



**The Economist Educational Foundation
(A company limited by guarantee)**

Trustees' report and financial statements

For the year ended March 31st 2019



The Economist Educational Foundation
(Foundation)
(A company limited by guarantee)

Contents	Page
Reference and administrative information	1
Trustees' annual report	2
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9
Statement of cashflows	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 (Chairman) Michael Brunt Stephen Godsell Martyn Dempsey-Caddick Kike Agunbiade (appointed 17.4.2018) Nick Shippin (appointed 1.11.2018) Toby Burton (resigned 1.10.2018)
Chief executive officer	Emily Evans
Company secretary	Anna Samuelsson (resigned 10.10.2019) Fola Sanu (appointed 11.10.2019)
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

Trustees' annual report

The Trustees present their report and financial statements for the year ended March 31st 2019.

Objective 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, finance, science and technology, for socially and economically disadvantaged young people.

Public benefit

The Trustees have a duty to consider public benefit guidance as published by the Charity Commission. 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. We have demonstrated how we have worked towards our charitable purposes in the sections below.

The Foundation's activities

The Foundation develops young people's news literacy by enabling inspiring discussions about current affairs in classrooms and between schools in different communities. Its core programme, the Burnet News Club (BNC), gives teachers all they need to have these discussions on a weekly basis, including:

- Educational news content
- Teacher training and ongoing coaching
- Teaching resources
- An innovative online platform where young people publish their opinions for a real audience, receive feedback from global topic experts and discuss the issues with peers in different communities. www.BurnetNewsClub.com

The impact

The Foundation rigorously measures the impact of the Burnet News Club, and there is good evidence that the programme is effective in developing young people's news literacy. For example, compared to a control group over one year, young people in the BNC make:

- 150% more progress in reasoning ability
- 167% more progress in open-mindedness
- 200% more progress in healthy scepticism
- 117% more progress in confidently communicating their views on the news

They also develop in-depth knowledge of current affairs and practice applying the skills that they gain to real-world issues.

The Economist Educational Foundation

Trustees' annual report

The public benefit

News literacy matters more than ever

In the digital-media age, news literacy is needed to cut through the clutter, and see misinformation and one-sided debates for what they are, to form an accurate picture of the world. If young people have a skewed world view, they can't make informed decisions. By developing their news literacy we can give them a voice. That is particularly important in these times of rapid change, political uncertainty and inequality.

The ability to think critically about real-world issues, and express sound opinions about what's happening in the world, is also essential for succeeding in school, work and life. News literacy is a tool that can change a young person's chances.

The young people we reach

Our priority is to work with disadvantaged and marginalised young people who have the most to gain from developing news literacy.

- 50% of Burnet News Club members are from low-income backgrounds.
- A further 15% have special educational needs or are falling behind at school.
- All are in non-selective state schools.
- The schools are in a diverse range of communities all over the UK, from Edinburgh to the Isle of Wight. This is important, as a young person's chances of achieving their ambitions are significantly affected by where they live.

Review of activities and achievements

The Foundation enhanced the support that it provides to teachers taking part in the Burnet News Club, to further improve schools' delivery quality and retain schools in the programme for longer. As a result, there was a 50% increase in the percentage of schools that brought the programme into the curriculum rather than running it as an after-school club. This usually means that more time can be dedicated to the programme. The number of young people taking part in the programme doubled, reaching over 2,000. The school retention rate increased from 45% to 71%.

The Foundation also successfully piloted the Burnet News Club 'Global Conversation', a six-week discussion between schools all over the world. Schools in Italy, Sweden, Spain, Germany, the US, Argentina, Greece and Australia took part. The aim of this project is to both expand the Foundation's reach and enhance the impact on students by enabling them to explore international perspectives on news stories.

Strategic priorities

The Foundation plans to offer schools some new products and services as alternatives to the Burnet News Club. For example, it will offer one-off teacher-training sessions and student workshops, free resources and a paid-for subscription to its educational news content.

