



## **ECONOMY**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**Year Ended 31 March 2020**

**Registered charity no. 1166046**

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## LEGAL AND ADMINISTRATIVE INFORMATION

<b>Board of trustees</b>	Ben Hughes	<i>Chairperson (from 27 April 2020)</i>
	William Jeffwitz	<i>Chairperson (until 27 April 2020)</i>
	Meena Bharadwa	(appointed 31 October 2019)
	Ann Don Bosco	
	Ken Hayes	(appointed 31 October 2019)
	Matt Giugni	(appointed 31 October 2019)
	Aoife O'Leary	
	Rachel Straus	
	Louise Russell-Prywata	
Mehroosh Tak	(appointed 31 October 2019)	

**Charity registration no.** 1166046

**Registered address**  
 Economy  
 86 Dovetail Place  
 Lawrence Road  
 London  
 N15 4FX

**Independent examiner**  
 Andy Nash Accounting & Consultancy Ltd  
 Units 24 & 25  
 Goodsheds Container Village  
 Hood Road, Barry  
 CF62 5QU

**Principal bankers**  
 Triodos Bank  
 Deanery Road  
 Bristol  
 BS1 5AS

## BOARD OF TRUSTEES' REPORT

The Board of Trustees submit their annual report and the financial statements of *Economy* for the year ended 31 March 2020. The Board of Trustees confirms that the annual report and financial statements of the Charity comply with current statutory requirements, including the Charity Act 2011, as well as the requirements of the Society's governing document and the provisions of the 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

## OBJECTIVES AND ACTIVITIES

*Economy's* objective is 'to advance education in economics for the public benefit.'



## Updated theory of change and three-year strategy (2019-2022)

In 2019 *Economy* launched its new theory of change and three year-strategy (2019-2022). This process has combined learning from *Economy's* first four years, analysis of broader political-economic trends and input from a range of experts, partners and stakeholders. The strategy sets out *Economy's* aspiration to combine its activities in a number of geographic communities over a longer period to better understand their role in building economic agency and supporting social action. It also recognises how many amazing partners *Economy* works with and aims to find ways to bring these diverse groups together in a community or a movement.

In March 2020 *Economy* received a Nesta Democracy Pioneer Award recognising the value and potential of its work in re-energising civic participation and everyday democracy in the UK.

## Schools

### Discover the Economy extra-curricular course

*Economy* provides a Discover the Economy extra-curricular course (8 x 100 minute sessions) providing a collaborative, positive space for young people to engage with economists and their peers about their economic future, helping prepare young people to take a role of public leadership on the economy and be equipped to engage with economics in politics and the media.

Top level learning objectives for the course are for students to:

- Understand and evaluate the many different ways of thinking about the economy
- Be able to understand and use common economic concepts and vocabulary
- Participate in economic conversations in the media and with peers and adults
- Develop independent ideas about economic topics
- Reflect on democracy, citizenship and their power to change economic outcomes for their generation

In sessions 1- 4, students explore their views, learn what the economy actually is, how it works and how it affects them. These are:

- What is the economy and why does it matter? (Mythbusting what economics is - e.g. only about money)
- How do we know if the economy is doing well? (Understanding economic indicators and exploring the economy's purpose)
- Who is an economic influencer? (Exploring power and how economies change. Highlighting student power)
- How do we invest in our future? (Exploring money in society)

In the second half of the course, we look at specific debates or topic areas that the students identified they were interested in, but kickstart this by looking at a range of future trends, such as automation, the role of big business in society, the attention economy or climate change, to give students preparation and opportunities for independent research for a teamwork project to creatively communicate a response to the question of 'What are the biggest economic issues facing my generation?' that they then creatively communicate in an event that creates a dialogue with their peers (Year 12) or parents (Year 9).

To date, *Economy* has delivered the Discover the Economy course for 40 young people and reached 600 through one off workshops and events.

**Scaling the Discover the Economy extra-curricular course**

We know that we need an ambitious method to scale our impact if we are achieve our aim of providing every young person with access to economic literacy. In the 20/21 academic year we ran a 12 month pilot of recruiting and training economics students to run the Discover the Economy extra-curricular course in a London school.

To do so, we worked via our sister charity, *Rethinking Economics* (charity no.1158972). RE is an international network of students, academics and professionals building a better economics in society and the classroom. RE has a large and active economics undergraduate student network in UK universities.

Despite having to finish the pilot early because of Covid-19 evaluation was positive and circumstances allowing *Economy* will recruit and train undergraduate economics students in 2-3 cities across the UK in the 20-21 academic year.



Our student volunteers and organisers after economic literacy facilitator training pilot.

**Economics in Society Careers Day**

We follow up the Discover the Economy course by offering an Economics in Society event which provides an opportunity to engage with economics professionals in the civil service, academia and business.

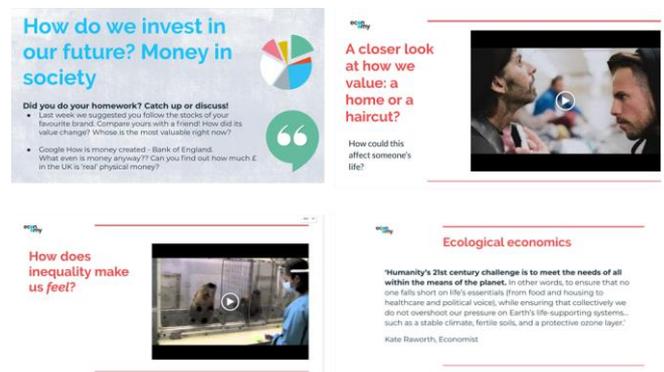
On Monday 1st July, *Economy* hosted 55 students at the first of a new regular careers event 'Economics in Society' which will actively encourage more young people from underrepresented backgrounds to consider a career related to Economics. Our first Economics in Society careers event was attended by 26 young professionals from organisations including GES, OBR, BlackRock, ICAEW, Bank of England, PwC, Grant Thornton and Deloitte. We held another of these days in partnership with Grant Thornton during National Apprenticeship Week in February 2020.

