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THE EDUCATIONAL RESEARCH TRUST  
CHARITY NO: 326916

ANNUAL REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31st MARCH 2008

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**Fenleys**  
Chartered Accountants  
and Registered Auditors

# THE EDUCATIONAL RESEARCH TRUST

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TRUSTEES, DIRECTORS AND ADVISERS

TRUSTEES: Mrs. J. Douglas-Home  
Professor R. Scruton  
Mr. L. Norcross

DIRECTORS: The Baroness Cox  
Professor John Marks

ADVISORY COUNCIL: Professor Anthony Flew  
The Lord Griffiths of Fforestfach  
Professor R. V. Jones  
Professor Peter Lindsay  
John McIntosh  
Professor David Marsland  
Professor David Martin

REGISTERED CHARITY NUMBER: 326916

PRINCIPAL ADDRESS &  
REGISTERED OFFICE: 2 Melbury Road  
Harrow  
Middlesex  
HA3 9RA

INDEPENDENT EXAMINER: Stephen Fyles FCA  
Chartered Accountant  
Fenleys  
1st Floor  
168 High Street  
Watford  
Herts  
WD17 2EG

BANKERS: HSBC Bank plc  
Harrow Branch  
26-28 St Ann's Road  
Harrow  
Middlesex  
HA1 1AL

FOR THE YEAR ENDED 31st MARCH 2008

## TRUSTEES' ANNUAL REPORT

The Trustees present the annual report and the financial statements for the year ended 31st March 2008.

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 Trust Deed, applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005).

### Reference and Administrative details

The trust was established by Trust Deed on 30th June 1985. The Trustees, Directors, Advisory Council, principal address of the trust and particulars of professional advisers are set out on page 1.

### Structure, Governance and Management

#### Governing document

The trust is governed by its Trust Deed dated 1985.

#### Appointment of Trustees and Directors

The trustees were appointed by and in accordance with the Trust Deed. Additional trustees may be appointed by the surviving or continuing trustees. The directors are appointed by the trustees to carry out the day to day function of the trust.

#### Training of Trustees and Directors

New trustees and directors are inducted by the current trustees who advise of the legal and charity laws, the content of the Deed and the decision making process. All officers receive copies of the Charity Commission relevant newsletters.

#### Organisation

The Trustees which must be at least three in number appoint the directors to manage the day to day operations of the trust.

#### Risk Management

The Trustees and Directors have assessed the risks to which the Trust may be exposed in future and concluded that they are very little different to those which the Trust have been exposed to over the last decade of successful operation. The Trustees and Directors constantly review potential risk.

FOR THE YEAR ENDED 31st MARCH 2008

TRUSTEES' ANNUAL REPORT

### **Objectives and Activities**

The objects of the Trust are:

- a) to promote the advancement of knowledge in the field of education in all its branches;
- b) to promote and undertake research into education or educational standards of any kind (but with particular reference to the Philosophical and religious principles involved in education);
- c) to publish and disseminate the useful results of any such research undertaken as aforesaid;
- d) to provide assistance and make grants to or for such charitable objects or purposes (whether in the United Kingdom or elsewhere) as the Trustees in their absolute discretion shall think fit.

The strategies employed to achieve the objectives are:

To approach potential donors with a view to supporting and maintaining the current level of research activity.

### **Achievements and Performance**

Research has continued on a wide range of educational topics including standards in schools, the teaching of reading and arithmetic in primary schools, teaching methods, teacher training, special educational needs, and religious education syllabuses both in this country and abroad.

### **Financial Review**

Despite continued approaches to potential donors the income from this source decreased in 2008 compared with 2007 by some £17,000. Income from charitable activities has amounted to £31,694 in the current year compared with £30,530 in 2007. This has resulted in a deficit of some £2,505.

### **Reserves Policy**

In the current and subsequent years the Trust is aiming to maintain sufficient reserves to cope with any unexpected contingencies whilst ensuring that retained reserves are not excessive in relation to the size of the Trust and its ongoing work for the next year.

### **Investment Policy**

Under the trust deed, the trust has the power to invest in any way the trustees wish. The trustees, having regard to the liquidity requirements of operating the trust and to the reserves policy have operated a policy of keeping available funds in an interest bearing deposit account and seek to achieve a rate of deposit interest which matches or exceeds inflation as measured by the retail price index.

