. The 68th volume of the Quarterly Journal of Experimental Psychology was published under the Editorship of Professor Marc Brysbaert.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)**

8. The Society financed 234 trips to conferences under the Grindley Grant scheme. Of these, 90 awards were made to attend EPS meetings, and 144 to attend non-EPS meetings. By comparison, last year 72 awards were made to attend EPS meetings, and 147 to attend non-EPS meetings.
9. The Society awarded funding for 15 postgraduate/postdoctoral study visits.
10. 11 undergraduate research bursaries were awarded by the Society; these were taken up during the summer by undergraduate students about to enter their final year of studies.
11. 24 small grants were awarded by the Society and of those which were awarded last year, seven small grants were completed this year.
12. The Society awarded 3 grants for Research Workshops, which are all due to take place next year:
 - "Event representations in episodic and semantic memory" organised by Silvia Gennari (University of York)
 - "Multidisciplinary approaches to understanding social communication development and disorder" organised by Courtenay Norbury (University College London)
 - "Modularity in time perception and timed behaviour" organised by Ruth Ogden and Alexis Makin (Liverpool John Moores University and University of Liverpool)
13. Public lectures and prizes:
 - Professor Chris Jarrold presented the 14th EPS Mid-Career Lecture at the January meeting held at University College London. The title was: "**The causes and consequences of typical and atypical working memory development**".
 - **Dr Rebecca Jackson presented the sixth Frith Prize Lecture at the April meeting held at Durham University. The title was: "Exploring the temporal and spatial dynamics of the semantic network using TMS and fMRI"**.
 - **Professor Jonathan Grainger presented the 44th Bartlett Prize Lecture at the July meeting held at University of Oxford. The title was: "Orthographic processing and reading"**.
 - **Professor Gaia Scerif presented the 23rd EPS Prize Lecture at the July meeting held at University of Oxford. The title was: "Beyond the attentional homunculus: Attention and memory over developmental time"**
14. The third EPS/British Science Association Undergraduate Project Prize was awarded to Amy Isham of University of Warwick. The title of her project was "**Applying the distractor devaluation effect to online impulse buying**". Zoe presented her work at the Durham meeting in April.

Review of progress and achievements:

As detailed above, the Society has successfully met its aims to further scientific enquiry and disseminate information. The scientific meetings held in 2016 were all very much appreciated by both the membership of the Society, the invited external speakers and our other guests, as well as members' postgraduate students and post-doctoral research staff. The keynote lectures delivered by the Society's award lecturers were distributed between the Society's three scientific meetings, for which they provide additional attractions (as well as being open to the general public). These award lectures and the accompanying symposia, were well-attended and well-received. The EPS has video recordings of these lectures which are available to members via the Society website, and we will hope to have the lectures as research papers submitted to the Society Journal, the Quarterly Journal of Experimental Psychology, in due course.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)**

The Editorship of the Quarterly Journal of Experimental Psychology was successfully overseen by Professor Marc Brysbaert, who is assisted by a strong Editorial Team. The volume of submissions remain strong, citation metrics have improved, and some articles have benefitted from large interest through social media that has led to worldwide exposure going well beyond academic institutions.

The Society has continued to successfully reinvest Society income into the production and dissemination of new research data along with the support and nurturing of early career talent within experimental psychology. Small grants for research projects continue to generate novel and exciting scientific insights and their greater application beyond the laboratory. The Society provides support for research workshops and symposia so as to discuss emerging issues, and the Quarterly Journal of Experimental Psychology provides a strong and influential outlet for research under the stewardship of the Society.

Review of financial activities

The Society routinely meets its commitments on the basis of income from three different sources: royalties from the publication of its Journal, members' subscriptions and interest on invested capital. The Society has no liabilities, mortgages or outstanding commitments.

Income in 2015/16 was £320,589 (2015: £316,682). As in 2014/15, income was heavily dependent on the royalty of £298,856 (2015: £293,648) from Psychology Press for QJEP.

Total expenditure in 2015/16 was £314,209 (2015: £340,706).

The net (deficit)/surplus for the year was £14,845: (2015: £26,941 deficit). After adding this to the accumulated funds brought forward of £351,750 (£267,852 unrestricted funds and £83,898 restricted funds), there is a balance on reserves of £366,595 to carry forward within the society. This consists of £271,658 unrestricted funds and £94,937 restricted funds.