We have piloted aspects of an Ambassadors programme which provides young people the opportunity to contribute to *Economy's* media (ecnymy.org) and community organising activities.

**Resource creation**

*Economy* has now created, tested and improved the following economics resources for use in schools.

- Two guidance frameworks on Economic Literacy - ACT framework and *Economy's* What is Economic Literacy poster
- 6 flagship economic literacy session plans which represent a downloadable scheme of work for teachers. These include slide decks and engaging interactive activities and resources, some of which are shown below



A selection of moments in our school resources.

## Economy Community Economic Crash Courses

September 2019 marked two years since Economy began its adult education work. In that time Economy has delivered Crash Courses across diverse places including Greater Manchester, London and Scotland. Our Crash Courses are uniquely adapted to local issues and priorities and put participants' interests and priorities at the heart of learning. They support participants to understand how mainstream economists view the world so that they can better critically engage with economic decision makers and hold them to account. We introduce alternative approaches to demonstrate that the economy is the product of a particular history and that it can always be different. This place-based, bottom-up approach to building critical economic knowledge and confidence in a community is the foundation of building mass participation in economic conversation and decision-making.

In total over 200 people have been reached through this programme including one-off sessions; thirty were trained as volunteer facilitators, who delivered sixty sessions to ten cohorts involving ninety-four participants. Over 80 others were reached through one off engagement sessions with the following groups: a women's group at Brunswick Church in Brunswick Estate Manchester, Wevolution in Glasgow, members of the public attending a session at Edinburgh Central Library, various community workers at a session in Dundee West Church, trade unionists from Community trade union, attendees of an event at Arbyte Gallery in London, and a group of civil service employees.

Crucially, the Crash Courses have reached those whose voices are less heard in the economics domain. In year one 74% of attendees were considered to be 'marginalised' in that they suffer from one of more resource, physical, spatial, economic, social, political or cultural disadvantages. In year two, 73% participants that completed the course lived in the 20% most deprived areas in the country according to the MISD. Year two of the programme particularly set out to reach women. Women are often at the sharp end of economic policy, and yet only one third of economics students are women. In contrast, the majority of Crash Course participants that completed the course were female, and in year 1 half of those were women of colour.

Survey responses and interviews show that participants' confidence discussing economics, and their understanding of economics, both increased after the course. Furthermore, the average leap in understanding and confidence shot up in year 2 compared with year 1, demonstrating how the course has improved over time.

Most Crash Course participants that completed the course indicated that they would like to use what they have learned to improve their communities. For example, 93.54% of participants indicated they might like to engage with economic decision making in their local authority. Therefore, in 2019 we focused on identifying and piloting practical ways we could support people to translate learning and confidence into action. We have shifted the focus of our news and entertainment platform from economic communication to explore how we can amplify the voices of those whose voices are less heard on the economy. In the spring we piloted a video journalism workshop for Crash Course participants, July 2019 we published an eight page Our Economy Pullout with the Manchester Evening News showcasing the views of local people as well as local economic alternatives, and at the national level the Guardian published a video and an article showcasing our Crash Courses. As a result, we have secured funding from the John Ellerman Foundation for a two-year citizen journalism project.

We have also created spaces for contact and dialogue that enable under-represented groups to have a voice on issues of environmental and economic justice. For example, we ran a "Lunch with Andy" event and a "We Need to Talk about the Economy" Pop Up Space in Manchester earlier this year at which our Crash Course participants and the general public were able to have a tea with and interview Andy Haldane and Clare Lombardelli, Chief Economists of the BoE and Treasury respectively. We are in conversation with Localise West Midlands and the West Midlands Combined Authority (WMCA) about the possibility of developing a community research project will support participants from two communities in East Birmingham to carry out research on the local economy as part of a wider process of conversation between the community and the WMCA.

A key theme that has come up repeatedly in early evaluation of our work is one of value. Here a participant of a Glasgow Crash Course describes her experience:

“The word economy scares me. Finance scares me. If you’ve always been skint you do feel excluded from the conversation about money...Throughout the course I got really mad. Talking about money and who holds the power. This whole white male power thing. I mean I got it before but this really underlined it for me. How women have been undervalued. How culture has been shaped in a certain way.

We spoke about how women still do most of the labour in the house...despite the washing machine it’s not made more space in our lives...That lightbulb moment for all of us was that this should be valued.

This amazing woman who is a carer for three children and a parent said I’m unemployed. After I said to her you’re overemployed you’re just not paid for it. We’re all employed, we’re just not paid for it.

That was the big switch.

Oh my, if people just had a conversation there are so many more women who would feel so much more empowered. They are participating in the economy but the whole way it is set up doesn’t value them. There was a woman there who is really trying to get work –she was there to put it on her CV – you wouldn’t believe how engaged in her community she is – so undervalued – but she is so struggling to get a job. If you just knew her – you would think, wow, we need on her on our team. She’s an amazing woman. The course highlighted to her that what she does is invaluable and it isn’t just her. That there are alternatives out there which value her. So many people feel excluded.”

