

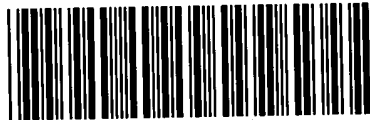
Registered number 7927534
Registered charity number 1147661

THE ECONOMIST EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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THE ECONOMIST EDUCATIONAL FOUNDATION
("Foundation")
(A COMPANY LIMITED BY GUARANTEE)

Contents	Page
Reference and administrative information	1
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 EDUCATIONAL FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

Reference and administrative information

Charity number 1147661

Company number 7927534

Directors and Trustees Daniel Franklin
Michael Brunt
Toby Burton
Stephen Godsell
Catriona Maclay (resigned 16.5.2017)
Martyn Caddick (appointed 21.11.2016)

Chief Executive officer Emily Evans

Secretary Anna Samuelsson

Registered office The Adelphi
1-11 John Adam Street
London
WC2N 6HT

Accountants Goldwins
Chartered Accountants
75 Maygrove Road
West Hampstead
London NW6 2EG

THE ECONOMIST EDUCATIONAL FOUNDATION (the "Foundation")

(A COMPANY LIMITED BY GUARANTEE)

Trustees' annual report

The trustees present their report and financial statements for the year ended 31st March 2017.

Constitution and principal activities

The Foundation was incorporated in England and Wales as a private company limited by guarantee on 30th January 2012 and was registered with the Charity Commission on 12th June 2012. This report includes the directors' report as required by company law.

The Foundation is established for charitable purposes to provide educational experiences and materials about current affairs, key world events, culture, business and finance, science and technology for socially and economically disadvantaged young people.

Organisational structure

The Board of trustees is composed of five persons who fulfil the statutory duties and responsibilities of trustees. The Board meets at least quarterly to manage the activities of the Foundation and to review its operation and policies.

The trustees who served on the board during the year are as follows:

Daniel Franklin (Chairman)
Toby Burton
Michael Brunt
Stephen Godsell
Catriona Maclay (resigned 16.5.2017)
Martyn Caddick (appointed 21.11.2016)

Stephen Godsell and Martyn Caddick are non-executive trustees of the Foundation whilst the remainder of the trustees are employees of The Economist Newspaper Limited and receive remuneration as employees of The Economist Newspaper Limited.

Connected transactions

None of the trustees have any beneficial interest in the Foundation.

The Foundation received a donation from The Economist Newspaper Limited, which also donates some facilities and services. It also pays some costs on behalf of the Foundation. With this exception it had no transactions with persons connected to the Foundation.

THE ECONOMIST EDUCATIONAL FOUNDATION (the “Foundation”)

(A COMPANY LIMITED BY GUARANTEE)

Trustees' annual report

Review of activities, public benefit and achievements

Activities

All the Foundation's charitable activities aim to tackle the cycle of inequality by giving disadvantaged young people the skills to think for themselves about current affairs. It gives 8- to 16-year-olds who are most in need the tools to improve their opportunities:

- Knowledge – Accurate in-depth knowledge of current affairs.
- Skills – The skills to think for themselves about current affairs: reasoning, curiosity, scepticism, storytelling and open-mindedness.
- Confidence – The confidence to have their say on issues that affect them.

The Foundation achieves its mission through its schools programme, the Burnet News Club, (“BNC”), which is a network of school news clubs that develops young people's thinking skills through inspiring, challenging discussions about current affairs.

Schools that participate in the BNC receive teacher training, resources and news content for young people written by journalists of *The Economist*. The work young people produce in the BNC is published on a unique online hub where they can engage in discussions with each other and experts on the issues.

Public benefit

The trustees are aware of the Charity Commission guidance on public benefit reporting and are satisfied that the activities of the Foundation meet the requirements for them to be considered as being provided for the public benefit.

Impact measurement studies by the Foundation confirm the following statistics illustrating how young people have benefited from the BNC:

- 96% of teachers say the BNC has a positive impact on the young people most in need;
- 88% of teachers said the BNC has had a positive effect on student literacy;
- 96% of teachers said that BNC news content is better than other young persons' news content;
- BNC young people make, on average, 40% more progress than control group young people in demonstrating logical arguments. They show 67% more progress in showing healthy scepticism about the news, and 114% more progress in open-minded negotiation with others about current affairs.