The reserves will be monitored by the Society committee on an annual basis to ensure that the Society maintains its charitable expenses in line with income.

Reserves Policy

The trustees have reviewed the Society's needs for reserves in line with the guidance issued by the Charity Commission. The Society has built, and intends to maintain reserves at a level of at least the equivalent of its annual expenditure, in order to be able to continue to meet its obligations for planned activity during any year in which its main income (royalties from the Society's journal) decreased and to provide stability during transition to a revised funding structure. Reserves should never exceed twice the annual expenditure level. The reserves will be monitored by the Society Committee on an annual basis to ensure that the Society maintains its charitable expenses in line with income.

Risk Management

The Society's reserves policy focuses on the risk associated with a decrease in journal income, and would mitigate the affect of a decrease in royalties on the Society's ability to fund conference, workshops and grants in pursuit of its scientific and educational objectives.

The Trustees report was approved by the trustees on _____ and signed on their behalf by

Signed Dr J Towse

Hon Secretary



Signed Prof P Haggard

Hon Treasurer

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

I report on the financial statements of the Society for the year ended 30 September 2016 which are set out in the statement of financial activities, balance sheet and notes to the financial statements.

Respective responsibilities of trustees and examiners

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- examine the accounts under section 43 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commissioner under section 43(7)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Your attention is drawn to the fact that the charity has prepared the financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

We understand that this has been done in order for the accounts to show a true and fair view in accordance with the Generally Accepted Accounting Practice effective from reporting period beginning on or after 1 January 2016.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with S.41 of the Act; and
 - to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the Acthave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

J L Coombs MA (Cantab) FCA

Date:

Simpkins Edwards LLP
Chartered Accountants
Michael House
Castle Street
Exeter
Devon
EX4 3LQ

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
Income from:					
Donations		8,540	-	8,540	10,000
Charitable activities		306,775	-	306,775	301,272
Investments		1,195	4,079	5,274	5,410
	3	316,510	4,079	320,589	316,682
Expenditure on:					
Charitable activities		256,001	1,505	257,506	274,206
Other		56,703	-	56,703	66,500
	4	312,704	1,505	314,209	340,706
Net gains on investments	11	-	8,465	8,465	(2,917)
Net income/(expenditure)		3,806	11,039	14,845	(26,941)
Transfers between funds		-	-	-	-
Net movement in funds		3,806	11,039	14,845	(26,941)
Reconciliation of funds:					
Total funds brought forward		267,852	83,898	351,750	378,691
Total funds carried forward	16	271,658	94,937	366,595	351,750

**BALANCE SHEET
AS AT 30 SEPTEMBER 2016**

	Notes	2016 £	2015 £
Fixed assets			
Investments	11	98,194	85,650
		-----	-----
		98,194	85,650
		-----	-----
Current assets			
Debtors	12	-	1,148
Cash at bank and in hand	13	542,808	534,631
		-----	-----
		542,808	535,779
		-----	-----
Creditors: amounts falling due within one year	14	(274,407)	(269,679)
		-----	-----
Net Current Assets		268,401	266,100
		-----	-----
Net Assets		366,595	351,750
		-----	-----
Income Funds			
Restricted Funds	16	94,937	83,898
General Funds	16	271,658	267,852
		-----	-----
Total Funds		366,595	351,750
		-----	-----

The financial statements were approved by the Trustees on

Dr J Towse

Prof P Haggard

Hon. Secretary

Hon. Treasurer

The notes on pages 8 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

(a) Basis of preparation

The financial statements have been prepared on the basis of the historic cost convention at cost or transaction value except investments which are shown at fair value in accordance with:

- Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102); and Update Bulletin 1;
- And with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- And with the Charities Act 2011.
- And with Accounting Standards (UK Generally Accepted Practice) as applied from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees are of the view that based on the level of its funds, that the Charity remains a going concern.

(b) Reconciliation with previously Generally Accepted Accounting Practice

In preparing the financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP, FRS 102, a restatement of comparative items was needed. No restatements were required.

(c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

(d) Income

All income is included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

(e) Investment income

Dividends are credited to the statement of financial activities as they accrue. Income on accumulated investment funds is treated as an increase in the value of that fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

(f) Deferred Income

A proportion of royalties for QJEP are paid in advance each year. The amount paid in advance is included within creditors and deferred income

(g) Assets and liabilities

These are included in the balance sheet at the following amounts:-

- current assets at the lower of cost and net realisable value
- liabilities at the settlement value
- investments are stated at fair value based on a market value derived at from a quoted stock market price at the balance sheet date.

