



## **ECONOMY**

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

**PERIOD ENDED 31 MARCH 2017**

**Registered charity no. 1166046**



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# ECONOMY - ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period ended 31 March 2017

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**ECONOMY - LEGAL AND ADMINISTRATIVE INFORMATION**

For the period ended 31 March 2017

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**Board of Trustees** William Horwitz *Chairperson*  
Charlotte Baker  
Jonah Earle  
Theodorus Kocken  
Marja Koolschijn

**Charity reg. no.** 1166046

**Registered address** Economy  
WeWork London Fields  
115 Mare Street  
E8 4RU

**Independent examiner** Andy Nash Accounting & Consultancy Ltd  
Suite 7, Three Gables  
Corner Hall  
Hemel Hempstead  
Hertfordshire  
HP3 9HN

**Bankers** Triodos Bank  
Deanery Road  
Bristol  
BS1 5AS

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## ECONOMY – BOARD OF TRUSTEES’ REPORT

For the period ended 31 March 2017

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The Board of Trustees submit their annual report and the financial statements of Economy for the period ended 30 March 2017. 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, 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 deliver “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 create products that provide effective economics education for the public.

- Commissioned and analysed YouGov surveys reaching 3,400 people exploring themes of understanding, trust, and empowerment;
- Qualitative 1-to-1 interviews totally 59 hours exploring people’s relationship with economics;
- Regular user testing sessions assessing the quality and effectiveness of our content, leading to a better understanding of our audience;
- Audience Research Workshops which include a variety of methods for exploring further the relationship between our audience and economics in general. Including school workshops, focus groups, and street interviews;
- Development of our Theory of Change which establishes a user journey with economics, beginning with Identity (feeling that the subject has something to do with you) Understanding (getting to grips with its language and meaning) and Empowerment (feeling confident enough to take some kind of action in the economy); and,
- Development of our Impact Assessment model using NESTA ratings, leading to better evaluation of our effectiveness at carrying out our theory of change.

### 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.

- Establishment of a Press Working Group with in the region of 40 members of the UK press from 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;
- Used our research findings to develop our Understandable Economics Design Specification (Prototype) which, using User Experience methodology, lays out some basic recommendations for how to communicate economics in a way that more people will find more accessible;

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## ECONOMY – BOARD OF TRUSTEES’ REPORT

For the period ended 31 March 2017

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- Created relationships within Education, researching existing efforts to have economics taught within schools, and carried out workshops within a number of primary and secondary schools, prototyping lessons formats for basic economic literacy;
- Begun relationships and strategy development for our campaign with the Financial Sector, Politics and Academia;
- Developed our spokesperson presence offering ourselves for user-friendly comment on economic matters to the UK and global press, which has led to appearances on BBC News, Talk Radio and Russia Today;
- Communication of our campaign to the press, leading to coverage in The Guardian, The Independent, The I, Times Higher Education, BBC 6 Music, and The Daily Mail; and,
- Communicated our statistic that only 12% of people find economics as discussed in the media and by politicians accessible, to the effect that it is now quoted by the Chief Economist at The Bank of England

### 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 learning materials*

- Researched and created over 200 pages of pluralist, edited, peer-reviewed and referenced content explaining economics, 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?’; and,
- Launched the 1st in our series of Economy Explains videos on YouTube.

#### *Online news and entertainment content*

- Published over 350 pieces of original news and entertainment content via our website and across Facebook and YouTube, making sense of more complex economics news pieces, and providing fresh new way into economics attracting people traditionally turned off by it using our brands Economy Asks, Economy Meets, Economy Laughs and Economy Explores;
- Built a subscription base of 2,200 users receiving our in-house written de-jargonned summary of the weeks important economics news, written in our unique approachable personality; and,

- Commissioned over 100 writers, filmmakers, artists and comedians to produce content externally, as well as developing our internal expertise and creating content internally.

#### *Community engagement products*

- Trialled and developed our 10-part Economics Community Crash Course;
- Developed our first Economics ‘Tool Kit’ in partnership with the RSA, comprising 13 group exercises designed to take participants along our audience journey of Identity, Understanding and Empowerment;
- Developed and illustrated our ‘Map of the Economy’ which puts the viewer in the centre of the map, and encourages the to explore the economy around them; and,
- Beginnings of our volunteer base to help distribute and facilitate group activity using the aforementioned resources.

### PLANS FOR FUTURE PERIODS

The charity has the following plans for the next couple of years:

#### *Media Platform*

We will continue to develop our digital 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.

#### *Learn*

We will seek funding to develop our Learn platform, redesigning it in line with user feedback, updating the structure of the content to reflect our research learnings on people’s relationship to the subject of economics, and exploring new forms of presenting the information within media such as apps, videos, or illustrations.

