

The Economist Charitable Trust

Trustees' report and financial statements

For the year ended March 31st 2019

Registered with the Charity Commission: 293709

The Economist Charitable Trust

Contents

	Page
Trustees' report	2
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11

The Economist Charitable Trust Trustees' annual report

Trustees' report

The trustees present their annual report and financial statements for the year ended March 31st 2019. The Trust is governed by a Trust Deed set up on 20 January 1986.

Principal Activity of the Trust and a review of activities during the year

The principal activity of the Trust is the disbursement of monies received from The Economist Newspaper Limited to various charities. 60-70% of the Trust's donations go to charities in the fields of communication, education, literacy and re-training for individuals and groups who are disadvantaged in some way. Approximately 30-40% of funds are used to match donations made by employees of The Economist Group. Remaining funds are utilised to make small donations to small and local charities.

The average donation in the year was £1,004 (2018: £689). The Trust also receives smaller amounts from various other sources, which are disbursed. At March 31st 2019 the Trust had a surplus of £955 (2018: (£650)). The policy of the Trust is to maintain sufficient reserves to meet its liabilities. Donations recognised by the Trust from The Economist Newspaper Limited during the period were £109,437 (2018: £104,796).

Organisational structure

The Economist Newspaper Limited has set up an advisory panel which determines how 60-70% of the funds are donated and which also tracks donations which are made via matching to employee donations. The trustees monitor and approve the donations made by the advisory panel.

Connected transactions

The Trust receives the majority of its income from The Economist Newspaper Limited, which also pays some administration costs on the trustees' behalf. With this exception, it has had no transactions with persons connected to the Trust.

The Economist Charitable Trust Trustees' annual report

Unpaid volunteers

The Trust places no reliance on unpaid volunteers other than one of the trustees who performs certain administrative responsibilities and who is reimbursed expenses by The Economist Group. The members of the advisory panel are employees of The Economist Group and receive remuneration as employees of The Economist Group.

Public benefits

The trustees are aware of the charity commission guidance on public benefits reporting. They believe the charity has achieved a public benefit by disbursing donations to various good causes.

Achievements and performance

With a new group of trustees in place, 2018/19 saw the Trust accelerate its activities, and focus on raising the profile of the organisation throughout The Economist Group.

We continued with the staff donation matching scheme, and the GAYE matching in the UK. Both of these schemes were promoted internally, with a view to seeing an increase in participation during the 19/20 financial year. Staff matching resulted in £21,152 of donations in 18/19, down 24% from 2017/18. In addition the GAYE scheme matched £16,131 of donations.

Lower participation in the donation matching scheme meant that there were more funds available to support charity projects nominated by the staff members. After an initial screening process by the trustees, during which those charities whose activities did not align closely with the goals of the trust were ruled out, the remaining seven projects were put to a staff vote. The reduced donation matching meant that in the end we were able to support each of these projects, and assigned a higher donation to the winner of the staff vote. These projects were: Indigo Children's Fund (winner of the staff vote, received £19,500), Certitude (£10,000), Book Aid International (£10,000), Future Hope, (£10,000), English for Action (£10,000), Medical Aid Films, (£10,000).

All major regions that The Economist Group operates in were represented by these charities. This was one of the goals the trustees have hoped to address at the beginning of the year.

The Economist Charitable Trust Trustees' annual report

For 19/20 the plan is to continue the process as it currently stands, but increase staff participation in donation matching. This means we expect to have slightly lower project donations, but a similar overall expenditure.

Reserves policy

The Trust's charitable donations and activities are funded by The Economist Newspaper Limited. The policy of the Trust is to maintain sufficient reserves to cover any liquidity issues caused by timing differences between receipt of income and payment of donations or other liabilities. There is a limited need to hold reserves since other than donations payable, there are minimal liabilities. The timing of making charitable donations is at the discretion of the trustees and decisions taken on the timing of payments are based on the availability of funds.

Financial review

The Trust finished the year with a net surplus of 1,605. All of the funds are unrestricted and will be used in line with the Trust's reserves policy

The Economist Charitable Trust
Trustees' annual report

Administrative information

Professional and financial advisors

The Trust holds a current and deposit bank account with Barclays Bank PLC, 1 Churchill Place, LONDON, E14 5HP.

A Epton has carried out an independent examination of the accounts. His address is Goldwins Chartered Accountants, 75 Maygrove Road, West Hampstead, London, NW6 2EG.

Registered address

The registered address of the Trust is The Adelphi, 1-11 John Adam Street, London, WC2N 6HT.