Sociologist Dr Jill Plimmer, who was engaged to produce a report on the We Need to Talk About the Economy Pop Up Space and Manchester Evening News pullout, states:

“The pop-up event was particularly enjoyed. It was a chance to meet people who had influence, with whom to have a conversation about the difficulties experienced in everyday economies. Those conversations, between different parties who would not under normal circumstances have the chance to meet, bestow a value and significance to the minutiae of everyday life, a realisation that attention to the smallest things can make a difference. Such

conversations, our respondents related, happen on a daily basis with friends and family: in difficult times it cannot be stressed enough how important these networks are to those with whom we talked.

The high levels of anxiety evident in the people with whom I talked, and in their friends, families and acquaintances was particularly concerning. The issue of ‘value’ is important here. To value a person’s experiences and opinions is to value the person. This was in evidence at Inspire and in the testimonies of the people with whom I talked. As Alan suggested, further supplements must be future-focussed, with examples of already existing global good practice in economics being featured, examples that might help us all be more confident about our collective futures. Economy’s track record of optimism and pragmatism might thus help counter the current loss of confidence amongst the poorest citizens, and refocus the collective vision on the future rather than the past.

The possibilities of a new kind of world seem within sight in this scenario, where a different kind of knowledge about economics can be produced, one informed both by ordinary citizens in partnership with academics and experts in the field of economics.”

Economy’s work is about supporting people furthest from power on a journey from the position of feeling they have no value or control in the economy to a sense of confidence, value and agency.

### News and Entertainment Platform



Economy’s [news and entertainment platform](#) reaches mass audiences, over a million unique users by the

end of the financial year, and we have built relationships across the media. Our Press Working Group helps us identify and share best practice in economic communication across the media. Economy's work has pushed the importance of economic communication up the political agenda, contributing to a cultural shift in the UK, towards more accessible economics coverage.

Great content combined with high profile media partnerships and our sustained focus on search engine optimisation has led to Economy appearing second or third on Google searches for 'economy' behind only the BBC and Wikipedia. And, for some search terms Economy is even appearing first.

### Learn

"Learn" refers to the content we produce in order to provide accessible, pluralist economic literacy. By accessible, we mean that it's both free and understandable. By pluralist, we mean that it acknowledges a range of economic perspective and stays neutral on which approach is best.

Our Learn content is designed to ground economic theories within the context of people's everyday lives and tangible lived experiences. This is important because we know from a 2016 YouGov poll that only 12% of people believe that politicians and the media talk about economics in a way that is accessible and understandable.

To date, we have created 300+ Learn articles for our website, covering everything from "why are house prices so expensive?" to "is immigration a good or bad thing?" This content both provides economic literacy to end users and provides a model for other media outlets' economic coverage.

### Engage

"Engage" refers to the content we produce which finds new ways – and new voices – to cover current economics news. It provides users with a simple and balanced perspective on current affairs in a way that can support them make more informed choices about everything from whom to vote for to how to structure their finances.

We know there is a demand for this: when polled after the 2017 General Election, only 34% of respondents felt that information about the economy in the media around election time was useful enough to make an informed voting choice. We promote our Engage

content as a model for other media organisations to follow.

We also use our Engage content to highlight UK voices that are currently underrepresented in media discussions of the economy. The idea is to bring them into a conversation that is currently dominated by academic or professional economists and politicians.

We believe diversifying economic voices provides economic and political institutions with crucial information about the reality of many people's economic experience, which pushes them to incorporate these alternative experiences, priorities and needs into their economic conversation, decision-making and problem solving. We also believe that giving the public a platform from which to speak about the economy is one of the ways we can rebuild public trust in economics.

### Voices of the Economy and Everyday Economists

In October 2019 Economy began a new project, supported by the John Ellerman Foundation, to develop and launch a national network of citizen economists, drawn from the communities we work with and other interested groups, with whom our editorial team will support to produce multimedia content (comment, analysis, local news) for social, local and national media.

We have developed two content formats – Voices of the Economy – content in which people share their lived experience of the economy, stories from their past and their hopes and fears for the future – and Everyday Economists – content in which experts by experience or work share comment and analysis on the economy from their perspective. Where possible, contributors write or record video/audio themselves with our editorial support but if necessary, we also use a more traditional journalist format of an interview and write-up.

In January 2020 Economy was invited to join the Nesta Future News Pilot Fund, a programme funded by the Department for Digital, Culture, Media and Sport which in turn was responding to a recommendation from the Cairncross Review on the future of Public-Interest Journalism in the UK. Economy applied to the reimagining engagement stream with a project focusing on the West Midlands (see Our Economy below).

## Our Economy

Economy's 2019–20 strategy involves combining the different strands of activity (outlined above) in particular regions connecting with and building on existing social and economic place-based interventions with specific activities and objectives tailored to the priorities, needs and assets of the local community and civil society organisations we partner with. Over a longer period of five years our aims for this work are to:

- reframe what the economy is, build a sense of curiosity about the subject and raise awareness of alternatives to the status quo and how they can be achieved;
- provide public education in local schools, community organisations, businesses and public services as well as online to build economic literacy, skills and agency and to engage critically with dominant economic thinking as well as alternatives;
- empower citizens to lead their own conversations asking what citizens want, need and would be prepared to do to improve their local economy;
- amplify these conversations through social, local and national media to change the narrative on the economy by foregrounding unheard citizen voices and issues which reflect their lived experiences and priorities;
- facilitate two-way conversations between citizens and economic experts and decision makers to increase mutual understanding and begin to build relationships as a first step towards developing more participatory forms of economic policymaking.