The Economist Educational Foundation

Trustees' annual report

Strategic priorities (continued)

This will help to:

- Make an impact in schools that the Foundation could not otherwise work with: not all schools are able to commit to the Burnet News Club as it must be delivered by a teacher weekly for a full year.
- Raise income from new products / services, which can be invested in the Burnet News Club.
- Grow the Burnet News Club by allowing schools to try out lower-commitment products and services first.

As well as planning to significantly expand the Burnet News Club within the UK, the Foundation aims to expand the BNC Global Conversation to involve more countries from different parts of the world.

It is also a priority to continue to grow and diversify the Foundation's income. In 2019 - 20, donations came from The Economist Group, two corporate supporters, long-standing supporter The Eranda Rothschild Foundation and some smaller donations from individuals. The remaining funding came from fees from schools. To increase the number and size of donations in 2020 -21, the Foundation will hire a fundraiser. A new school relationships manager has also been hired, in part to help increase sales to schools.

Funding was spent on delivering the activities described above, with the largest costs being salaries for the people who deliver the work. All facilities and back-office costs are donated in kind by The Economist Group, so the Foundation's overheads are very low and the vast majority of funding goes directly towards delivering projects.

Charity Governance Code

Although the 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.

Financial review

The Foundation is financially healthy, with an increasingly diverse range of income sources. In the reporting year, income was received in the form of major donations from The Economist Group, The Eranda Rothschild Foundation and the Bank of England, smaller donations from individuals, and fees paid by schools taking part in the Burnet News Club programme. Earned income, from school fees, made up approximately 29% of our total income (2018: 28%).

The Trustees regularly review risks to the Foundation, including financial risk. They ensure that the charity maintains a healthy level of ambition in its fundraising targets while ensuring long-term financial sustainability through caution in spending, forecasting and planning.

Approximately 77% of the Foundation's expenditure was spent on charitable projects, and the remaining 23% on overheads. The Economist Group helps the Foundation to keep overhead costs low, by donating office space and facilities plus IT, HR, legal and finance services.

The Economist Educational Foundation

Trustees' annual report

Reserves policy

The Trustees 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's staff members to continue being paid during a period of managed adjustment to these new circumstances.

This policy required the Foundation to hold at least £156,000 in liquid and readily realisable assets. The funds held at 31 March 2019 were £194,072 and were therefore sufficient to comply with the Reserves policy.

Organisational structure and management

The Board of Trustees is composed of six persons who fulfil the statutory duties and responsibilities of Trustees. The Board meets at least quarterly. The Trustees who served on the board during the year are as follows:

- Daniel Franklin (Chairman)
- Michael Brunt
- Stephen Godsell
- Martyn Dempsey-Caddick
- Kike Agunbiade (appointed 17.4.2018)
- Nick Shippin (appointed 1.11.2018)
- Toby Burton (resigned 1.10.2018)

Chief executive officer: Emily Evans

Stephen Godsell, Martyn Dempsey-Caddick and Kike Agunbiade are non-executive Trustees of the Foundation whilst the remainder of the Trustees are employees of The Economist Newspaper Limited.

Connected transactions

None of the Trustees has any beneficial interest in the Foundation.

The Foundation received a donation from The Economist Newspaper Limited, which also donates some facilities and services and 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

Trustees' annual report

Trustees' responsibilities

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;
- 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; and
- 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



Fola Sanu,
Company Secretary

Date 02 December 2019

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

The Economist Educational Foundation

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 2019.

