



ECONOMY

ANNUAL REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 MARCH 2018

Registered charity no. 1166046

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LEGAL AND ADMINISTRATIVE INFORMATION**Board of trustees**

William Jeffwitz
Charlotte Baker
Ann Don Bosco
Jonah Earle
Ben Hughes
Theodorus Kocken
Marja Koolschijn
Aoife O'Leary
Rachel Straus
Louise Russell-Prywata

Chairperson

(appointed 22 June 2017)
(resigned 10 May 2018)
(appointed 22 June 2017)
(resigned 15 December 2017)
(resigned 15 December 2017)
(appointed 22 June 2017)
(appointed 22 June 2017)
(appointed 22 June 2017)

Charity registration no.

1166046

Registered address

Economy
WeWork London Fields
115 Mare Street
E8 4RU

Independent examiner

Andy Nash Accounting & Consultancy Ltd
The Maltings
East Tyndall Street
Cardiff
CF24 5EA

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 period ended 31 March 2018. 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) (effective 1 January 2015)', and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

OBJECTIVES

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

In order to achieve this objective, we organise our work into three areas, namely Research, Campaign and Products. Our goals document defines the objective within each of these areas as follows:

Research

Develop a comprehensive body of research on how people experience economics, and what they ultimately need from it, leading to an understanding of who most needs the work we do (our 'audience'), how we should reform economics (our 'campaign'), and what we should directly offer ourselves (our 'products').

Campaign

Based on the learnings of our research, we devise and deliver a user-tested campaign that brings about institutional-level change towards a more "Understandable Economics", leading to a tangible change in public perception and understanding of economics.

Products

Create a series of products that respond to the calls of our campaign, and that delivers "Understandable Economics" directly to our end user.

Throughout the process of determining these areas, the Trustees confirm that they have complied with the 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.

ACTIVITIES AND ACHIEVEMENTS

Research

The following research activities in the period enabled us to create a campaign that continues to result in long term increased public understanding of economics, and to create products that provide effective economics education for the public.

In the autumn of 2017 *Economy* launched its second major research report called "*What's the economy? Exploring how people feel about economics and why we need to improve it*".

The report outlined findings from research including three YouGov polls, gathering 1,762 testimonials of people's understanding and attitudes to economics from a representative sample of the UK public and reaching over 5,000 people in total. We combined this insight with deeper conversations with people from across the UK, including holding 35 hour-long research interviews and a further 19 in-depth interviews with people recruited from specific user groups and levels of experience with economics. To reach young people, we held two research workshops, which took place at Portsmouth College, Hampshire, engaging 30 young people between the ages of 16–18 with no prior experience of economics.

The report found that the barriers which prevent people from engaging in economics are complex, multifaceted, and pervasive. They relate to class, power, education, self-confidence, emotion, and a widespread feeling that economics isn't about the thing we value the most: people.

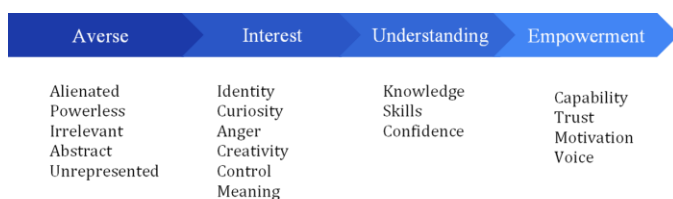
1. A large amount of economic information is seen as complicated and inaccessible.
2. We distrust what we hear and find economic news depressing.
3. We feel socially inhibited from participating in conversations around the economy.
4. 'Economics' represents the opposite of what most of us value: people.

The report recommended that in order to increase economic literacy in society, economics communication needs to be:

1. **Clear** – "Speak in a language I understand."

2. **Relevant** – “Tell me how it affects me.”
3. **Transparent** – “Tell me where the money goes.”
4. **Positive** – “I would like to see more positives in the news.”
5. **Available** – “I wish I’d learned it in school.”
6. **Human** – “It should be showing how people live.”