Charity Governance Code

Although the Charity Governance Code is not a legal or regulatory requirement the Foundation seeks to run its charitable activities in line with the Code's main principles and recommended practice for good governance, taking into account the size and nature of the Foundation.

THE ECONOMIST EDUCATIONAL FOUNDATION (the “Foundation”)

(A COMPANY LIMITED BY GUARANTEE)

Trustees' annual report

Achievements

The Foundation's activities during the year were mainly focused on expanding and enhancing the BNC, to reach more young people and deepen impact in each school.

Due to school recruitment efforts during the reporting year, the BNC grew to reach 70 schools across the UK in a diverse range of communities including London, Medway, South Wales, Yorkshire, Lincolnshire and the Midlands. This expansion took place despite an extremely difficult year for UK school budgets, showing the demand for the BNC and its potential to continue to grow.

The Foundation was very successful in earning income from school fees, showing strong potential for sustainable future growth. It still heavily subsidises the cost to schools, through fundraising.

In January 2017 the Foundation piloted a highly successful, innovative new addition to the BNC programme: an immersive documentary theatre event for BNC schools. There were two performances in the Pleasance Theatre, London and one in the Theatre Royal, York. The event's aim was to inspire teachers and young people to boost engagement in the BNC programme. It was successful: there was a large increase in engagement on the BNC online Hub following the event, and 100% of teachers said they would recommend the event.

Future developments and KPIs

The Foundation is now working on developing its documentary theatre event format so that it can be made available to all BNC schools across the country in 2018.

In the coming year, the Foundation is committed to these strategic objectives:

School recruitment

Grow the number of participating schools, connecting a diverse range of communities across the UK where there is most need, focusing on areas of low educational attainment.

Teacher development and support

Build a scalable, impact-enhancing school support model which maximises: teacher engagement, quality of delivery, curriculum integration and the involvement and support of young people most in need (prioritising young people eligible for pupil premium funding).

BNC Hub development

Build a new BNC Hub: a publishing and e-learning platform that will enable the BNC to reach more schools and offer increased support to teachers and young people.

The Foundation is also committed to continuing to diversify income sources for sustainable future growth.

THE ECONOMIST EDUCATIONAL FOUNDATION (the “Foundation”)

(A COMPANY LIMITED BY GUARANTEE)

Trustees' annual report

Financial review

The Foundation was successful in raising funds in the reporting year: there was sufficient funding available to cover all costs as well as complying with the Foundation's conservative reserves policy at the year end.

The Foundation primarily relies on donations to deliver its programmes but has successfully achieved more diversified income sources in the financial period by introducing charges for schools' membership of the BNC. In fact, over 35% of the Foundation's total income in the period was raised from school charges.

The charges, which are heavily subsidised by the Foundation, not only help to ensure commitment from the schools and increase the impact of the BNC but they also provide the Foundation with a sustainable source of income that can scale year on year.

Currently, the Foundation spends 86% of its income on directly delivering its projects, and only 14% on overheads. Over 87% of total staff time is spent directly delivering the BNC. The Economist Group helps the Foundation to keep overheads costs low, by donating office space and facilities, IT, and volunteer HR, finance and IT support.

Reserve policy

The trustees appreciate the uncertain nature of the economic conditions ahead and have resolved that the Foundation should maintain cash and readily realisable assets sufficient to fund the equivalent of no less than six months of staff expenditure.

In the unlikely event of the Foundation facing difficult financial circumstances, this would allow it to both meet its responsibilities to restricted donors and for the Foundation staff to continue being paid during a period of managed adjustment to these new circumstances.

This policy required the Foundation to hold at least £79,941 in liquid and readily realisable assets.

Funds held at 31 March 2017 were as follows:

Restricted funds designated for staff salaries	-
Remaining funds held as general funds	119,187
Total funds available for staff salaries	119,187
Restricted funds designated for projects	-
Total funds	119,187

The funds were therefore sufficient to comply with the reserves policy.

THE ECONOMIST EDUCATIONAL FOUNDATION (the "Foundation")

(A COMPANY LIMITED BY GUARANTEE)

Trustees' annual report

Trustees' Responsibilities

Statement of responsibilities of the trustees.

The trustees (who are also directors for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the Foundation for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS102)
- Make judgements 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
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website.

