

REGISTERED CHARITY NUMBER 1111552

The CambridgeTrust  
for **NewThinking**  
in **Economics**

**THE CAMBRIDGE TRUST FOR  
NEW THINKING IN ECONOMICS  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

TRUST INFORMATION

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Founder	Professor T S Barker
Trustees	Professor T S Barker Professor P Arestis Mr R G Lewney Mr D M F Taylor Dr A Anger-Kraavi Dr C C Alves (Appointed 21 April 2023) Dr N Barker (Appointed 21 April 2023)
Address	19A Covent Garden Cambridge CB1 2HT
Solicitors	Taylor Vinters Merlin House Milton Road Cambridge CB4 0DP
Auditors	Ensors Accountants LLP 1st Floor, Victory House Vision Park Chivers Way Histon Cambridge CB24 9ZR
Bankers	HSBC 32 Market Hill Cambridge CB2 3HZ

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

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# **THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS**

## **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 30 JUNE 2023**

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The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed dated 28 September 2005, the Charities Act 2011 and 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 as amended for accounting periods commencing from 1 January 2019.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Trust was founded in 2005 and is registered with the Charity Commission for England and Wales under charity number 1111552.

The Trustees who served throughout the year, principal address and professional advisors are given on the Trust information page.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing document**

The Trust is governed by its Trust Deed dated 28 September 2005.

#### **Governing body**

The governing body consists of the Trustees. The power of appointing new Trustees is vested in the Founder, Professor T S Barker.

#### **Recruitment and training of Trustees**

New Trustees may be appointed at any time, subject to the total number of Trustees not exceeding seven. New Trustees do not undertake a formal induction process.

#### **Organisational management**

The Trustees are legally responsible for the overall management and control of the Trust and meet at least twice a year.

#### **Group structure and relationships**

The Trust holds 51.22% of the issued share capital of Cambridge Econometrics Limited, a non-charitable company, which in turn has trading subsidiaries whose activities and trading performance are discussed below.

The Trustees are responsible for the efficient running of the Trust and for all aspects of policy and strategy implementation.



# **THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 JUNE 2023**

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### **Risk management**

The Trustees are responsible for the management of the risks faced by the Trust. Risks are identified and assessed throughout the year. The Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. The Trustees recognise that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

### **OBJECTIVES AND ACTIVITIES**

#### **Charitable objects**

The Trust is established to advance education in the field of economics for the benefit of the public, with particular regard to the following principles:

- that economic behaviour is primarily social rather than individual;
- that economic behaviour is influenced by aesthetic and ethical values as well as economic values; and
- that the pursuit of self-interest in economic behaviour can impact adversely on both society and the environment.

The Trustees have given due consideration to Charity Commission published guidance on the operation of the public benefit requirement.

#### **Aims and intended impact**

The Trust aims to educate the public in developing practices and policies that recognise and redress the adverse effects that arise from a lack of awareness of the above principles.

#### **Objectives, strategies to achieve the objectives and principal activities for the year**

The Trust commissioned (contract C01/2023) a work on 'Money, power and crime in the transition to net zero: a case study from South Africa' to be delivered by 15th May 2023. However the work was not of satisfactory quality to the Trustees and the Contract was terminated before the final payment. The Trust held a conference 'Policies to tackle the cost of living crisis at Downing College, Cambridge on 8th March 2023. The report 'Macroeconomic Implications of a Basic Income', that the Trust commissioned during the financial year 2021-2022, was presented at this workshop.

The principal activity of the Trust's trading subsidiary companies continued to be the provision of economic consultancy and forecasting services.

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

#### Results for the year

The Trust's trading subsidiary companies results show a profit after taxation of £443,484 (2022 - £107,660). The Trust had net expenditure of £41,492 (2022 - £69,200).

#### Principal funding sources

The Trust's principal funding source is income from conferences and donations from its subsidiaries undertakings. The Trust received £419 (2022 - £nil) of income from the conferences. The trading subsidiary made a donation of £47,991 (2022 - £24,585) to the Trust during the year.

### INVESTMENT POLICY AND PERFORMANCE

The Trustees aim to maximise the total investment return as a means of earning revenue on funds until they are required to meet the Trust's objectives. The Trustees have invested cash reserves in bank deposit accounts.