Economy piloted this approach in Manchester between April and July 2019 building on longer term partnerships from working with local community organisations to run the Economy Crash Course. We

- Organised creative events which brought together communities with economic decision makers such as Andy Haldane and Clare Lombardelli, Chief Economists of the BoE and Treasury respectively.

- Offered video journalism workshops supporting people to share their views and experience of the local economy.
- Partnered with the Manchester Evening News producing an 8 page Our Economy pullout showcasing the views and experiences of local people from our partner organisations and local schools as well as local economic news affecting their communities. The pullout was distributed through our community partners and in 33,000 copies of the MEN.

Economy was planning to launch Our Economy West Midlands in March 2020 but this has had to be postponed because of Covid-19. We intend to restart this work as soon as the public health situation allows and are working on partnerships with the West Midlands Combined Authority, Birmingham Live and many local community organisations.

## Campaigns –Economic Literacy for Everyone

Following on from the success of the Economy's Economic Literacy Summit in autumn 2018 this year we focused on building support for our campaign across students, teachers and the education sector.

### The ACT Journal

We co-edited a 65-page guidance journal for teachers, dedicated to Economics Education in Citizenship with the Association of Citizenship Teaching and Young Enterprise. A print copy was sent to every secondary school in the UK, sponsored by the Money and Pensions Service.



Economy's [Case for Economic Literacy for Everyone](#) continues to be an important tool in advocating for economics education in schools.

### Discover Economics

*Economy* is a founding member of the Royal Economic Society's [Discover Economics](#), a new three-year campaign, launched in October 2019, in partnership with leading economics organisations, which aims to: broaden the appeal of economics to potential students, change their perceptions of economics and economists and increase diversity among economics students.

*Economy*'s Head of Schools spoke at the launch alongside the Royal Economic Society's President, the Bank of England's Head of Education and the Director of Analysis Directorate at the Government Economic Service. *Economy*'s work was highlighted in *The Economist* [article](#) covering the campaign launch.

### Demonstrating support

Over the past year *Economy* has further built strong working relationships across the education sector demonstrating broad support for economic literacy for everyone.

"At AoC we are working on defining what we mean by an entitlement to personal and social development for students aged 16 to 18. This will certainly include economic literacy as part of a wider understanding of citizenship education."

Eddie Playfair, Senior Policy Manager at the Association of Colleges

"In the ACT (Association for Citizenship Teaching) annual Citizenship teaching survey we have found Economic and Financial Education is regularly cited as one of the main areas teachers feel less confident about. So to address this we decided to initiate conversations with a number of key organisations: Young Money, the Money Advice and Pensions Service, *Economy*, the think tank Demos and colleagues in HE from Kingston University and Middlesex University. In January this year we set up an expert group to work together to ensure economic and financial education in Citizenship is better understood and supported, and so that the quality of teaching and outcomes for pupils improves."

Liz Morse, Chief Executive, Association for Citizenship Teachers

"In making this journal we have identified the key synergies between financial capability and the economic understanding necessary for Citizenship. A key way to sum this up could that EFE [Economic and

Financial Education] is not just about money in everyday life but it's also about society's largest goals themselves.

Teaching financial capability as if it is purely procedural knowledge misses out on both the crucial emotional aspect of managing your money. Financial opportunities are also brought to life and made personal when we look at social issues.

At the same time, this word 'the economy' needs to be less abstract and connected to actions young people can take in their lives. Teaching economic and financial education through Citizenship is a great approach."

Russell Winnard, Director of Programmes, Young Money.

### PUBLIC BENEFIT

The Trustees confirm that throughout the planning and implementation of these activities they have complied with their duty in section 4 of the Charities act 2006 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

### PLANS FOR FUTURE YEARS

Covid-19 has forced *Economy* to postpone or cancel all in person work including Our *Economy* West Midlands, the Discovering the *Economy* extra-curricular schools course and delivery of training in North Wales and London. *Economy* pivoted the Nesta Future News Pilot Fund project to focus on the economic consequences, responses and possibilities of Covid-19.

*Economy* will ask community networks across the UK to share their experience of Covid-19 through creating Voices of the *Economy* and Everyday Economist content. *Economy* will provide training and mentoring to organisations and individuals who have something to say on a section of our news and entertainment platform (ecnmy.org).

In the second part of next financial year *Economy* will reorganise its activities into the following three strands so that we can work more effectively with individuals and communities combining our activities flexibly in ways which meet their needs and priorities:

- Outreach, partnerships and engagement
- Building knowledge, skills and confidence

- Voice, conversation and decision-making

We plan to create an Associate Director – Communications and Campaigns role to increase Economy's communications and campaigning capacity as well as recruiting a number of place-based community organisers who will improve our ability to engage and build long term relationships with communities across the UK. Finally, we will increase the resources we commit to our partnerships work allowing us to build and manage effective partnership projects with a wide range of organisations across civil society.

## STRUCTURE, GOVERNANCE & MANAGEMENT

*Economy* is a charitable incorporated organisation administered by ten Trustees and governed by its constitution dated 5 September 2015. It was registered with the Charity Commission on 14 March 2016.

All Trustees are appointed by vote either by the Trustees or full membership, with a third of the board retiring each year on a rolling cycle. Trustees are permitted to be reappointed for a maximum of four terms. The minimum number of Trustees permitted under the constitution is three, and the maximum number is twelve.