Trustees

The trustees who served during the year and at the date the annual report was signed are set out below:

Trustee	Start date	Current term end date
Jamie Credland (Chair)	1 March 2018	31 March 2020
Kiran Malik	1 March 2005	31 March 2020
Susan Clark	1 March 2014	31 March 2021
Ursula Esling	1 March 2018	31 March 2020
Agathe Demarais	1 January 2019	31 January 2021
Mark Cripps	1 January 2019	31 January 2021
Nidhi Kohli	1 January 2019	31 January 2021
Farheen Chinoy	1 January 2019	31 January 2021

None of the trustees received remuneration or expenses from the Trust.

Trustees' responsibilities

The trustees are responsible for the preparation of financial statements for each financial year, which give a true and fair view of the Charitable Trust's incoming resources and application of resources during the year and of its state of affairs at the end of the year.

In preparing those financial statements they are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements

The Economist Charitable Trust
Trustees' annual report

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Trust will continue in operation

Their responsibilities as trustees include keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Trust and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the charity's assets and hence for taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

Approved by the trustees and signed on their behalf by:



J. Credland
Trustee

Date: 19 December 2019

Independent Examiner's Report to the Trustees of The Economist Charitable Trust

I report on the Financial Statements of the Trust for the year ended March 31st 2019.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charitable Trust 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 you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

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

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Act have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Anthony Epton
Anthony Epton BA, FCA, CTA, FCIE
Goldwins
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

16 January 2020

The Economist Charitable Trust
Statement of financial activities
For the year ended March 31st 2019

	Note	Unrestricted £	Restricted £	2019 Total £	2018 Total £
Income from:					
Donations	3	109,437	-	109,437	108,726
Other income	4	-	-	-	-
Total income		109,437	-	109,437	108,726
Expenditure on:					
Charitable activities	5	107,832	-	107,832	110,995
Total expenditure		107,832	-	107,832	110,995
Net movement in funds		1,605	-	1,605	(2,269)
Reconciliation of funds:					
Total funds brought forward	10	(650)	-	(650)	1,619
Total funds carried forward		955	-	955	(650)

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

The Economist Charitable Trust
Balance sheet
As at March 31st 2019

	Note	2019 £	2019 £	2018 £	2018 £
Current assets:					
Debtors	8	87,236		66,307	
Cash at bank and in hand	12	<u>5,587</u>		<u>146</u>	
		92,823		66,453	
Liabilities:					
Creditors: amounts falling due within one year	9	<u>(91,868)</u>		<u>(67,103)</u>	
Total net assets			955		(650)
Funds					
	10				
Restricted funds			-		-
Unrestricted funds:					
General funds		<u>955</u>		<u>(650)</u>	
Total unrestricted funds			955		(650)
Total funds			955		(650)

The financial statements were approved and authorised for issue by the Trustees on 19 December 2019 and signed on their behalf by:



J P Credland
Trustee

The attached notes form part of the financial statements.

The Economist Charitable Trust
Statement of cash flows
For the year ended March 31st 2019

	Note	2019	2019	2018	2018
		£	£	£	£
Cash flows from operating activities:					
Net cash used in operating activities	11		5,441		(2,268)
Change in cash and cash equivalents in the year			5,441		(2,268)
Cash and cash equivalents at the beginning of the year			146		2,414
Cash and cash equivalents at the end of the year	12		5,587		146

The Economist Charitable Trust
Notes to the financial statements
For the year ended March 31st 2019

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with 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) - (Charities SORP FRS 102).

The Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

b) Going concern

The Trustees consider that there are no material uncertainties about the Charitable Trust's ability to continue as a going concern. The Trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c) Income

Income is recognised when the Charitable Trust has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Trust; this is normally upon notification of the interest paid or payable by the bank.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the Charitable Trust.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprises of costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering services to further the purposes of the Charitable Trust and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

g) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

The Economist Charitable Trust
Notes to the financial statements
For the year ended March 31st 2019

1 Accounting policies (continued)

h) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

i) Creditors and provisions

Creditors and provisions are recognised where the Charitable trust 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Economist Charitable Trust
Notes to the financial statements
For the year ended March 31st 2019

2 Detailed comparatives for the statement of financial activities

	2018	2018	2018
	Unrestricted	Restricted	Total
	£	£	£
Income from:			
Donations	108,726	-	108,726
Investments	-	-	-
Total income	108,726	-	108,726
Expenditure on:			
Charitable activities	110,995	-	110,995
Total expenditure	110,995	-	110,995
Net movement in funds	(2,269)	-	(2,269)
Total funds brought forward	1,619	-	1,619
Total funds carried forward	(650)	-	(650)

3 Income from donations

	Unrestricted	Restricted	2019	2018
	£	£	Total	Total
	£	£	£	£
Donations from The Economist Newspaper Ltd	109,437	-	109,437	104,796
Other Donations - Surplus	-	-	-	3,930
	109,437	-	109,437	108,726

4 Other income

	Unrestricted	Restricted	2019	2018
	£	£	Total	Total
	£	£	£	£
Bank interest	-	-	-	-
	-	-	-	-