### RESERVES POLICY

The Trust holds reserves in order to fund anticipated expenditure for the following year. The Trust has uncommitted reserves available for current activities amounting to £89,097 (2022 - £82,179). This reserves policy does not take into account the reserves held in the trading subsidiary.

The Trustees consider that this level of reserves is appropriate and adequate for the Trust.

### PLANS FOR FUTURE YEARS

Looking forward, the Trustees will be seeking opportunities to achieve the stated objective to advance education in the field of economics for the benefit of the public.

The Trust will continue to support occasional workshops and consider sponsorship requests as they arise. For the next financial year the Trust plans to hold a couple of workshops on the topic "Improving Knowledge in IPCC's AR7 WG3" and a workshop on "Tackling obstacles to net zero".

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### AUDITORS

The Trustees will consider the reappointment of the auditors, Ensors Accountants LLP, at the next Trustees meeting.

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to Charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Trust's activities and financial position at the end of the year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). In preparing accounts giving a true and fair view, the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees have overall responsibility for ensuring that the charity and its trading subsidiary are keeping proper accounting records that 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 are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 25 April 2024 and signed on their behalf by:



.....  
Professor T S Barker  
Trustee

## **THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS**

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#### **Opinion**

We have audited the financial statements of the Cambridge Trust for New Thinking in Economics (the 'charity') and its group for the year ended 30 June 2023 set out on pages 9 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.



## **THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS**

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#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusions thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the trustee's report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

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#### Auditor's responsibilities for the audit of financial statements

We have been appointed as auditor under section 152 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

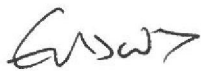
### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

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#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ensors Accountants LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



Ensors Accountants LLP

Chartered Accountants  
Statutory Auditor

Date:

26/4/24

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1st Floor, Victory House  
Vision Park  
Chivers Way  
Histon  
Cambridge  
CB24 9ZR

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2023

		Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022
	Note	£	£	£	£	£	£
<b>INCOME</b>							
Charitable activities	3	48,410	-	48,410	81,385	-	81,385
Other trading activities	2	-	5,193,663	5,193,663	-	4,036,111	4,036,111
<b>Total income</b>		<b>48,410</b>	<b>5,193,663</b>	<b>5,242,073</b>	<b>81,385</b>	<b>4,036,111</b>	<b>4,117,496</b>
<b>EXPENDITURE</b>							
<b>Costs of generating funds</b>							
Charitable activities	4	25,305	-	25,305	62,887	-	62,887
Other costs	4	16,187	4,750,179	4,766,366	6,313	3,928,451	3,934,764
<b>Total expenditure</b>		<b>41,492</b>	<b>4,750,179</b>	<b>4,791,671</b>	<b>69,200</b>	<b>3,928,451</b>	<b>3,997,651</b>
<b>NET INCOME / (EXPENDITURE)</b>		<b>6,918</b>	<b>443,484</b>	<b>450,402</b>	<b>12,185</b>	<b>107,660</b>	<b>119,845</b>
Other gains/(losses)	19	-	(228,325)	(228,325)	-	(52,517)	(52,517)
<b>NET MOVEMENT IN FUNDS</b>		<b>6,918</b>	<b>215,159</b>	<b>222,077</b>	<b>12,185</b>	<b>55,143</b>	<b>67,328</b>
<b>RECONCILIATION OF FUNDS</b>							
Fund balances at 1 July		82,179	905,938	988,117	69,994	850,795	920,789
<b>FUND BALANCES AT 30 JUNE</b>		<b>89,097</b>	<b>1,121,097</b>	<b>1,210,194</b>	<b>82,179</b>	<b>905,938</b>	<b>988,117</b>

All results relate to continuing operations.