#### *Crash Course community engagement 10-part courses*

We will use materials already created by our team for a 10-part Crash Course on the economy to develop and promote lesson plans for a community engagement programme to be rolled out in marginalized communities across the UK. We will assemble a network of trained volunteers to carry out these courses and report back findings to our team to feed into a second iteration of the product.

#### *Discovering the Economy Accelerator*

We will pilot a six week schools programme for students in disadvantaged areas around the UK built around the

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## ECONOMY – BOARD OF TRUSTEES’ REPORT

For the period ended 31 March 2017

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Discovering the Economy Toolkit we produced in conjunction with the RSA. The programme will incorporate a heavy evaluation element to constitute our first long-term impact evaluation.

### *Campaign: Education*

We will facilitate a campaign for the introduction of mandatory economics education in schools. We will create a lesson plan and a strategy to incorporate economics education into the PSHE module in schools across the UK, working together with other actors and stakeholders.

### *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.

### *Campaign: Press*

We will continue to develop relationships with representatives of the media in our Press Working Group, sharing recommendations based on audience research on what the public want from economics communication in the media and facilitating discussion on how to carry out said recommendations in a sustainable way.

### *Campaign: Politics*

We will develop and carry out a strategy for lobbying government and political parties to communicate better with the public on economics. We will use both a grassroots approach by galvanize public support via our audience-focused products for understandable economics, and identify groups within government able to catalyze conversation on improving communication with the public and pressuring them to do so.

## **STRUCTURE, GOVERNANCE & MANAGEMENT**

Economy is a charitable incorporated organisation administered by five trustees and governed by its constitution dated 5<sup>th</sup> September 2015. It was registered with the Charity Commission on 14<sup>th</sup> 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

kept to institutionalise the important role that the Rethinking Economics student movement plays in Economy's work. Therefore Economy was set up as an 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, 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.

### **Key management personnel**

Day to day management of the organisation is delegated to two co-directors, who are 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.

### **Remuneration policy**

All staff appointments are authorised by the Board of Trustees, minuting the dates and salary level. Similarly, all changes in hours and other payments such as overtime. etc., are authorised by the trustees.

### **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:

- *Impartiality of produced content* – Economy has a rigorous editorial review process to ensure that all content is as impartial as possible. Also, all contributors are expected to sign an editorial agreement which highlights the importance of impartiality.
- *Funding is not diversified enough and the charity becomes over-dependent on one funder* – Economy now has a dedicated fundraiser who is responsible

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## ECONOMY – BOARD OF TRUSTEES’ REPORT

For the period ended 31 March 2017

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for diversifying income via a number of different channels.

- *Cyber-attack* – Economy is currently reviewing its cyber security procedures to ensure that the security arrangements in place around the website are as robust as possible.

### FINANCIAL REVIEW

The charity achieved a surplus of £92,157 in the period resulting in total funds at the period-end of £92,157. All funds at year end 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. £25,000). As the charity grows in 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 income over expenditure 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.

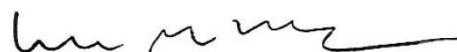
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain

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 6 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<sup>nd</sup> June 2017 and signed on its behalf by:



William Horwitz  
**Chairperson**



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## INDEPENDENT EXAMINER'S REPORT

For the period ended 31 March 2017

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### Independent Examiner's Report to the Board of Trustees of Economy (registered charity no. 1166046)

I report on the financial statements of the charity for the period ended 31 March 2017, which are set out on pages 8 to 15.

#### *Respective responsibilities of trustees and examiner*

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 (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*

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 Charities Act; and
  - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave 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.

APN

### *Andrew Philip Nash ACA*

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

Dated: 15th August 2017

*Andy Nash Accounting & Consultancy Ltd*  
Suite 7, Three Gables  
Corner Hall  
Hemel Hempstead  
Hertfordshire  
HP3 9HN



Andy Nash Accounting & Consultancy

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**ECONOMY - STATEMENT OF FINANCIAL ACTIVITIES**For the period ended 31 March 2017

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		Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
	<i>Notes</i>			
<b>Income from:</b>				
Donations & legacies	2	99,890	242,393	342,283
Investments		11	-	11
<b>Total income</b>		<u>99,901</u>	<u>242,393</u>	<u>342,294</u>
<b>Expenditure on:</b>				
Raising funds	3 & 4	7,744	9,636	17,380
Charitable activities				
Research	3 & 5	-	17,586	17,586
Campaign	3 & 5	-	98,060	98,060
Products	3 & 5	-	117,111	117,111
Charitable activities		<u>-</u>	<u>232,757</u>	<u>232,757</u>
<b>Total expenditure</b>		<u>7,744</u>	<u>242,393</u>	<u>250,137</u>
<b>Net movement in funds</b>		<b>92,157</b>	<b>-</b>	<b>92,157</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	9	-	-	-
<b>Total funds carried forward</b>	<b>9</b>	<u><u>92,157</u></u>	<u><u>-</u></u>	<u><u>92,157</u></u>