*Economy* began as a project of Rethinking Economics (REPCE) – registered charity number 1158972. When *Economy* formally separated from REPCE both charities were keen to institutionalise the important role that the Rethinking Economics student movement plays in *Economy's* work. Therefore *Economy* was set up as a charitable incorporated organisation using the association model. Its sole member is REPCE.

At the AGM, the membership (i.e. REPCE) approves *Economy's* annual accounts and elects its new Trustees. In addition, by convention a member of REPCE's Trustee board is also a Trustee of *Economy*.

The Trustees of *Economy* perform the usual duties of Trustees, including appointing and managing the Directors, setting the strategy, and ensuring compliance with financial and other obligations.

### Key management personnel

During 2019/20 the day to day management of the organisation was delegated to the Chief Executive who was responsible for ensuring the operations of

the Charity are managed efficiently. He is responsible for:

- Setting strategic direction in order to fulfil goals agreed by Trustee board;
- Employing staff, setting remuneration, and related HR matters;
- Sourcing and managing office space; and,
- Setting and overseeing budgets.

### Risk management

The Board of Trustees and key management personnel have a rigorous approach to risk management, and the key risks facing the organisation are reviewed on an ongoing basis, with mitigating actions put in place to minimise the ongoing risk to the Charity.

The key risks at the point of signing this report are:

- Covid-19 – *Economy* has had to transition from primarily in-person to solely digital delivery for the short to medium term. As *Economy* is mostly grant funded its finances haven't been negatively affected by Covid-19 but we are aware that an ongoing economic crisis might make it more difficult to raise the necessary funds. *Economy* is currently working with a number of scenarios, outlining different activity in autumn 2020 and beyond, depending on different public health scenarios. The significant economic impacts of Covid-19 highlight the importance of *Economy's* work but the operating situation is challenging and we don't yet know how it will affect the organisation in the longer term.
- Financial sustainability – *Economy* has successfully transitioned from a single start up funder to a broader portfolio of supportive funders but the challenge in the medium term is to develop a business model which ensures the organisation's financial sustainability and its ability to expand its operations to meet demand.

## FINANCIAL REVIEW

The Charity achieved a surplus of £6,437 in the year (2019 – deficit of £13,928) resulting in total funds at the year-end of £56,500 (2019 – £50,063).

Of the funds held at year end £32,467 (2019 – £37,851) were unrestricted as to use, and the Trustees are happy this level of reserves meets the reserves policy below.

## RESERVES POLICY

The Charity currently has a basic reserves policy that ensures 10% of the annual budget is kept as reserves (currently c. £30,000). As the Charity grows in both size and complexity this policy will be reviewed to ensure it remains fit for purpose.

## STATEMENT OF BOARD OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Charity law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of the excess of expenditure over income for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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 its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and 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 Charities Act 2011. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the Trustees confirm that they are happy that content of the annual review in pages 3 to 11 of this document meet the requirements of the Trustees' Annual Report under charity law.

They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts 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 FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

This report was approved and authorised for issue by the Board of Trustees on 22 October 2020 and signed on its behalf by:

*Ben Hughes*

Ben Hughes  
Chairperson

## INDEPENDENT EXAMINER'S REPORT

I report to the Trustees on my examination of the accounts of Economy (Charity number 1166046) for the year ended 31 March 2020 as set out on pages 13 to 26.

### Respective responsibilities of trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Charities Act). The Charity's Trustees consider that an audit is not required for this year under section 144 of the Charities Act and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and,
- to state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the Charity's Trustees as a body. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body for my examination work, for this report, or for the statements I have made.

### Basis of independent examiner's statement

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the 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.

### Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



### Andrew Philip Nash ACA

Member of the Institute of Chartered Accountants in England and Wales – 2461833

Dated: 9 November 2020

Andy Nash Accounting & Consultancy Ltd  
Units 24 & 25  
Goodsheds Container Village  
Hood Road, Barry  
CF62 5QU

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>Income from:</b>					
Donations & legacies	2	579	213,109	213,688	215,467
Charitable activities		21,667	-	21,667	422
Investments		41	-	41	56
<b>Total income</b>		<b>22,287</b>	<b>213,109</b>	<b>235,396</b>	<b>215,945</b>
<b>Expenditure on:</b>					
Raising funds	3 & 4	27,671	1,506	29,177	30,036
Charitable activities					
Community	3 & 5	-	71,334	71,334	46,454
Digital & campaigns	3 & 5	-	88,751	88,751	88,626
Schools	3 & 5	-	39,697	39,697	64,757
Total charitable activities		-	199,782	199,782	199,837
<b>Total expenditure</b>		<b>27,671</b>	<b>201,288</b>	<b>228,959</b>	<b>229,873</b>
<b>Net movement in funds</b>		<b>(5,384)</b>	<b>11,821</b>	<b>6,437</b>	<b>(13,928)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	9 & 10	37,851	12,212	50,063	63,991
<b>Total funds carried forward</b>	9 & 10	<b>32,467</b>	<b>24,033</b>	<b>56,500</b>	<b>50,063</b>

The notes on pages 15 to 26 form part of the financial statements.