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## TRUST AND CONSOLIDATED BALANCE SHEETS FOR THE YEAR ENDED 30 JUNE 2023

	Note	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
<b>Fixed assets</b>					
Intangible assets	9	-	-	-	-
Tangible assets	10	95,992	99,073	-	-
Investment in trading subsidiary	11	-	-	-	-
		95,992	99,073	-	-
<b>Current assets</b>					
Debtors	12	2,120,877	2,083,340	47,991	25,365
Cash at bank and in hand		1,087,799	674,069	47,242	90,127
		3,208,676	2,757,409	95,233	115,492
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(1,001,845)	(971,248)	(6,136)	(33,313)
<b>Net current assets</b>		2,206,831	1,786,161	89,097	82,179
<b>Total assets less current liabilities</b>		2,302,823	1,885,234	89,097	82,179
Creditors: amounts falling due after more than one year	14	(24,938)	(34,336)	-	-
Provision for liabilities		-	-	-	-
Minority interests		(1,067,691)	(862,781)	-	-
<b>Total net assets</b>		1,210,194	988,117	89,097	82,179
<b>Funds</b>					
Restricted funds	19	1,121,097	905,938	-	-
General unrestricted funds	20	89,097	82,179	89,097	82,179
<b>Total funds</b>		1,210,194	988,117	89,097	82,179

The notes on pages 12 to 27 form part of these financial statements.

Approved by the Trustees on 25 April 2024 and signed on their behalf by:



Professor T S Barker

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Group 2023 £	Group 2022 £
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by / (used in) operating activities</b>	<b>21</b>	<b>468,928</b>	<b>(160,704)</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(31,286)	(46,431)
<b>Net cash used in investing activities</b>		<b>(31,286)</b>	<b>(46,431)</b>
<b>Cash flows from financing activities:</b>			
Dividend paid to minority interests		(23,415)	-
(Profit) / loss on the sale of fixed assets		(497)	(191)
Hire purchase agreement payments		-	-
<b>Net cash used in investing activities</b>		<b>(23,912)</b>	<b>(191)</b>
Change in cash and cash equivalents in the year		413,730	(207,326)
Cash and cash equivalents at the beginning of the year		674,069	881,395
<b>Cash and cash equivalents at the end of the year</b>		<b>1,087,799</b>	<b>674,069</b>



# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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### 1 Accounting policies

#### Charity Information

The Cambridge Trust for New Thinking in Economics is a charitable trust, registered with the Charity Commission in England and Wales. The Charity's address is: Reuben House, Covent Garden, Cambridge, CB1 2HT.

#### 1.1 Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the Charity's trust deed, dated 28 September 2005, the Charities Act 2011, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 2019).

The Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The trustees believe that the group is well placed to manage its risks successfully. The trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

#### 1.2 Group financial statements

The financial statements consolidate those of the Trust and its 51.22% owned trading subsidiary company, Cambridge Econometrics Limited and its 100% owned trading subsidiary companies, Cambridge Econometrics Hungary Kft, Cambridge Econometrics Belgium BVBA and Cambridge Econometrics Inc, on a line-by-line basis as set out in FRS 102. Cambridge Econometrics Limited is a private company limited by shares incorporated in England and Wales. The registered office is 19A Covent Garden, Cambridge, CB1 2HT.

#### 1.3 Income

Trading turnover represents the fair value of consideration received or receivable, exclusive of Value Added Tax, in respect of the following three sources:

Project revenue is recorded using a percentage of completion method, which results in deferred revenue on the balance sheet when services are invoiced in advance of the revenue being earned and accrued revenue on the balance sheet when revenue is earned prior to invoicing the customer. The directors of the trading subsidiaries estimate the percentage of completion at the year end for each project using the best available evidence. Profit is recognised on the same basis as revenue.

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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### 1 Accounting policies (continued)

Subscription revenue is recognised over the period that the subscription covers, which results in deferred revenue on the balance sheet, because subscriptions are invoiced in advance of the revenue being earned. Profit is recognised on the same basis as revenue.

Other revenue, such as consultancy and training, and resulting profit, is recognised when the service is performed.

Investment income is accounted for on a receivable basis.

Donations receivable for the general purposes of the Trust are credited to unrestricted funds, on an accruals basis. Conference income is recognised when the conference takes place.

#### 1.4 Expenditure

Expenditure is accounted for on an accruals basis and is included in the Statement of Financial Activities inclusive of any irrecoverable Value Added Tax.

Governance costs include those costs incurred in the governance of the Trust and the costs of complying with constitutional and statutory requirements.

#### 1.5 Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Statement of Financial Activities.

#### 1.6 Estimation techniques

In preparing the financial statements, management are required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amount of revenues and expenses during the reporting period. The principal estimation technique used by the trading subsidiary companies is in determining the percentage completion of a project.

#### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Software - 33% Straight line

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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### 1 Accounting policies (continued)

#### 1.7 Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property improvements	- 15% per annum straight line
Computer equipment, software and website	- 20% per annum straight line
Fixtures, fittings and equipment	- 10% per annum straight line

#### 1.8 Investments

Unlisted investments are stated at cost.

The Trust's investment in its trading subsidiary company consists of 9,030 ordinary A shares of £1 each. These shares were acquired on 15 October 2005 from a capitalisation of reserves and are consequently included at a cost of £nil.

#### 1.9 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the trust after deducting all of its liabilities.

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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### 1 Accounting policies (continued)

#### Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.10 Equity instruments

Equity instruments issued by the subsidiary companies are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable income for the year. Taxable income differs from net income as reported in the Statement of Financial Activities because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

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### 1 Accounting policies (continued)

#### Deferred tax

Deferred taxation in the trading subsidiary, Cambridge Econometrics Ltd, is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable income from which the future reversal of the underlying timing differences can be deducted.
- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### 1.13 Employee benefits

The costs of short-term employee benefits of the subsidiaries' employees are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the companies are demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.



# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 1 Accounting policies (continued)

#### 1.15 Pensions

The trading subsidiary, Cambridge Econometrics Limited, operates a defined contribution pension scheme for executive directors and makes contributions to individual employees' personal pension plans. The assets of these schemes are held separately from those of the company in independently administered funds. The annual contributions payable are charged to the statement of financial activities. There is no liability other than for payment of these contributions.

#### 1.16 Fund accounting

Restricted funds represent the proportion of the trading subsidiaries funds attributable to the Trust.

General unrestricted funds represent funds that are expendable at the discretion of the Trustees in the furtherance of the objects of the Trust. Such funds may be held in order to finance both working capital and capital investment.

## THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

#### 2 Income from trading subsidiaries activities

The Trust owns 51.22% of the issued share capital of Cambridge Econometrics Limited (company number 01916825). Its trading results for the year, as extracted from its audited accounts are summarised below. The subsidiary entities provide economic consultancy and forecasting services. The Trust's own results for the year are disclosed to distinguish them from the group results in the Consolidated Statement of Financial Activities.

	Subsidiaries 2023 £	Subsidiaries 2022 £	Trust 2023 £	Trust 2022 £
Turnover	5,161,244	4,034,679	48,410	81,385
Cost of sales	(3,221,495)	(2,859,318)	(18,696)	(56,800)
Gross profit	1,939,749	1,175,361	29,714	24,585
Administrative expenses	(1,446,632)	(1,060,026)	-	-
Other Expenses	(1,343)	(833)	-	-
Other income	32,419	1,432	-	-
Gift Aid donation	-	-	-	-
Gross income	524,193	115,934	29,714	24,585
Charitable activities	-	-	(6,609)	(6,087)
Governance costs	-	-	(16,187)	(6,313)
	524,193	115,934	6,918	12,185
Tax on profit on ordinary activities	(80,709)	(8,274)	-	-
Retained income/(loss)	443,484	107,660	6,918	12,185

#### 3 Income from charitable activities

	2023 £	2022 £
Conference income	419	-
Donations	47,991	81,385
	48,410	81,385

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 4 Analysis of total expenditure

	Direct Costs £	Staff Costs £	Deprec- iation £	Other Costs £	Total £
Charitable activities	18,696	-	-	16,187	34,883
Governance costs	-	-	-	6,609	6,609
<b>Total for Trust</b>	<b>18,696</b>	<b>-</b>	<b>-</b>	<b>22,796</b>	<b>41,492</b>
Trading costs of subsidiaries	276,007	3,447,846	33,870	911,747	4,669,470
Trading taxation	-	-	-	80,709	80,709
<b>Total for group</b>	<b>294,703</b>	<b>3,447,846</b>	<b>33,870</b>	<b>1,015,252</b>	<b>4,791,671</b>

### 5 Auditor's remuneration

	2023 £	2022 £
Auditor's remuneration- group accounts	2,225	2,000
Auditor's remuneration- subsidiaries	23,000	14,400
	<b>25,225</b>	<b>16,400</b>

### 6 Net income /(expenditure) for the year

	2023 £	2022 £
This is stated after charging:		
Operating leases	167,956	135,468
Depreciation	33,870	29,346
	<b>201,826</b>	<b>164,814</b>