Economy has also continued developing its user journey, which begins with Aversion (switching off whenever the subject is raised), to Identity (feeling that the subject has something to do with you), then to Understanding (getting to grips with its language and meaning) and finally with Empowerment (feeling confident enough to take some kind of action in the economy).



Economy's early research was featured in *The Econocracy*: on the perils of leaving economics to the experts, a book about the need to democratise economics, co-authored by one of *Economy*'s Trustees which was republished by Penguin in June 2017 and was featured on Newsnight.

Campaign

The following activities are designed to create long term institutional change that will lead to greater public understanding of economics, and a reduced need for charities like *Economy* in the long run.

In November 2017 *Economy* co-hosted the Bank of England's 'Future Forum' in Liverpool, at which members of the public could ask the Bank's Governors about its role in 2018. During the day *Economy* was described by the Bank as at 'the forefront of leading the change in economics communication'.



*The Bank of England's Governors listening to a speech by *Economy*'s Joe Richards at the Bank of England's Future Forum.*

Economy also began developing the case for economic literacy for everyone drawing on the research outlined above. As part of this we began to campaign to make a basic economics education in schools compulsory, developing economics lesson plans and resources from our schools programme (see below) which we could be taught via the PSHE and Citizenship curriculum and which we could disseminate across the UK.

As part of this work *Economy* joined a Public Affairs Committee convened by the PSHE Association which includes NSPCC, The Red Cross, The British Heart Foundation, Young Enterprise, St Johns Ambulance, National Association of Headteachers, National Education Union. As part of this group *Economy* contributed to a joint response to the Government's consultation on PSHE.

The RSA finished its Citizens' Economic Council programme which *Economy* supported and launched its 'Building a Public Culture of Economics' report which credits members of the *Economy* team. In response to the report the Bank of England has committed to setting up Citizens' Reference Panels in every region to help inform its decisions.

Economy has continued to liaise with its Press Working Group which has about 40 participants from across the UK press including the BBC, Channel 4, and ITN, to the Financial Times, Wall Street Journal, Independent, Times, Grazia and more, establishing a forum for discussion of questions around how we can communicate economics better to the public.

Economy held an event called "Everything you ever wanted to know about the economy but were too afraid to ask" at Brian Eno's studio to engage journalists, politicians and other influential figures and

build public support for increased economic literacy and better economic communication.



Some of the Economy Team with Yanis Varoufakis, Ayesha Hazarika, Brian Eno and Ha-Joon Chang at the Economy Quiz

Finally, *Economy* continued to develop its spokesperson presence offering ourselves for user-friendly comment on economic matters across the media including in *the Guardian*, the BBC and Talk Radio.

Products

The following activities describe the work we have done and continue to do to provide immediate resources for people to have a better understanding of and confidence talking about economics.

Online news and entertainment content

- Within our news section, we have produced over 300 pieces of unique content unpicking the economics behind everything from sports, to religion, to celebrity news.
- At the end of the period *Economy* had 5,000 subscribers to our daily users which provides a de-jargoned and fun breakdown of the day's economic news.
- Over the period, website usage grew by 50% on the previous financial year, going from 114,000 to 169,000 unique users. In April 2017 the website received 12,000 monthly unique views and by March 2018 monthly unique views reached 20k.

- Over the year *Economy* syndicated and created bespoke content for platforms that are reaching our target audience, including the HuffPost, Teen Vogue and UNILAD to create engaging, accessible and interesting economics content.
- *Economy* is proud that searching for 'economy' on Google in the UK returns www.ecnmy.org in second or third place behind only Wikipedia and sometimes BBC News. The regularity of *Economy's* news content now also means that our articles sometimes appear in Google's selection of news for 'economy'.

Online learning materials

Over the period we continued to develop our 300 page pluralist, edited, peer-reviewed Learn section of the website, written in our narrative and friendly style, answering questions from 'What is free trade?' and 'What is a bank?' to 'How to we define class?'.