By order of the Board



Anna Samuelsson
Company Secretary

Date *November 16th* 2017

Registered office
The Adelphi
1-11 John Adam Street
London
WC2N 6HT

Independent examiner's report to the trustees of the Economist Educational Foundation

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31st March 2017.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

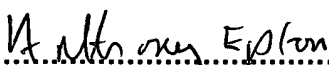
Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

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

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.


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

20/01/17

The Economist Educational Foundation
Statement of financial activities
(incorporating an income and expenditure account)
For the year ended 31 March 2017

	Note	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Income from:					
Donations	3	150,134	15,000	165,134	196,156
Investments	4	88	-	88	103
Total income		150,222	15,000	165,222	196,259
Expenditure on:					
Charitable Activities	5	34,249	129,919	164,168	160,369
Total expenditure		34,249	129,919	164,168	160,369
Net income / (expenditure)		115,973	(114,919)	1,054	35,890
Net movement in funds		115,973	(114,919)	1,054	35,890
Reconciliation of funds:	10				
Total funds brought forward		3,214	114,919	118,133	82,243
Total funds carried forward		119,187	-	119,187	118,133

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 Educational Foundation
Balance sheet
As at 31 March 2017

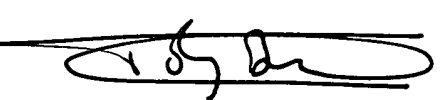
	Note	2017 £	2017 £	2016 £	2016 £
Current assets:					
Cash at bank and in hand	12	127,307		128,761	
Debtors	8	5,938		-	
		<u>133,245</u>		<u>128,761</u>	
Liabilities:					
Creditors: amounts falling due within one year	9	<u>(14,058)</u>		<u>(10,628)</u>	
Total net assets / (liabilities)			<u>119,187</u>		<u>118,133</u>
Funds					
	10				
Restricted funds			-		114,919
Unrestricted funds:					
General funds		<u>119,187</u>		<u>3,214</u>	
Total unrestricted funds			<u>119,187</u>		<u>3,214</u>
Total funds			<u>119,187</u>		<u>118,133</u>

For the financial period ended 31st March 2017, the Foundation was entitled to exemption from audit under Section 477 of the Companies Act 2006, and no notice has been deposited under Section 476. However, in accordance with Section 145 of the Charities Act 2011, the financial statements have been examined by an independent examiner whose report appears on page 5. The Trustees have acknowledged their responsibilities for ensuring that the Foundation keeps accounting records which comply with Section 386 of the Act and or preparing financial statements which give a true and fair view of the state of affairs of the Foundation as at the end of the period and of its incoming resources and application of resources, including its income and expenditure for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006, so far as applicable to the Foundation.

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the trustees on November 16th and signed on their behalf by:


Daniel Franklin
Chair of Trustees


Toby Burton
Trustee

Company registration no. 7927534

The attached notes form part of the financial statements.

The Economist Educational Foundation
Statement of cash flows
For the year ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities:			
Net cash provided by / (used in) operating activities	11	(1,454)	42,396
Change in cash and cash equivalents in the year		(1,454)	42,396
Cash and cash equivalents at the beginning of the year		128,761	86,365
Cash and cash equivalents at the end of the year	11	127,307	128,761

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) and the Companies Act 2006.

The Foundation 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 Foundation'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 Foundation 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 Foundation; 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 Foundation's work or for specific projects being undertaken by the Foundation.

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 comprise of trading costs and the costs incurred by the Foundation 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 Foundation 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.

Accounting policies (continued)

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.

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 Foundation 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 Educational Foundation
Notes to the financial statements
For the year ended 31 March 2017

2 Detailed comparatives for the statement of financial activities

	2016	2016	2016
	Unrestricted	Restricted	Total
	£	£	£
Income from:			
Donations	41,306	154,850	196,156
Investments	103	-	103
Total income	<u>41,409</u>	<u>154,850</u>	<u>196,259</u>
Expenditure on:			
Project expenditure	78,162	82,207	160,369
Total expenditure	<u>78,162</u>	<u>82,207</u>	<u>160,369</u>
Net movement in funds	(36,753)	72,643	35,890
Total funds brought forward	39,967	42,276	82,243
Total funds carried forward	<u>3,214</u>	<u>114,919</u>	<u>118,133</u>

3 Income from donations

	2017	2016
	Total	Total
	£	£
Donations	150,134	196,156
	<u>150,134</u>	<u>196,156</u>