**BALANCE SHEET****As of 31 March 2020**

	Notes	Total funds 2020 £	Total funds 2019 £
<b>Current assets:</b>			
Debtors	7	2,874	22,729
Cash at bank and in hand		<u>114,109</u>	<u>77,677</u>
<b>Total current assets</b>		<b>116,983</b>	<b>100,406</b>
<b>Creditors:</b> Amounts falling due within one year	8	<b>(60,483)</b>	<b>(50,343)</b>
<b>Total net assets</b>		<b><u>56,500</u></b>	<b><u>50,063</u></b>
<b>Funds of the charity:</b>			
Restricted income funds	9 & 10	24,033	12,212
Unrestricted funds	9 & 10	32,467	37,851
		<b><u>56,500</u></b>	<b><u>50,063</u></b>

The notes on pages 15 to 26 form part of the financial statements.

These financial statements were approved and authorised for issue by the Board of Trustees on 22 October 2020 and signed on their behalf by:

*Ben Hughes*

Ben Hughes  
Chairperson

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### *Basis of preparation of the financial statements*

The financial statements have been prepared in accordance with 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), including Update Bulletin 1, and relevant charities law.

The effect of any event relating to the year ended 31 March 2020, which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 March 2020 and the results for the year ended on that date.

Under the exemption available to smaller charities the Board of Trustees has chosen not to include a Statement of Cash Flows within the financial statements.

The functional currency of the Charity is sterling and amounts in the financial statements are rounded to the nearest pound.

#### *Legal status*

Economy is a charitable incorporated organisation registered in England & Wales, and meets the definition of a public benefit entity. The registered office is 86 Dovetail Place, Lawrence Road, London, N15 4FX.

#### *Going concern*

The financial statements have been prepared on the going concern basis as the Board of Trustees is confident that future reserves and future income is more than sufficient to meet current commitments. There are no material uncertainties that impact this assessment, and the ongoing COVID-19 global pandemic has had no material impact on this assessment.

#### *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 that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 9 of the financial statements.

#### *Income*

Income is recognised when the Charity has entitlement to the funds, any performance indicators attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Donations are recognised in full in the Statement of Financial Activities when entitled, receipt is probable and when the amount can be quantified with reasonable accuracy. Gift aid receivable is included when claimable – i.e. when the eligible donation is received.

Grant income is credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless the grant relates to a future year, in which case it is deferred.

#### *Expenditure and irrecoverable VAT*

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Indirect costs, including governance costs, which cannot be directly attributed to activities, are allocated between activities proportionate to the direct costs incurred in those activities.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

**Tangible fixed assets and depreciation**

Any assets costing more than £500 are capitalised other than those purchased using restricted funds.

**Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but are not held for investment purposes.

**Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount is applied.

**Creditors**

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

**Financial instruments**

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

**Critical estimates and judgements**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The treatment of tangible fixed assets is sensitive to changes in useful economic lives and residual values of assets. These are reassessed annually.

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**2. INCOME FROM DONATIONS & LEGACIES**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Grants	-	213,109	213,109
Donations	579	-	579
	<u>579</u>	<u>213,109</u>	<u>213,688</u>

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Grants	-	203,960	203,960
Donations	11,507	-	11,507
	<u>11,507</u>	<u>203,960</u>	<u>215,467</u>

**3. TOTAL EXPENDITURE**

	Direct staff expenditure 2020 £	Direct other expenditure 2020 £	Indirect staff expenditure 2020 £	Indirect other expenditure 2020 £	Total expenditure 2020 £
Raising funds	21,680	-	2,671	4,826	29,177
Charitable activities					
Community	42,371	10,635	6,530	11,798	71,334
Digital & campaigns	55,812	10,136	8,124	14,679	88,751
Schools	28,145	1,352	3,633	6,567	39,697
	<b>148,008</b>	<b>22,123</b>	<b>20,958</b>	<b>37,870</b>	<b>228,959</b>

	Direct staff expenditure 2019 £	Direct other expenditure 2019 £	Indirect staff expenditure 2019 £	Indirect other expenditure 2019 £	Total expenditure 2019 £
Raising funds	23,017	-	3,607	3,412	30,036
Charitable activities					
Community	33,425	2,173	5,579	5,277	46,454
Digital & campaigns	66,078	1,836	10,644	10,068	88,626
Schools	29,992	19,631	7,778	7,356	64,757
	<b>152,512</b>	<b>23,640</b>	<b>27,608</b>	<b>26,113</b>	<b>229,873</b>

Indirect costs, including governance costs, which cannot be directly attributed to activities, are allocated between activities proportionate to the direct costs incurred in those activities.

A breakdown of expenditure on raising funds between restricted and unrestricted funds can be found in note 4.

A breakdown of charitable expenditure between restricted and unrestricted funds can be found in note 5.

An analysis of staff costs can be found in note 6.

During the year the Charity carried out a review of its fund allocation model and has subsequently redesigned the model to more suitably reflect the areas of work the Charity is engaged in. As a result, the prior year expenditure figures have been reallocated to reflect this change. Total expenditure remains unchanged.