Economic Literacy- Young People

Economy developed and piloted our *Discovering the Economy Around You* toolkit as an extracurricular course for young people aged 14-19 to help them learn about the economy and to help them identify as economic citizens. We piloted a seven session course with 14 Year 9 students at Bow School, Tower Hamlets, and an eight session course with 10 Year 12 students at Dunraven School, Brixton. We then supported our course graduates to put on two events engaging their community.

Over the courses we worked intensively with 24 young people aged between 14 and 17 over a period of 7 to 8 weeks. Importantly the young people participating were from groups less likely to study or work in economics related fields. There was high BAME participation in our Year 9 group while in the UK 82% of academic economists are white. All of our Year 12 group were female where in contrast only 1 in 4 academic economists and economics undergraduates are female. We also held assemblies at Bow School and Dunraven School, which exposed 200 Year 9 and 140 Year 12 pupils to a talk about the economy and how they can engage with it and we ran a workshop for 210 Year 9 students at Southwark Learning Partnership.

Through this work *Economy* developed relationships with several school partners, establishing a pool of potential partner schools across London. The funding allowed us to build relationships across the education and economics sectors leading to conversations about possible partnerships with key organisations ranging from Tutor2u to the Bank of England.

As discussed above the schools programmes gave *Economy* the opportunity to develop and pilot lesson plans and resources which we will then disseminate to teachers nationally as part of our campaign to encourage the teaching of basic economics to everyone at secondary school in the UK.



Students take part in an Economy schools programme

Economic Literacy - Adults

This year *Economy* has been developing its 'Community Crash Course' which we will launch in May 2018. The course is targeted at people who are furthest away from conversations and have least power in the economy. The course consists of ten step by step lessons, each two hours long, in which participants are encouraged to consider how their life experiences relate to the wider economy. The course aims to make participants aware of a balanced and diverse range of economic theories, in a way that is fun, relevant, clear, and jargon-free. To help deliver the course, we are partnering with community organisations that can help us engage people who would normally be averse to economics.

PLANS FOR FUTURE PERIODS

The Charity has the following plans for the next year:

Content Platform

We will continue to develop our digital news and media platform for understandable economics, creating regular video and written content

demystifying both current affairs stories related to the economy, and jargon terms the audience is likely to come across in day to day consumption of the news media. Our focus will be to increase the efficiency in the production of our daily news content, as well as a slight pivot towards more evergreen/long shelf life content.

Community Crash Courses

We will run our first round of five pilot Community Crash Courses in London and Manchester in summer 2018 before rolling out the running of 15 courses in three locations across the UK in early 2019. We will provide a shorter two hour workshop and explore delivering the content in different formats and media. We will also develop the work we do with participants once they finish the course to support them to become active economic citizens.

Schools Programmes

We will continue to develop our schools programme with our partner schools and develop lesson plans and resources. We will seek funding to develop an Ambassadors Programme which will give young people an opportunity to explore the world of economics and become active economic citizens.

Campaign: Education

We will continue to facilitate a campaign for the introduction of mandatory economics education in schools. We will build relationships across the sector and disseminate the lesson plans and schools courses widely. We will explore other support we can provide schools to teach economics across PSHE, Citizenship and off-curriculum including teacher training. We will hold a high profile Economic Literacy for Everyone Summit in London in October 2018 which will gather teachers and national subject associations to build support for more widespread economics education in schools.

Campaign: Understandable Economics General

We will continue to develop our understanding of what 'understandable economics' looks like, incorporating research from user interaction with all our products as to what the public want from economics and how we can pressure those who communicate about the subject to provide it. We will launch a network of professionals working across

economics related sectors exploring how they can communicate economics better and contribute towards achieving our goal of economic literacy for everyone.

Campaign: Press

We will continue to develop relationships with representatives of the media in our Press Working Group. We will develop an online Knowledge Base which will facilitate sharing widely our learning on best practices for an economics communication in the media that the public want.

Theory of Change and Strategy

We will review *Economy's* vision, mission, theory of change and strategy and update based on learning from our first three years.

Economy Community

We will explore how we can work with schools' programmes and crash course participants, website users, professional network members and supporters to build a diverse and dynamic community committed to achieving *Economy's* mission.