4 Investment income

	2017	2016
	Total	Total
	£	£
Bank interest	88	103
	<u>88</u>	<u>103</u>

The Economist Educational Foundation
Notes to the financial statements
For the year ended 31 March 2017

5 Analysis of expenditure

		Charitable Activities			
	Basis of allocation	Project Expenditure £	Governance costs £	2017 Total £	2016 Total £
Staff costs	Direct	120,500	-	120,500	81,279
Direct costs	Direct	42,726	942	43,668	79,090
		163,226	942	164,168	160,369
Support Costs		-	-	-	
Governance Costs		942	(942)		
Total expenditure 2017		164,168	-	164,168	
Total expenditure 2016		160,369	-		

Of the total expenditure, £34,249 was unrestricted (2016: £78,162) and £129,919 was restricted (2016: £82,207).

The Economist Educational Foundation
Notes to the financial statements
For the year ended 31 March 2017

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

Staff costs were as follows:

	2017	2016
	£	£
Salaries and wages	98,558	66,489
Social security costs	9,211	6,439
Employer's contribution to defined contribution pension schemes	7,458	4,097
Other employee benefits	5,273	4,254
	120,500	81,279

None of the employees received employee benefits of more than £60,000 during the year. (2016: none).

The total employee benefits including pension contributions of the key management personnel were £12,731 (2016: £14,790).

The Trustees were not paid or received any other benefits from employment with the Foundation in the year (2016: £nil) neither were they reimbursed expenses during the year (2016: £nil). No Trustee received payment for professional or other services supplied to the

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2017	2016
	No.	No.
Raising funds	-	-
Trading	-	-
Charitable activities	3	3
Support	-	-
Governance	-	-
	3	3

7 Taxation

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

The Economist Educational Foundation
Notes to the financial statements
For the year ended 31 March 2017

8 Debtors

	2017	2016
	£	£
Accrued income	5,938	-
	5,938	-

9 Creditors: amounts falling due within one year

	2017	2016
	£	£
Accruals	14,058	10,628
	14,058	10,628

10 Movements in funds for the year ended 31 March 2016

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
The Eranda Rothschild Foundation	-	129,500	54,906	-	74,594
The Peter Sowerby Foundation	42,276	25,350	27,301	-	40,325
Total restricted funds	42,276	154,850	82,207	-	114,919
Unrestricted funds:					
General funds	39,967	41,409	78,162	-	3,214
Total unrestricted funds	39,967	41,409	78,162	-	3,214
Total funds	82,243	196,259	160,369	-	118,133

Movements in funds for the year ended 31 March 2017

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
The Eranda Rothschild Foundation	74,594	-	74,594	-	-
The Peter Sowerby Foundation	40,325	15,000	55,325	-	-
Total restricted funds	114,919	15,000	129,919	-	-
Unrestricted funds:					
General funds	3,214	150,222	34,249	-	119,187
Total unrestricted funds	3,214	150,222	34,249	-	119,187
Total funds	118,133	165,222	164,168	-	119,187

The Economist Educational Foundation
Notes to the financial statements
For the year ended 31 March 2017

10 Movement in funds continued

Purposes of restricted funds

The Eranda Rothschild Foundation

Funds received from The Eranda Rothschild Foundation were used to support the Burnet News Club.

The Peter Sowerby Foundation

Funds received from The Peter Sowerby Foundation were used to support the Burnet News Club and the Policy League.

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

	2017	2016
	£	£
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	1,054	35,890
(Increase)/ decrease in debtors	(5,938)	-
Increase/ (decrease) in creditors	3,430	6,506
Net cash provided by / (used in) operating activities	(1,454)	42,396

12 Analysis of cash and cash equivalents

	At 1 April 2016 £	Cash flows £	Other changes £	At 31 March 2017 £
Cash at bank and in hand	128,761	(1,454)	-	127,307
Total cash and cash equivalents	128,761	(1,454)	-	127,307

13 Legal status of the Foundation

The Foundation is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the Foundation being wound up. It is also registered as a charity with the charity commission.

14 Related party transactions

The Foundation received a donation from The Economist Newspaper Limited of £45,000 (2016: £40,000) in the year. The Economist Newspaper Limited also pays some costs on behalf of the Foundation which are reimbursed on a monthly basis. At the end of the financial year the Foundation had an amount due to The Economist Newspaper Limited of £11,964 (2016: £8,874) relating to salaries paid on its behalf. With this exception there were no other transactions with persons connected to the Foundation.