(h) Liability recognition

Generally liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure.

(i) VAT

The charity is not registered for value added tax (VAT). In these financial statements, where applicable, expenditure is shown inclusive of VAT.

(j) Expenditure on Charitable Activities

This comprises all expenditure directly relating to the objects of the charity. Where appropriate it includes proper allocation of items of expenditure involving more than one cost category.

(k) Grants payable

Grant expenditure is recorded on an accruals basis. A liability is recognised on confirmation that the grant has been awarded.

(l) Other expenditure

Items included in management and administration expenditure are costs which are not incurred directly in any of the charitable activities or projects of the charity.

(m) Investment income

Dividend are credited to the statement of financial activities as they accrue. Income on accumulated investment funds as treated as an increase in the value of that fund.

(n) Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

(o) Basic Financial Instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

2. Transactions with trustees and connected persons

No expenses (2015: £Nil) were paid to the President, Treasurer and Secretary of the Society during the year.

A total of £13,331 (2015: £13,392) was paid during the year to committee members for reimbursement of travel costs to meetings etc.

3. Income and Endowments	Unrestricted funds	Restricted funds	Total funds 2016	Total funds 2015	
	£	£	£	£	
Donations					
Subscriptions	8,540	-	8,540	10,000	
Charitable activities					
QJEP	298,856	-	298,856	293,648	
Society dinner	1,456	-	1,456	1,137	
Sale of books	13	-	13	13	
Contribution towards prizes and lecture recording	6,450	-	6,450	6,474	
	306,775	-	306,775	301,272	
Investment income					
National Savings Bank	621	-	621	617	
Charity Bank	510	-	510	734	
Charifund interest (restricted income)	-	4,079	4,079	4,059	
HSBC Deposit	64	-	64	-	
	1,195	4,079	5,274	5,410	
	Unrestricted Funds	Restricted Funds 2016	Total Funds 2015	Total Funds	
			£	£	
4. Expenditure on charitable activities					
QJEP	5	42,444	-	42,444	37,988
Conference expenses	6	29,046	1,005	30,051	28,137
EPS Workshops		14,260	-	14,260	20,973
Grants payable	7	170,251	500	170,751	187,108
		256,001	1,505	257,506	274,206

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

4. Expenditure on charitable activities (continued)					
Other expenditure	Notes	Unrestricted funds £	Restricted funds £	Total funds 2016 £	Total funds 2015 £
Subscriptions to other organisations	8	2,148	-	2,148	2,757
Management and administration	9	54,555	-	54,555	63,743
		56,703	-	56,703	66,500
5. QJEP expenses					
				2016 £	2015 £
Editor's secretarial expenses				28,149	25,639
Associate editor's expenses				15,658	12,349
Profit on foreign exchange movement				(1,363)	-
				42,444	37,988
6. Conference expenses					
				2016 £	2015 £
Bartlett lecturer expenses (restricted)				1,005	-
Frith Lecture expenses				-	71
Hospitality				12,860	16,367
Invited speakers expenses – symposia				12,386	9,349
Other conference support				-	2,350
Conference dinner				3,800	-
				30,051	28,137
7. Grants and awards payable					
				2016 £	2015 £
Bartlett prize (restricted)				-	1,000
Frith Prize (restricted)				500	500
Postgraduate travel (Grindley Grants)				59,167	82,124
Study visits				29,552	15,583
Student bursaries				17,100	29,400
EPS prizes (EPS: Mid-career: Undergraduate)				2,000	-
Small grants				61,863	54,508
Other awards				569	3,993
				170,751	187,108

A total of 227 grants were made to fund post graduate travel. A further 17 grants were made to fund study visits. 11 undergraduate bursaries were awarded in the year. All grants were made to individuals.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