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 7 Particulars of employees

	2023 Number	2022 Number
Cost of sales	52	50
Administration	6	6
	<u>58</u>	<u>56</u>

The aggregate payroll costs of the above were:

	2023 £	2022 £
Wages and salaries	2,884,830	2,395,498
Social security costs	317,743	273,224
Pension costs	245,273	319,212
	<u>3,447,846</u>	<u>2,987,934</u>

The Trustees did not receive any remuneration or other benefits during the year (2022 - £nil) for their role as Trustees. Professor T S Barker and Mr R G Lewney were employees of the trading subsidiary during the year; the Trust has no employees of its own. During the year none of the Trustees were reimbursed for expenses (2022 - £nil).

The number of staff, considered to be Key Management, whose emoluments (salary plus taxable benefits excluding pension contributions) exceeded £60,000 within the group was as follows:

Emoluments exceeding	2023 Number	2022 Number
£60,000 - £69,999	2	3
£70,000 - £79,999	1	1
£80,000 - £89,999	1	-
£90,000 - £99,999	1	1
£100,000 +	3	-
	<u>8</u>	<u>5</u>

Pension contributions on behalf of the above staff amounted to £86,638 (2022 - £67,464).

The number of the above senior staff to whom retirement benefits are accruing under defined contribution schemes was 8 (2022 - 5).

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 8 Taxation

As a registered charity, the Trust is exempt from taxation of income and gains falling within Section 505 of the Income and Corporation Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992.

The taxation charge is wholly attributable to the trading subsidiaries.

	2023 £	2022 £
<b>Analysis of charge in the year</b>		
Corporation tax	80,709	8,274
	<u>80,709</u>	<u>8,274</u>

### 9 Intangible fixed assets

	Group		Trust	
	Software £	Total £	Software £	Total £
<b>Cost</b>				
At 1 July 2022	2,150	2,150	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 June 2023	2,150	2,150	-	-
<b>Depreciation</b>				
At 1 July 2022	2,150	2,150	-	-
Charge	-	-	-	-
Disposals	-	-	-	-
At 30 June 2023	2,150	2,150	-	-
<b>Net book value</b>				
At 30 June 2023	-	-	-	-
At 30 June 2022	-	-	-	-



# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 10 Tangible fixed assets

	Leasehold property improvements £	Group Plant and machinery £	Total £	Trust Plant and machinery £	Total £
<b>Cost</b>					
At 1 July 2022	76,936	376,098	453,034	728	728
Additions	5,368	25,918	31,286	-	-
Disposals	-	(27,032)	(27,032)	-	-
At 30 June 2023	82,304	374,984	457,288	728	728
<b>Depreciation</b>					
At 1 July 2022	50,187	303,774	353,961	728	728
Charge	8,014	25,856	33,870	-	-
Disposals	-	(26,535)	(26,535)	-	-
At 30 June 2023	58,201	303,095	361,296	728	728
<b>Net book value</b>					
At 30 June 2023	24,103	71,889	95,992	-	-
At 30 June 2022	26,749	72,324	99,073	-	-

### 11 Investments

The results of Cambridge Econometrics Limited and its subsidiaries, are summarised in note 2. At 30 June 2023 the trading subsidiary's assets, liabilities and reserves were as follows:

	2023 £	2022 £
Assets	3,209,435	2,740,990
Liabilities	(1,020,647)	(972,271)
Capital and reserves	2,188,788	1,768,719

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

### 12 Debtors

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Trade debtors	677,340	1,108,200	-	-
Other debtors	84,305	45,095	47,991	25,365
Prepayments	78,200	89,700	-	-
Accrued income	1,269,407	820,448	-	-
Deferred tax asset	11,625	19,897	-	-
	2,120,877	2,083,340	47,991	25,365

### 13 Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Bank loans and overdraft	10,244	-	-	-
Trade creditors	101,230	111,619	-	26,830
Other tax and social security	150,322	124,223	-	-
Accruals	486,700	546,941	6,136	6,483
Deferred income	196,960	145,864	-	-
Other creditors	56,389	42,601	-	-
	1,001,845	971,248	6,136	33,313

### 14 Creditors: amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Trust 2023 £	Trust 2022 £
Bank loans and overdrafts	24,938	34,336	-	-
	24,938	34,336	-	-

The bank loan is secured by a fixed and floating charge over the assets of the UK trading subsidiary.