STRUCTURE, GOVERNANCE & MANAGEMENT

Economy is a charitable incorporated organisation administered by five 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 2017/18 day to day management of the organisation was delegated to two co-directors, who were responsible for ensuring the operations of the Charity are managed efficiently. They are 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 oversight of 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:

- 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.
- Loss of organisational knowledge – In the event members of *Economy's* staff team leave there is a risk of significant loss of crucial knowledge, expertise and relationships. Being aware of this risk mitigates it as Trustees and Directors will prioritise ensuring proper handover and that historical learning and expertise is effectively retained within the organisation.

FINANCIAL REVIEW

The Charity incurred a deficit of £28,166 in the period (2017 – surplus of £92,157) resulting in total funds at the period-end of £63,991 (2017 – £92,157).

Of the funds held at year end £72,853 (2017 – £92,157) were unrestricted as to use, as a result of a deficit on one restricted fund, 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 period. In preparing these financial statements, the Trustees are required to:

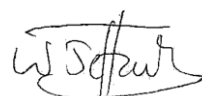
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- 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 8 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 18 December 2018 and signed on its behalf by:



William Jeffwitz
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 2018 as set out on pages 10 to 22.

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:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. 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: 21st DECEMBER 2018

Andy Nash Accounting & Consultancy Ltd
The Maltings
East Tyndall Street
Cardiff
CF24 5EA

STATEMENT OF FINANCIAL ACTIVITIES

For year ended 31 March 2018

	Notes	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Total Funds 2017 £
Income from:					
Donations & legacies	2	14,122	188,199	202,321	342,283
Charitable activities		1,660	–	1,660	–
Investments		56	–	56	11
Total income		15,838	188,199	204,037	342,294
Expenditure on:					
Raising funds	3 & 4	35,142	8,767	43,909	17,380
Charitable activities					
Research	3 & 5	–	26,047	26,047	17,586
Campaign	3 & 5	–	9,082	9,082	98,060
Products	3 & 5	–	153,165	153,165	117,111
Total charitable activities		–	188,294	188,294	232,757
Total expenditure		35,142	197,061	232,203	250,137
Net movement in funds		(19,304)	(8,862)	(28,166)	92,157
Reconciliation of funds:					
Total funds brought forward	9 & 10	92,157	–	92,157	–
Total funds carried forward	9 & 10	72,853	(8,862)	63,991	92,157

The notes on pages 12 to 22 form part of the financial statements

The year-end deficit of £8,862 on restricted funds was met by funds received in 2018/2019 as described in note 9 of the financial statements.

BALANCE SHEET

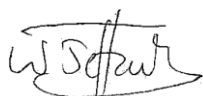
As of at 31 March 2018

	Notes	Total funds 2018 £	Total funds 2017 £
Current assets:			
Debtors	7	208	80,439
Cash at bank and in hand		<u>158,670</u>	<u>49,461</u>
Total current assets		158,878	129,900
Creditors: Amounts falling due			
within one year	8	<u>(94,887)</u>	<u>(37,743)</u>
Total net assets		<u>63,991</u>	<u>92,157</u>
Funds of the charity:			
Restricted income funds	9 & 10	(8,862)	-
Unrestricted funds	9 & 10	<u>72,853</u>	<u>92,157</u>
		<u>63,991</u>	<u>92,157</u>

The notes on pages 12 to 22 form part of the financial statements

The year-end deficit of £8,862 on restricted funds was met by funds received in 2018/2019 as described in note 9 of the financial statements

These financial statements were approved and authorised for issue by the Board of Trustees on 18 December 2018 and signed on their behalf by:



William Jeffwitz
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) (effective 1 January 2015)', 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 period ended 31 March 2018, 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 2018 and the results for the period ended on that date.

Using the exemption available to smaller charities under Update Bulletin 1 to the SORP, published on 2 February 2017, the Board of Trustees has chosen not to include a Statement of Cash Flows within the financial statements.

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 WeWork London Fields, 115 Mare Street, E8 4RU.

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.