There are no comparative figures as this is the first set of financial statements for the charity

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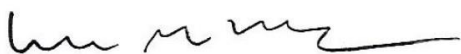
**ECONOMY - BALANCE SHEET**As at 31 March 2017

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	<i>Notes</i>		<b>Total funds 2017 £</b>
<b>Current assets:</b>			
Debtors	7	<b>80,439</b>	
Cash at bank and in hand		<u><b>49,461</b></u>	
<i>Total current assets</i>			<b>129,900</b>
<b>Liabilities:</b>			
Creditors: Amounts falling due within one year	8		<b>(37,743)</b>
<b>Total net assets</b>			<u><u><b>92,157</b></u></u>
<b>Funds of the charity</b>			
Restricted income funds	9		-
Unrestricted funds	9		<b>92,157</b>
			<u><u><b>92,157</b></u></u>

There are no comparative figures as this is the first set of financial statements for the charity

These financial statements were approved and authorised for issue by the Board of Trustees on 22<sup>nd</sup> June 2017 and signed on their behalf by:



William Horwitz  
**Chairperson**

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## ECONOMY - NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2017

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### 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 2017, 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 2017 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 2016, 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.

#### *Accounting period and comparatives*

The financial statements cover 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. In addition, because of it covering the first accounting period, there are no comparative figures to present.

#### *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 8 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.

## ECONOMY - NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2017

### 2. INCOME FROM DONATIONS & LEGACIES

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Cardano Education grant	-	242,393	242,393
REPCE initial grant	19,312	-	19,312
Other donations	80,578	-	80,578
	<u>99,890</u>	<u>242,393</u>	<u>342,283</u>

Of the total income received in the 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 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.

Indirect costs includes the following governance costs:

	Total Funds 2017 £
Independent examiner's fee	1,020

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

Of the total expenditure spent in the 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.

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**ECONOMY - NOTES TO THE FINANCIAL STATEMENTS**For the period ended 31 March 2017

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**4. EXPENDITURE ON RAISING FUNDS**

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
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
	<u>7,744</u>	<u>9,636</u>	<u>17,380</u>

**5. EXPENDITURE ON CHARITABLE ACTIVITIES**

	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
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
	<u>-</u>	<u>17,586</u>	<u>17,586</u>
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
	<u>-</u>	<u>98,060</u>	<u>98,060</u>
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
	<u>-</u>	<u>117,111</u>	<u>117,111</u>
	<u>-</u>	<u>232,757</u>	<u>232,757</u>

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**ECONOMY - NOTES TO THE FINANCIAL STATEMENTS**For the period ended 31 March 2017

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**6. STAFF NUMBERS AND COSTS**

	Total Funds 2017 £
Gross salaries	111,629
Employer's NIC	5,904
	<u>117,533</u>

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

The average headcount during the period was 6 persons.

No employee received employee benefits of more than £60,000.

Total remuneration to key management personnel in the period was £46,501.

**7. DEBTORS**

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

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

	Total Funds 2017 £
Accruals	3,983
Amounts due to HMRC	6,021
Deferred revenue	27,739
	<u>37,743</u>

Deferred revenue relates to an amount received from Cardano Insights in March 2017 for expenditure incurred in April 2017.

## ECONOMY - NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2017

### 9. ANALYSIS OF CHARITY FUNDS

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

During the period £242,393 was received from Cardano Insights to fund the charitable activities of the charity, as well as support the growth and sustainability of the charity

moving forward. All funds received in the year were spent in the year other than the £27,739 recognised in deferred revenue in note 8 above.

### 10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

### 11. TRUSTEE REMUNERATION AND DONATIONS

During the 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 £80,124.



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## ECONOMY - NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 March 2017

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### 12. RELATED PARTY TRANSACTIONS

#### Rethinking Economics

During the 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. A schedule for the remaining transfer has been agreed and once this has been completed

### 13. 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

### 14. GUARANTEES AND SECURED CHARGES

As of at 31 March 2017 the charity did not have any outstanding guarantees to third partners nor any debts secured against assets of the charity.

the two charities will be financially independent of each other.

#### Cardano Insights

During the period, Economy received £242,393 from the Cardano Insights (formerly Cardano Education B.V.), a company registered in The Netherlands (see notes 2 and 9). Theodorus Kocken who is a trustee of Economy, 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 is 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.

meet current commitments. There are no material uncertainties that impact this assessment.