The Economist Charitable Trust
Notes to the financial statements
For the year ended March 31st 2019

5 Analysis of expenditure

		Charitable Activities			
	Basis of allocation	Donations made to Institutions £	Governance costs £	2019 Total £	2018 Total £
Indigo Children's Fund	Direct	19,500	-	19,500	-
Certitude	Direct	10,000	-	10,000	-
Book Aid International	Direct	10,000	-	10,000	-
Future Hope	Direct	10,000	-	10,000	-
English for Action	Direct	10,000	-	10,000	-
Medical Aid Films	Direct	10,000	-	10,000	-
Staff Matching	Direct	21,152	-	21,152	-
Others (include GAYE)	Direct	16,131	1,049	17,180	-
Donations and Project Grants - various		-	-	-	110,995
		106,783	1,049	107,832	110,995
Governance cost		1,049	(1,049)	-	
Total expenditure 2019		107,832	-	107,832	110,995
Total expenditure 2018		110,995	-	-	

Of the total expenditure, £107,832 was unrestricted (2018: £110,995) and £Nil was restricted (2018: £Nil).

6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

The charity trustees were not paid or received any other benefits from employment with the Charitable Trust or its subsidiary in the year (2018: £nil) neither were they reimbursed expenses during the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Staff numbers

The Charitable Trust employed no employees during the year.

7 Taxation

The Charitable Trust is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

The Economist Charitable Trust
Notes to the financial statements
For the year ended March 31st 2019

8 Debtors

	2019 £	2018 £
Accrued income	87,236	66,307
	<u>87,236</u>	<u>66,307</u>

9 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	91,868	67,103
	<u>91,868</u>	<u>67,103</u>

10 Movements in funds

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Unrestricted funds:					
General funds	(650)	109,437	(107,832)	-	955
Total unrestricted funds	<u>(650)</u>	<u>109,437</u>	<u>(107,832)</u>	<u>-</u>	<u>955</u>
Total funds	<u>(650)</u>	<u>109,437</u>	<u>(107,832)</u>	<u>-</u>	<u>955</u>

11 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019 £	2018 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,605	(2,269)
(Increase)/ decrease in debtors	(20,929)	13,881
Increase/ (decrease) in creditors	24,765	(13,880)
Net cash used in operating activities	<u>5,441</u>	<u>(2,268)</u>

12 Analysis of cash and cash equivalents

	At 1 April 2018 £	Cash flows £	Other changes £	At 31 March 2019 £
Cash at bank and in hand	146	5,441	-	5,587
Total cash and cash equivalents	<u>146</u>	<u>5,441</u>	<u>-</u>	<u>5,587</u>

The Economist Charitable Trust
Notes to the financial statements
For the year ended March 31st 2019

13 Related party transactions

The Charitable Trust received a donation from The Economist Newspaper Limited in the year of £109,437 (2018: £108,726). The Economist Newspaper Limited also pays some of the costs on behalf of the Charitable Trust. At the end of the financial year the Charitable Trust has an amount due from The Economist Newspaper Limited of £87,236 (2018: £66,307) relating to large donations to be paid. With this exception there were no other transactions with persons connected to the Charitable Trust.

THE ECONOMIST CHARITABLE TRUST

Notes to the financial statements for the year ended March 31st 2019

Purpose of the Projects

Indigo Children's Fund

The Trust awarded a one-off donation of £19,500 to Indigo Children's Fund, a charity providing support and refuge for vulnerable young girls from or around the city landfill of Cagayan De Oro, The Philippines. The grant would be used to build safe accommodation, support and learning environment.

Certitude

The Trust awarded a one-off donation of £10,000 to Certitude, a charity that supports people with learning disabilities, autism and mental health issues. The donation will help them offer training and support to healthcare professionals to treat people with learning disabilities.

Book Aid International

The Trust awarded a one-off donation of £10,000 to Book Aid International, a charity that aims increase reading by primary school children through the establishment of basic, functioning school libraries in The Gambia.

Future Hope

The Trust awarded a one-off donation of £10,000 to Future Hope, a charitable organisation that provides homes, school, sports and medical programmes for some of the most vulnerable children in Kolkata, India. The grant will be used to improve a school by building a modern, safe and well-equipped Science Laboratory.

English for Action

The Trust awarded a one-off donation of £10,000 to English for Action (EFA) a charity that supports migrants and refugees in the UK through the teaching of English. The grant will be used to set up a new class in Hackney for migrants and refugees, taught by a qualified and experienced ESOL teacher.

Medical Aid Films

The Trust awarded a one-off donation of £10,000 to Medical Aid Films, a charity that develops life-saving educational films to transform the health and well-being of women and children. The grant will be used to develop films that deliver life-saving knowledge to health workers and community health volunteers in Zambia.