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 15 Pensions

The trading subsidiaries contribute to individual employees' personal pension plans. The assets of the schemes are held separately from those of the companies in independently administered funds. The trading subsidiaries have no potential liability other than for the payment of these commitments.

At the balance sheet date, £69,653 (2022 - £15,967) of pension contributions were outstanding.

	2023	2022
	£	£
Contributions payable by the trading subsidiaries for the year	245,273	319,212
	<u>245,273</u>	<u>319,212</u>

### 16 Commitments under operating leases

At 30 June 2023 the group had aggregate annual commitments under non-cancellable operating leases as follows:

	Group 2023	Group 2022	Trust 2023	Trust 2022
	£	£	£	£
Within one year	104,071	89,867	-	-
Between two and five years	145,017	218,750	-	-
In over five years	-	-	-	-
	<u>249,088</u>	<u>308,617</u>	<u>-</u>	<u>-</u>

### 17 Related party transactions

During the year the group paid rent of £75,000 (2022 - £65,650) to Cambridge Econometrics Investment Fund of which Professor T S Barker, Mr R G Lewney, Mr B C Gardiner, Mr A J Barker, Miss R A Beaven, Mr H B Pollitt, Mr D M F Taylor and Mr P T Summerton are trustees and beneficiaries.

During the year Dr A Anger-Kraavi provided consultancy services to the group for £14,000 (2022 - £6,313). At the year end the trust owed Dr A Anger-Kraavi £2,000 (2022 - £nil).

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

### 18 Analysis of total funds

	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £
<b>Analysis by type of asset and liability</b>			
Tangible fixed assets	-	95,992	95,992
Net current assets	89,097	2,117,734	2,206,831
Creditors falling due after more than one year	-	(24,938)	(24,938)
Minority interests	-	(1,067,691)	(1,067,691)
	89,097	1,121,097	1,210,194
	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2021 £
<b>Analysis by type of asset and liability</b>			
Tangible fixed assets	-	99,073	99,073
Net current assets	82,179	1,703,982	1,786,161
Creditors falling due after more than one year	-	(34,336)	(34,336)
Minority interests	-	(862,781)	(862,781)
	82,179	905,938	988,117

### 19 Movement in restricted funds

	Balance at 1 July 2022 £	Income £	Expenditure £	Other movements £	Balance at 30 June 2023 £
Non-charitable trading funds	905,938	5,193,663	(4,750,179)	(228,325)	1,121,097

# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 19 Movement in restricted funds (cont'd)

Other movements	Transfers	Minority interests	Total
	£	£	£
Profit share of minority interests	-	(204,910)	(204,910)
Dividend paid to minority interests	-	(23,415)	(23,415)
	-	(228,325)	(228,325)

	Balance at 1 July 2021 £	Income £	Expenditure £	Other movements £	Balance at 30 June 2022 £
Non-charitable trading funds	850,795	4,036,111	(3,928,451)	(52,517)	905,938

Other movements	Transfers	Minority interests	Total
	£	£	£
Profit share of minority interests	-	(52,517)	(52,517)
Dividend paid to minority interests	-	-	-
	-	(52,517)	(52,517)



# THE CAMBRIDGE TRUST FOR NEW THINKING IN ECONOMICS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

### 20 Movements in unrestricted funds

	Balance at 1 July 2022 £	Income £	Expenditure £	Other movements £	Balance at 30 June 2023 £
General unrestricted funds	82,179	48,410	(41,492)	-	89,097

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	Balance at 1 July 2021 £	Income £	Expenditure £	Other movements £	Balance at 30 June 2022 £
General unrestricted funds	69,994	81,385	(69,200)	-	82,179

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

	Group 2023 £	Group 2022 £
Net movement in funds	222,077	67,328
Adjustment for:		
Depreciation charges	34,367	29,012
(Profit) / loss on the sale of fixed assets	497	191
Profit attributable to minority interests	204,910	52,517
Dividend paid to minority interests	23,415	-
Trading taxation	80,709	8,274
(Increase) / decrease in debtors	(37,537)	503,150
Increase / (decrease) in creditors	21,199	(801,029)
Tax paid	(80,709)	(20,147)
<b>Net cash used in operating activities</b>	<b>468,928</b>	<b>(160,704)</b>