Responsibilities and basis of report

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

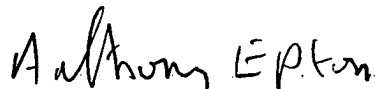
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of Charities Act 2011 ("the 2011 act"). 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 account 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

16 December 2019

The Economist Educational Foundation
Statement of financial activities
(incorporating an income and expenditure account)
For the year ended March 31st 2019

	Note	2019 Unrestricted £	2019 Restricted £	2019 Total £	2018 Total £
Income from:					
Donations	3	215,811	50,000	265,811	304,009
Total income		215,811	50,000	265,811	304,009
Expenditure on:					
Charitable activities	4	206,740	56,268	263,008	231,927
Total expenditure		206,740	56,268	263,008	231,927
Net income		9,071	(6,268)	2,803	72,082
Net movement in funds		9,071	(6,268)	2,803	72,082
Reconciliation of funds					
Total funds brought forward	9	183,113	8,156	191,269	119,187
Total funds carried forward		192,184	1,888	194,072	191,269

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.

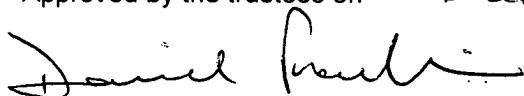
The Economist Educational Foundation
Balance sheet
As at March 31st 2019

	Note	2019 £	2019 £	2018 £	2018 £
Current assets					
Debtors	7	2,635		106,318	
Cash at bank and in hand	11	<u>215,005</u>		<u>109,267</u>	
		217,640		215,585	
Liabilities					
Creditors: amounts falling due within one year	8	<u>(23,568)</u>		<u>(24,316)</u>	
Total net assets			<u>194,072</u>		<u>191,269</u>
Funds	9				
Restricted funds			1,888		8,156
Unrestricted funds:					
General funds		<u>192,184</u>		<u>183,113</u>	
Total unrestricted funds			<u>192,184</u>		<u>183,113</u>
Total funds			<u>194,072</u>		<u>191,269</u>


For the financial period ended March 31st 2019, 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 7. The Trustees have acknowledged their responsibilities for ensuring that the Foundation keeps accounting records which comply with Section 386 of the Act and for 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 02 December 2019 and signed on their behalf by:



D E Franklin
Chair of Trustees



N P Shippin
Trustee

Company registration no. 7927534

The attached notes form part of the financial statements.

The Economist Educational Foundation
Statement of cashflows
For the year ended March 31st 2019

	Note	2019 £	2018 £
Cashflows from operating activities:			
Net cash generated from/(used) in operating activities	10	105,738	(18,040)
Change in cash and cash equivalents in the year		105,738	(18,040)
Cash and cash equivalents at the beginning of the year		109,267	127,307
Cash and cash equivalents at the end of the year	11	215,005	109,267

The Economist Educational Foundation
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) 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 the 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.

The Economist Educational Foundation
Notes to the financial statements
For the year ended March 31st 2019

1 Accounting policies (continued)

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 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.

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 (continued)
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	199,009	105,000	304,009
Investments	-	-	-
Total income	<u>199,009</u>	<u>105,000</u>	<u>304,009</u>
Expenditure on:			
Project expenditure	135,083	96,844	231,927
Total expenditure	<u>135,083</u>	<u>96,844</u>	<u>231,927</u>
Net movement in funds	63,926	8,156	72,082
Total funds brought forward	119,187	-	119,187
Total funds carried forward	<u>183,113</u>	<u>8,156</u>	<u>191,269</u>

3 Income from donations

	2019	2019	2019	2018
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Donations	215,811	50,000	265,811	304,009
	<u>215,811</u>	<u>50,000</u>	<u>265,811</u>	<u>304,009</u>

The Economist Educational Foundation
Notes to the financial statements (continued)
For the year ended March 31st 2019