Indirect costs includes the following items:

	Total Funds 2020 £	<i>Total Funds 2019 £</i>
Indirect staff costs	20,958	27,608
Other people costs	3,285	3,029
Office & administration costs	23,396	18,284
Professional fees	9,333	2,852
Governance costs	1,856	1,948
	<u>58,828</u>	<u>53,721</u>

Governance costs includes the following items:

	Total Funds 2020 £	<i>Total Funds 2019 £</i>
Independent examination	1,260	1,260
Insurance	524	548
Trustee expenses	72	140
	<u>1,856</u>	<u>1,948</u>

## 4. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Direct staff costs	20,174	1,506	21,680
Indirect staff costs	2,671	-	2,671
Indirect other costs	4,826	-	4,826
	<u>27,671</u>	<u>1,506</u>	<u>29,177</u>

	<i>Unrestricted Funds 2019 £</i>	<i>Restricted Funds 2019 £</i>	<i>Total Funds 2019 £</i>
Direct staff costs	<i>23,017</i>	<i>-</i>	<i>23,017</i>
Indirect staff costs	<i>3,607</i>	<i>-</i>	<i>3,607</i>
Indirect other costs	<i>3,412</i>	<i>-</i>	<i>3,412</i>
	<u><i>30,036</i></u>	<u><i>-</i></u>	<u><i>30,036</i></u>

During the year the Charity carried out a review of its fund allocation model and has subsequently redesigned the model to more suitably reflect the areas of work the Charity is engaged in. As a result,

the prior year expenditure figures have been reallocated to reflect this change. Total expenditure remains unchanged.

**5. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Community			
Direct staff costs	-	42,371	42,371
Direct other costs	-	10,635	10,635
Indirect staff costs	-	6,530	6,530
Indirect other costs	-	11,798	11,798
	<u>-</u>	<u>71,334</u>	<u>71,334</u>
Digital & campaigns			
Direct staff costs	-	55,812	55,812
Direct other costs	-	10,136	10,136
Indirect staff costs	-	8,124	8,124
Indirect other costs	-	14,679	14,679
	<u>-</u>	<u>88,751</u>	<u>88,751</u>
Schools			
Direct staff costs	-	28,145	28,145
Direct other costs	-	1,352	1,352
Indirect staff costs	-	3,633	3,633
Indirect other costs	-	6,567	6,567
	<u>-</u>	<u>39,697</u>	<u>39,697</u>
	<u>-</u>	<u>199,782</u>	<u>199,782</u>

	<i>Unrestricted Funds 2019 £</i>	<i>Restricted Funds 2019 £</i>	<i>Total Funds 2019 £</i>
<b>Community</b>			
Direct staff costs	-	33,425	33,425
Direct other costs	-	2,173	2,173
Indirect staff costs	238	5,341	5,579
Indirect other costs	3,702	1,575	5,277
	<u>3,940</u>	<u>42,514</u>	<u>46,454</u>
<b>Digital &amp; campaigns</b>			
Direct staff costs	-	66,078	66,078
Direct other costs	-	1,836	1,836
Indirect staff costs	455	10,189	10,644
Indirect other costs	7,063	3,005	10,068
	<u>7,518</u>	<u>81,108</u>	<u>88,626</u>
<b>Schools</b>			
Direct staff costs	-	29,992	29,992
Direct other costs	-	19,631	19,631
Indirect staff costs	332	7,446	7,778
Indirect other costs	5,161	2,195	7,356
	<u>5,493</u>	<u>59,264</u>	<u>64,757</u>
	<u>16,951</u>	<u>182,886</u>	<u>199,837</u>

During the year the Charity carried out a review of its fund allocation model and has subsequently redesigned the model to more suitably reflect the areas of work the Charity is engaged in. As a result,

the prior year expenditure figures have been reallocated to reflect this change. Total expenditure remains unchanged.

**6. STAFF NUMBERS AND COSTS**

	<b>Total Funds 2020 £</b>	<i>Total Funds 2019 £</i>
Gross salaries	150,496	163,423
Employer's NIC	10,698	11,280
Employer's pension	7,772	5,417
	<u>168,966</u>	<u>180,120</u>

The average headcount during the year was 7 persons (2019 – 7).

No employee received employee benefits of more than £60,000 (2019 – NIL).

Total remuneration to key management personnel in the year was £39,375 (2019 – £47,066).

**7. DEBTORS**

	<b>Total Funds 2020 £</b>	<i>Total Funds 2019 £</i>
Trade debtors	2,800	-
Prepayments	74	173
Accrued grant income	-	22,551
Other debtors	-	5
	<u>2,874</u>	<u>22,729</u>

Accrued grant income in the prior year consisted of an amount owed by Friends Provident Foundation for Q4 of 2018/19 that was paid in arrears in April 2019.

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Total Funds 2020 £	Total Funds 2019 £
Trade creditors	121	466
Accruals	1,260	1,260
HMRC creditor	2,742	4,145
Pension creditor	913	834
Deferred grant revenue	55,387	43,638
Other creditors	60	-
	<u>60,483</u>	<u>50,343</u>

Deferred revenue relates to amounts received from a multitude of funders for subsequent years and can be analysed as follows:

	Total Funds 2020 £	Total Funds 2019 £
Deferred grant revenue brought forward	43,638	64,800
Released to grant revenue in the period	(43,638)	(64,800)
Grant revenue deferred in the period	55,387	43,638
Deferred grant revenue carried forward	<u>55,387</u>	<u>43,638</u>

## 9. ANALYSIS OF CHARITY FUNDS

	Funds brought forward 2020 £	Income for the period 2020 £	Expenditure in the period 2020 £	Transfers in the period 2020 £	Funds carried forward 2020 £
<b>Unrestricted funds</b>	37,851	22,287	(27,671)	-	32,467
<b>Restricted funds</b>					
Allen & Overy	5,533	-	(5,533)	-	-
Barrow Cadbury	-	27,500	(23,394)	-	4,106
Campion Fund	-	7,940	(7,940)	-	-
Esmee Fairbairn Foundation	4,510	20,000	(24,510)	-	-
Friends Provident Foundation - core	-	50,000	(47,611)	-	2,389
Friends Provident Foundation - digital	-	42,161	(42,161)	-	-
Garfield Weston	-	10,416	(1,076)	-	9,340
ICAEW	2,169	23,638	(25,807)	-	-
John Ellerman	-	31,154	(22,956)	-	8,198
NESTA	-	300	(300)	-	-
	<u>12,212</u>	<u>213,109</u>	<u>(201,288)</u>	<u>-</u>	<u>24,033</u>
<b>Total funds</b>	<u><u>50,063</u></u>	<u><u>235,396</u></u>	<u><u>(228,959)</u></u>	<u><u>-</u></u>	<u><u>56,500</u></u>

**Allen & Overy**

The Charity received funds from Allen & Overy to create and pilot a young 'Economy Ambassador' programme of additional sessions and activities for graduates of our core 8 week *Discover the Economy* schools course, helping them explore the workplace and become active citizens.