FOR THE YEAR ENDED 31st MARCH 2008

TRUSTEES' ANNUAL REPORT

**Plans for Future Periods**

To continue the research which has contributed and continues to contribute to significant national investigations into educational standards. To continue approaching potential donors for financial backing into all fields of educational needs. To help raise the profile of the trust both in this country and abroad.

**Trustees' responsibilities in relation to the financial statements**

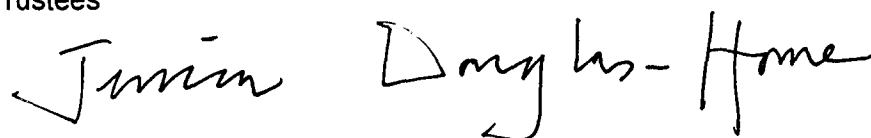
The charity's trustees are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Charity law requires the trustees to prepare financial statements for each financial year. The financial statements are required by law to give a true and fair view of the state of affairs of the charity and its financial activities for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Charities Act 1993 (as amended). 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.

On behalf of the Trustees

A handwritten signature in black ink that reads "Jessica Douglas-Home". The signature is written in a cursive, flowing style.

Jessica Douglas-Home

Trustee

Dated: 18th August 2008

**INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF THE EDUCATIONAL RESEARCH TRUST**

I report on the financial statements of the Trust for the year ended 31st March 2008 as set out on pages 7 to 12.

This report is made solely to the charity's trustees, as a body, in accordance with the section 43 Charities Act 1993 (as amended). My work has been undertaken so that I might state to the charity's trustees those matters I am required to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for my work, for this report, or for the opinions I have formed.

**Respective responsibilities of trustees and examiner**

The charity's trustees are responsible for the preparation of the financial statements . The charity's trustees consider that an audit is not required for the year (under section 43(2) of the Charities Act 1993 (the Act) (as amended) and that an independent examination is needed.

It is my responsibility to:

- examine the financial statements (under section 43(3)(a) of the 1993 Act);
- to follow the procedures laid down in the General Directions given by the Charity Commissioners (under section 43(7)(b) of the 1993 Act); and
- to state where particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

**Independent examiner's statement**

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

- a) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 41 of the 1993 Act; and
  - to prepare financial statements which accord with the accounting records and to comply with the accounting requirements of the 1993 Act;

have not been met; or

INDEPENDENT EXAMINER'S REPORT  
TO THE TRUSTEES OF THE EDUCATIONAL RESEARCH TRUST (cont'd)

b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

STEPHEN FYLES FCA  
FENLEYS  
1st Floor  
168 High Street  
Watford  
Herts  
WD17 2EG

A handwritten signature in black ink, appearing to read 'S Fyles', with a long horizontal line extending to the right.

Dated: 18th August 2008



STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31st MARCH 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
<b>Incoming resources</b>			
Incoming resources from generated funds			
Voluntary income	2	6,000.00	23,000
Activities for generating funds		674.00	239
Investment Income - Bank Interest		571.05	561
Incoming resources from charitable activities		<u>31,694.00</u>	<u>30,530</u>
<b>Total incoming resources</b>		<u>38,939.05</u>	<u>54,330</u>
<b>Resources expended</b>			
Charitable activities			
	3	40,022.33	46,321
Governance costs	4	1,421.75	1,410
<b>Total resources expended</b>		<u>41,444.08</u>	<u>47,731</u>
<b>Net movement in funds</b>		<u>(2,505.03)</u>	<u>6,599</u>
<b>Reconciliation of Funds</b>			
<b>Total funds brought forward</b>		32,105.92	25,507
<b>Total funds carried forward</b>		<u><u>29,600.89</u></u>	<u><u>32,106</u></u>

BALANCE SHEET AS AT 31st MARCH 2008	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
<b>Fixed Assets</b>			
Computer and equipment	7	222.00	<u>444</u>
<b>Current Assets</b>			
Debtors	8	1,752.59	9,338
Cash at Bank and in hand		<u>29,408.05</u>	<u>23,884</u>
		31,160.64	<u>33,222</u>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	9	<u>(1,781.75)</u>	<u>(1,560)</u>
<b>Net current assets</b>		29,378.89	<u>31,662</u>
<b>Net assets</b>		<u>29,600.89</u>	<u>32,106</u>
<b>The funds of the trust</b>			
Unrestricted income funds		29,600.89	32,106
<b>Total trust funds</b>		<u>29,600.89</u>	<u>32,106</u>