4 Analysis of expenditure

		Charitable activities												2019 Total £	2018 Total £
Basis of allocation		Issue £	BNC Live £	Teacher development and support £	School recruitment £	Hub facilitation £	Hub development and upkeep £	Awards £	Global Conversion £	One off resources £	Impact measurement £	Support costs £	Governance costs £		
Staff costs	Direct	40,392	15,113	28,997	20,519	6,036	2,708	2,708	4,796	7,848	15,450	-	-	144,567	120,572
Direct costs	Direct	3,088	8,858	3,519	6,555	-	27,320	8,562	-	76	900	4,589	770	64,237	68,618
Support costs	Direct	-	-	-	-	-	-	-	-	-	-	14,300	-	14,300	18,494
Support costs	Staff time	-	-	-	-	-	-	-	-	-	-	39,904	-	39,904	24,243
Total expenditure 2019		43,480	23,971	32,516	27,074	6,036	30,028	11,270	4,796	7,924	16,350	58,793	770	263,008	231,927

Of the total expenditure, £206,740 was unrestricted (2018: £135,083) and £56,268 was restricted (2018: £96,844).

The Economist Educational Foundation
Notes to the financial statements (continued)
For the year ended March 31st 2019

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

	2019 £	2018 £
Staff costs		
Salaries and wages	145,477	114,880
Social security costs	14,417	12,250
Employer's contribution to defined contribution pension schemes	13,602	8,689
Other employee benefits	10,975	8,995
	184,471	144,814

None of the employees received employee benefits of more than £60,000 during the year (2018: none).

The total employee benefits including pension contributions of the key management personnel were £54,159 (2018: £46,141).

The Trustees were not paid or received any other benefits from employment with the Foundation in the year (2018: £nil) neither were they reimbursed expenses during the year (2018: £nil). No Trustee received payment for professional or other services supplied to the Foundation (2018: £nil).

Staff numbers

The average number of employees (headcount based on number of staff employed) during the year was:

	2019 No.	2018 No.
Charitable activities	5	4

6 Taxation

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

7 Debtors

	2019 £	2018 £
Accrued income	-	103,750
Prepayments	2,635	2,568
	2,635	106,318

8 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	23,568	20,716
Deferred income	-	3,600
	23,568	24,316

The Economist Educational Foundation
Notes to the financial statements (continued)
For the year ended March 31st 2019

9 Movements in funds
For the year ended March 31st 2018

	At April 1st 2017 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At March 31st 2018 £
Restricted funds					
The Eranda Rothschild Foundation	-	105,000	96,844	-	8,156
Total restricted funds	-	105,000	96,844	-	8,156
Unrestricted funds					
General funds	119,187	199,009	135,083	-	183,113
Total unrestricted funds	119,187	199,009	135,083	-	183,113
Total funds	119,187	304,009	231,927	-	191,269

Movements in funds
For the year ended March 31st 2019

	At April 1st 2018 £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At March 31st 2019 £
Restricted funds					
The Eranda Rothschild Foundation	8,156	50,000	56,268	-	1,888
Total restricted funds	8,156	50,000	56,268	-	1,888
Unrestricted funds					
General funds	183,113	215,811	206,740	-	192,184
Total unrestricted funds	183,113	215,811	206,740	-	192,184
Total funds	191,269	265,811	263,008	-	194,072

Purposes of restricted funds

The Eranda Rothschild Foundation

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

The Economist Educational Foundation
Notes to the financial statements (continued)
For the year ended March 31st 2019

10 Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period (as per the statement of financial activities)	2,803	72,082
Decrease/(increase) in debtors	103,683	(100,380)
(Decrease)/increase in creditors	(748)	10,258
Net cash generated from/(used) in operating activities	<u>105,738</u>	<u>(18,040)</u>

11 Analysis of cash and cash equivalents

	At April 1st 2018 £	Cash flows £	Other changes £	At March 31st 2019 £
Cash at bank and in hand	109,267	105,738	-	215,005
Total cash and cash equivalents	<u>109,267</u>	<u>105,738</u>	<u>-</u>	<u>215,005</u>

12 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.

13 Related party transactions

The Foundation received a donation from The Economist Newspaper Limited of £45,000 in the year (2018: £45,000). 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 £20,584 (2018: £17,361) relating to salaries paid on its behalf. With this exception, there were no other transactions with related parties.