Accounting period and comparatives

The prior year financial statements covered the period 14 March 2016 to 31 March 2017, a period slightly over twelve months, as this covers the period from registration to the end of the first accounting period as agreed with the Charity Commission.

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 period, 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.

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.

2. INCOME FROM DONATIONS & LEGACIES

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.

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Grants	2,000	188,199	190,199
Donations	12,122	-	12,122
	<u>14,122</u>	<u>188,199</u>	<u>202,321</u>

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Grants	19,312	242,393	261,705
Donations	80,578	-	80,578
	<u>99,890</u>	<u>242,393</u>	<u>342,283</u>

Of the total income received in the prior year, £167,103 was received by REPCE on behalf of Economy whilst they were awaiting their bank account to be opened.

This £167,103 is split between funds from Cardano Insights totalling £86,979 and other donations totalling £80,124.

3. TOTAL EXPENDITURE

	Direct staff expenditure 2018 £	Direct other expenditure 2018 £	Indirect staff expenditure 2018 £	Indirect other expenditure 2018 £	Total expenditure 2018 £
Raising funds	30,125	312	7,088	6,384	43,909
Charitable activities					
Research	15,550	2,505	4,205	3,787	26,047
Campaign	5,056	1,240	1,466	1,320	9,082
Products	83,916	22,256	24,725	22,268	153,165
	<u>134,647</u>	<u>26,313</u>	<u>37,484</u>	<u>33,759</u>	<u>232,203</u>

	Direct staff expenditure 2017 £	Direct other expenditure 2017 £	Indirect staff expenditure 2017 £	Indirect other expenditure 2017 £	Total expenditure 2017 £
Raising funds	11,831	2,400	410	2,739	17,380
Charitable activities					
Research	1,600	12,799	415	2,772	17,586
Campaign	46,500	33,790	2,315	15,455	98,060
Products	51,698	44,191	2,764	18,458	117,111
	<u>111,629</u>	<u>93,180</u>	<u>5,904</u>	<u>39,424</u>	<u>250,137</u>

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.

Of the total expenditure spent in the prior year, £65,060 was paid by REPCE on behalf of Economy whilst they were awaiting their bank account to be opened.

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

Indirect costs includes the following items:

	Total Funds 2018 £	<i>Total Funds 2017 £</i>
Staff salary costs	37,484	59,539
Staff support costs	4,304	8,350
Office costs	24,225	22,564
Professional fees	2,243	13
Independent examination	1,020	1,020
Other expenses	1,967	346
	71,243	<i>91,832</i>

4. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Direct staff costs	23,623	6,502	30,125
Direct other costs	261	51	312
Indirect staff costs	5,923	1,165	7,088
Indirect other costs	5,335	1,049	6,384
	35,142	8,767	43,909

	<i>Unrestricted Funds 2017 £</i>	<i>Restricted Funds 2017 £</i>	<i>Total Funds 2017 £</i>
Direct staff costs	5,272	6,559	11,831
Direct other costs	1,069	1,331	2,400
Indirect staff costs	183	227	410
Indirect other costs	1,220	1,519	2,739
	<i>7,744</i>	<i>9,636</i>	<i>17,380</i>

5. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Research			
Direct staff costs	–	15,550	15,550
Direct other costs	–	2,505	2,505
Indirect staff costs	–	4,205	4,205
Indirect other costs	–	3,787	3,787
	<hr/> – <hr/>	<hr/> 26,047 <hr/>	<hr/> 26,047 <hr/>
Campaign			
Direct staff costs	–	5,056	5,056
Direct other costs	–	1,240	1,240
Indirect staff costs	–	1,466	1,466
Indirect other costs	–	1,320	1,320
	<hr/> – <hr/>	<hr/> 9,082 <hr/>	<hr/> 9,082 <hr/>
Product			
Direct staff costs	–	83,916	83,916
Direct other costs	–	22,256	22,256
Indirect staff costs	–	24,725	24,725
Indirect other costs	–	22,268	22,268
	<hr/> – <hr/>	<hr/> 153,165 <hr/>	<hr/> 153,165 <hr/>
	<hr/> – <hr/>	<hr/> 188,294 <hr/>	<hr/> 188,294 <hr/>