8. Subscriptions to other organisations	2016	2015		
	£	£		
Campaign for Science & Engineering	1,375	500		
Society of Biology	773	257		
British Association of Science	-	2,000		
	<hr/>	<hr/>		
	2,148	2,757		
	<hr/>	<hr/>		
9. Management and administration	2016	2015		
	£	£		
Secretary EPS: Secretarial assistance	33,683	42,904		
Treasurer EPS: Secretarial assistance	5,521	4,907		
Other office expenses	-	211		
Committee travel	13,331	13,392		
Accountancy fees	1,980	2,329		
Miscellaneous	40	-		
	<hr/>	<hr/>		
	54,555	63,743		
	<hr/>	<hr/>		
10. Independent examiners remuneration	2016	2015		
	£	£		
In respect of:				
Independent examination service	990	1,079		
Accountancy services	990	1,250		
	<hr/>	<hr/>		
	1,980	2,329		
	<hr/>	<hr/>		
11. Investments				
	Investment income year ended 30 September 2016	Market value at 30 September 2016	Market value at 30 September 2015	Historical cost at 30 September 2016
RESTRICTED FUND				
M&G Accumulation Charifund	4,079	98,194	85,650	30,410

The investments above are listed on a recognised stock exchange or are ones valued by reference to such investments. These investment assets are UK based.

Reconciliation of investments

	£
Market value at 1 October 2015	85,650
Add: Interest received	4,079
Unrealised profit	8,465
	<hr/>
Market value at 30 September 2016	98,194
	<hr/>

The investment comprises 453 units of the M&G Equities Investment Fund for Charities – Charifund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

12. Debtors		2016 £	2015 £
Prepayments		-	1,148
		-----	-----
13. Cash at bank and in hand		2016 £	2015 £
HSBC Current account		14,511	345,058
HSBC Deposit account		443,571	145
The Charity Bank		-	100,653
National Savings Bank		83,466	82,845
Record Bank (Belgium)		1,260	5,930
		-----	-----
		542,808	534,631
		-----	-----
14. Creditors: amounts falling due within one year			
	Note	2016 £	2015 £
Accruals			
Accountancy		2,050	2,050
Secretarial assistance		8,337	5,835
Deferred income			
Royalties in advance	15	68,295	66,306
Other creditors			
Workshop support		33,500	33,500
Grindley Grants		20,500	42,500
Study visits		27,694	16,000
Bursaries		20,600	28,200
Small Grants		89,267	71,963
Awards		2,500	2,500
Treasurers assistance		1,664	825
		-----	-----
		274,407	269,679
		-----	-----

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016

15. Deferred income	2016 £	2015 £
As at 1 October 2015	66,306	64,375
Amount released from previous year	(66,306)	(64,375)
Incoming resources deferred in the year	68,295	66,306
	<hr/>	<hr/>
As at 30 September 2016	68,295	66,306
	<hr/>	<hr/>

16. Analysis of net assets between funds	Unrestricted Fund £	Restricted Fund £	Total £
Investment assets	-	98,194	98,194
Net current assets	271,658	(3,257)	268,401
	<hr/>	<hr/>	<hr/>
	271,658	94,937	366,595
	<hr/>	<hr/>	<hr/>
Represented by			
Unrealised amounts	-	98,194	98,194
Realised amounts	271,658	(3,257)	268,401
	<hr/>	<hr/>	<hr/>
	271,658	94,937	366,595
	<hr/>	<hr/>	<hr/>

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds:	£
Bartlett lecture fund	89,802
Frith Fund	5,135
	<hr/>
	94,937
	<hr/>

The Bartlett lecture fund provides financial support for the annual lecture held in memory of Sir Frederic Bartlett.

The Frith Fund which arose from the donation of Professors C and U Frith in order to recognise exceptional talent amongst Psychology PhD Students. The donation is intended to cover the award for the first five years of its existence until 2016, after which it will be administered by the Society.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

17. Post Balance sheet event

The Trustees of the Society had, historically, taken the view that the activities of Society were not subject to Value Added Tax (VAT). However, as part of a VAT review which took place in December 2016 it was determined that this was not correct and that Output VAT was payable in respect of royalties received in respect of the Society granting rights to the publishing of the Quarterly Journal of the Society. As a result, the Society had not registered for VAT over an extended period of years. The Society's publishers over that period, Taylor and Francis had also not been aware of the problem until it was brought to their attention. Fortunately, Taylor and Francis have agreed to pay the outstanding VAT (which they will be able to reclaim as Input VAT).

The Trustees have determined that the amount of Output VAT payable will be equivalent to the amount receivable from Taylor and Francis. They have also identified Input VAT on expenditure incurred by the Society over the same extended period which the Trustees anticipate will counteract the financial effect of the anticipated VAT penalty incurred in respect of non-registration.