**Barrow Cadbury**

The Charity received funds from the Barrow Cadbury Trust towards delivering its Community Crash Course in Economics and co-produced journalism activities with partner community organisations in the West Midlands. The funding runs until May 2021.

**Campion Fund**

The Charity received funds from the Champion Fund to run workshops and a We Need to Talk About the Economy pop up space, which was attended by Clare Lombardelli, Chief Economic Adviser at HM Treasury,

at the Levenshulme Inspire Community Centre in Manchester. The funding ran until July 2019.

**Esmee Fairbairn Foundation**

The Charity received funds from Esmee Fairbairn Foundation towards delivering a community Crash Course in economics to engage those who do not typically engage with economics, and improve understanding and confidence as well as encourage social actions. The funding runs until September 2020.

**Friends Provident Foundation - core**

The Charity received funds from Friends Provident Foundation for core costs from October 2019.

**Friends Provident Foundation - digital**

The Charity received funds from Friends Provident Foundation for phase two of the 'Learn' and 'What Just Happened?!' digital journalism projects. The prior year deficit was met by funds received in arrears within the current year.

**Garfield Weston**

The Charity received funds from Garfield Weston to run its school programme. The funding runs until November 2021.

**ICAEW**

The Charity received funds from ICAEW to work towards statutory change, provide leadership and development of resources, support the teaching profession, and engage stakeholders in economics education for 11 to 18 year olds. The funding runs until January 2020.

**John Ellerman**

The Charity received funds from the John Ellerman Foundation to co-produce written and video media content sharing the economic views and experiences

of individuals and communities furthest from power so that they have a public voice on the economy and collective we can begin to change public narratives about the economy. The funding runs until September 2021.

**NESTA Future News Fund**

The Charity received funds from the Nesta Future News Fund, a Department for Digital, Culture, Media & Sport funded initiative, responding to a recommendation in the Cairncross Review, which set out to explore the future of public-interest journalism in the UK. Economy's project was based on co-producing local economic news with communities and partnering with local and national media providers. The funding runs until June 2020.

	<i>Funds brought forward</i>	<i>Income for the period</i>	<i>Expenditure in the period</i>	<i>Transfers in the period</i>	<i>Funds carried forward</i>
	2019	2019	2019	2019	2019
	£	£	£	£	£
<i>Unrestricted funds</i>	72,853	11,985	(46,987)	-	37,851
<i>Restricted funds</i>					
Allen & Overy	-	8,000	(2,467)	-	5,533
Barrow Cadbury	48	16,400	(16,448)	-	-
BlackRock	3,270	11,962	(15,232)	-	-
Esmee Fairbairn Foundation	81	30,900	(26,471)	-	4,510
Friends Provident					
Foundation - digital	(12,905)	82,311	(69,406)	-	-
ICAEW	644	54,387	(52,862)	-	2,169
	<u>(8,862)</u>	<u>203,960</u>	<u>(182,886)</u>	<u>-</u>	<u>12,212</u>
<i>Total funds</i>	<u>63,991</u>	<u>215,945</u>	<u>(229,873)</u>	<u>-</u>	<u>50,063</u>

**BlackRock**

The Charity received funds from BlackRock to create and deliver a 6 week economics skills accelerator programme to be delivered in secondary schools. The funding ran until June 2019.

**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Current assets	37,563	79,420	116,983
Current liabilities	(5,096)	(55,387)	(60,483)
	<u>32,467</u>	<u>24,033</u>	<u>56,500</u>

	<i>Unrestricted Funds 2019 £</i>	<i>Restricted Funds 2019 £</i>	<i>Total Funds 2019 £</i>
Current assets	44,556	55,850	100,406
Current liabilities	(6,705)	(43,638)	(50,343)
	<u>37,851</u>	<u>12,212</u>	<u>50,063</u>

**11. TRUSTEE REMUNERATION AND DONATIONS**

During the current year, one Trustee received reimbursement of travel expenses for attendance at Trustee meetings totalling £72 (2019: one Trustee received reimbursement of travel expenses for attendance at Trustee meetings and interviews for the new Chief Executive totalling £140).

In addition, during the prior year the Charity appointed a new Chief Executive, Jonah Earle, who had previously held the position of Trustee after an

open and objective recruitment process. At the point that he was appointed as Chief Executive he resigned as a Trustee, and he was removed from any discussions involving his appointment as Chief Executive.

No Trustees received remuneration or reimbursement of expenses during the prior year.

**12. RELATED PARTY TRANSACTIONS**

During the current year, there were no related party transactions (2019: Nil).

**13. GUARANTEES AND SECURED CHARGES**

As of 31 March 2020 the Charity did not have any outstanding guarantees to third partners nor any debts secured against assets of the Charity.