	<i>Unrestricted Funds 2017 £</i>	<i>Restricted Funds 2017 £</i>	<i>Total Funds 2017 £</i>
Research			
Direct staff costs	-	1,600	1,600
Direct other costs	-	12,799	12,799
Indirect staff costs	-	415	415
Indirect other costs	-	2,772	2,772
	<hr/> -	<hr/> 17,586	<hr/> 17,586
Campaign			
Direct staff costs	-	46,500	46,500
Direct other costs	-	33,790	33,790
Indirect staff costs	-	2,315	2,315
Indirect other costs	-	15,455	15,455
	<hr/> -	<hr/> 98,060	<hr/> 98,060
Product			
Direct staff costs	-	51,698	51,698
Direct other costs	-	44,191	44,191
Indirect staff costs	-	2,764	2,764
Indirect other costs	-	18,458	18,458
	<hr/> -	<hr/> 117,111	<hr/> 117,111
	<hr/> -	<hr/> 232,757	<hr/> 232,757

6. STAFF NUMBERS AND COSTS

	Total Funds 2018 £	<i>Total Funds 2017 £</i>
Gross salaries	161,739	<i>111,629</i>
Employer's NIC	9,297	<i>5,904</i>
Employer's pension	1,095	<i>-</i>
	<u>172,131</u>	<i><u>117,533</u></i>

The average headcount during the period was 8 persons (2017 – 6).

No employee received employee benefits of more than £60,000 (2017 – NIL).

Total remuneration to key management personnel in the period was £63,655 (2017 – £46,501).

Of the total salary costs paid in the prior period, £35,167 was paid by REPCE to staff employed by REPCE on behalf of Economy during the set-up phase of the Charity.

7. DEBTORS

	Total Funds 2018 £	<i>Total Funds 2017 £</i>
Prepayments	208	<i>208</i>
Amount due from REPCE (see note 12)	-	<i>80,231</i>
	<u>208</u>	<i><u>80,439</u></i>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Total Funds 2018 £	<i>Total Funds 2017 £</i>
Trade creditors	267	-
Accruals	1,064	3,983
HMRC creditor	8,001	6,021
Pension creditor	1,969	-
Amount owed to Cardano Insights (see note 12)	18,786	-
Deferred grant revenue	64,800	27,739
	94,887	<i>37,743</i>

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

	Total Funds 2018 £	<i>Total Funds 2017 £</i>
Deferred grant revenue brought forward	27,739	-
Released to grant revenue in the period	(27,739)	-
Grant revenue deferred in the period	64,800	27,739
Deferred grant revenue carried forward	64,800	<i>27,739</i>

9. ANALYSIS OF CHARITY FUNDS

	Funds brought forward 2018 £	Income for the period 2018 £	Expenditure in the period 2018 £	Transfers in the period 2018 £	Funds carried forward 2018 £
Unrestricted funds	92,157	15,838	(35,142)	-	72,853
Restricted funds					
Barrow Cadbury	-	1,600	(1,552)	-	48
BlackRock	-	12,808	(9,538)	-	3,270
Cardano Education Funds	-	144,138	(144,138)	-	-
Esmee Fairbairn Foundation	-	9,100	(9,019)	-	81
Friends Provident Foundation	-	15,528	(28,433)	-	(12,905)
ICAEW	-	5,025	(4,381)	-	644
	-	188,199	(197,061)	-	(8,862)
Total funds	92,157	204,037	(232,203)	-	63,991

Barrow Cadbury

The Charity received funds from Barrow Cadbury to establish a group of alumni from the Rethinking Economics student network to improve economic understanding and decision making amongst policy makers. The funding runs until September 2018.

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 runs until June 2018.

Cardano Education

The Charity received funds from Cardano Education/Cardano Insights during its initial phases to support the set-up process and initial projects. This funding has now come to an end.

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 2019.

Friends Provident Foundation

The Charity received funds from Friends Provident Foundation for phase two of the 'Learn' and 'What Just Happened?!' digital journalism projects. Additional funds were received post year end to meet the deficit in the project.

ICAEW

The Charity received funds from ICAEW for 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.

	<i>Funds brought forward 2017 £</i>	<i>Income for the period 2017 £</i>	<i>Expenditure in the period 2017 £</i>	<i>Transfers in the period 2017 £</i>	<i>Funds carried forward 2017 £</i>
<i>Unrestricted funds</i>	-	99,901	(7,744)	-	92,157
<i>Restricted funds</i>					
Cardano Education Funds	-	242,393	(242,393)	-	-
Total funds	-	342,294	(250,137)	-	92,157

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £
Current assets	84,154	74,724	158,878
Current liabilities	(11,301)	(83,586)	(94,887)
	72,853	(8,862)	63,991

	<i>Unrestricted Funds 2017 £</i>	<i>Restricted Funds 2017 £</i>	<i>Total Funds 2017 £</i>
Current assets	102,161	27,739	129,900
Current liabilities	(10,004)	(27,739)	(37,743)
	92,157	-	92,157

11. TRUSTEE REMUNERATION AND DONATIONS

No Trustees received remuneration or reimbursement of expenses during the current period.

During the prior period, one Trustee, Charlotte Baker, received remuneration of £6,042 for support around publicity and communications, as permitted under clause 6.2.b of the constitution and the relevant sections of the Charities Act 2011.

In addition, one Trustee received £305 reimbursement of travel expenses.

Total unrestricted donations made by Trustees to the Charity in the period came to £NIL (2017 - £80,124).

12. RELATED PARTY TRANSACTIONS

Rethinking Economics

During the prior period, in addition to the transactions with Trustees noted above, the Charity received practical support from – REPCE – Rethinking Economics (reg. charity no. 1158972).

Economy began as a project of Rethinking Economics (REPCE). 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 an Association CIO. 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, and REPCE's Public Education Committee informs Economy's work.

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. Economy's Directors are responsible for running the Charity.

This close relationship enabled the Charity to operate after its registration with the Charity Commission but whilst it was still waiting for its bank account to be set up. During this period, REPCE received income totalling £167,103 on behalf of Economy and paid expenses on behalf of Economy totalling £65,060. In addition, prior to Economy's registration REPCE received net income of £19,312 for Economy, which it agreed to pass to Economy post registration, resulting in a total amount due to Economy from REPCE of £121,355, of which £80,231 was still owed to Economy on 31 March 2017. This amount has now been fully repaid and the two charities are now financially independent of each other.

13. GUARANTEES AND SECURED CHARGES

As of at 31 March 2018 the Charity did not have any outstanding guarantees to third partners nor any debts secured against assets of the Charity.

Cardano Insights

During both the current and prior period, Economy received grant funding from Cardano Insights (formerly Cardano Education B.V.), a company registered in The Netherlands (see notes 2 and 9). Theodorus Kocken who was until 15 December 2017 a Trustee of Economy, and is also a director of Cardano Insights and signed the funding agreement on behalf of Cardano Insights. Whilst there is a potential conflict of interest, the Trustees are happy that it has been minimised in the following three ways.

Firstly, the initial agreement was signed prior to the incorporation of Economy and was signed by Rethinking Economics as an initial conduit for the funds. As a result Theodorus was not involved in the signing of the agreement from the Charity's perspective.

Secondly, whilst Theodorus became a Trustee of Economy upon incorporation, the decision to appoint him as a Trustee was made entirely independent of the funding and before the funding was obtained. The funding agreement does not contain any clauses which permit Cardano Insights to appoint anyone to the Board of Economy.

Thirdly, since incorporation Theodorus has not been involved in any decision making from the Charity's perspective around further funding for Economy from Cardano Insights, to ensure that there is minimal potential for an actual or perceived conflict of interest to occur.

In addition Marja Koolschijn who was until 15 December 2017 both a Trustee of Economy and a director of Cardano Insights, however she had no input into the grant making process within Cardano Insights or into the acceptance process from the Charity's perspective.