The Financial Statements were approved by the Trustees on 18th August 2008 and signed on their behalf by:

*Jessica Douglas-Home*

..... Jessica Douglas-Home - Trustee

*Baroness Cox*

..... Baroness Cox

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2008

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

1.1 Basis of Preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005). The Charities Act 1993 and applicable accounting standards. The financial statements have been prepared under the historical cost accounting rules.

1.2 Incoming resources

Income is accounted for when the Trust becomes entitled to the resource; the trustees and directors are virtually certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

1.3 Investment Income

Interest is accounted for on a receipts basis.

1.4 Fixed Assets and Depreciation

Depreciation is provided by the trust to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Computer and Equipment - 5 years

1.5 Resources Expended

Expenditure is included on an accruals basis.

1.6 Grants - from earmarked donations

Grants from earmarked donations are included as expenditure in the period for which the donation is given.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2008

	<u>2008</u>	<u>2007</u>
	£	£
2 Voluntary income		
Chear Trust	0	10,000
Vinson Trust	0	13,000
	<u>0</u>	<u>23,000</u>
 Voluntary income - Earmarked	 <u>0</u>	 <u>0</u>
 Voluntary income - Research Reform	 <u>6,000</u>	 <u>0</u>
	<u><u>6,000</u></u>	<u><u>23,000</u></u>
 3 Charitable activities - Educational Research		
Direct costs		
Grants - Earmarked	0	0
Research fees	0	0
Secretarial fees	16,986	18,882
Conference & travelling expenses	232	851
Books & journals	483	4,532
 Support costs		
Premises costs	11,779	11,255
Printing & stationery	3,362	3,311
Telephone & postages	4,183	5,441
Computer expenses	2,643	1,702
Depreciation - computer & other equipment	222	222
Loss on disposal of equipment	0	0
Bank charges & interest	86	0
Sundry expenses	46	125
	<u>40,022</u>	<u>46,321</u>
 4 Governance costs		
Independent examiner's remuneration	<u>1,422</u>	<u>1,410</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2008

	<u>2008</u>	<u>2007</u>
	£	£
<b>5 Employees</b>		
The Trust has no direct employees and research and secretarial fees are paid to individuals on invoice.		
Directors Research Fees	0	0
Professor J. Marks		
Baroness Cox	0	0
Secretarial Fees	<u>16,986</u>	<u>18,882</u>
<b>6 Taxation</b>		
As a registered Charity the Trust is not liable to U K Taxation on its Income or Gains.		
<b>7 Fixed assets</b>	<u>Computer &amp; Equipment</u>	<u>Total</u>
	£	£
<b>Cost</b>		
At 1st April 2007	2,307	2,307
Additions	0	0
Disposals	0	0
At 31st March 2008	<u>2,307</u>	<u>2,307</u>
<b>Depreciation</b>		
At 1st April 2007	1,863	1,863
Charge for the year	222	222
Disposals	0	0
At 31st March 2008	<u>2,085</u>	<u>2,085</u>
<b>Net Book Value</b>		
At 31st March 2008	<u>222</u>	<u>222</u>
At 1st April 2007	<u>444</u>	<u>444</u>
	<u>2008</u>	<u>2007</u>
	£	£
<b>8 Debtors</b>		
Other debtors	0	7,633
Prepaid expenses	1,752	1,705
	<u>1,752</u>	<u>9,338</u>
<b>9 Creditors: amounts falling due within one year</b>		
Other creditors	0	100
Accruals	1,782	1,460
	<u>1,782</u>	<u>1,560</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2008

10 Provision for liabilities and charges

The Trust has no Capital Commitments or Contingent Liabilities at the end of the current or previous year.

11 Transactions involving trustees and related parties

There were no transactions with, or payments to, or on behalf of, Trustees or related parties during the year.

Fees paid to the Trust Directors are set out in note 5.

12 Ultimate controlling party

Ultimate control of the Trust both in this and the previous year rests with the Trustees as a body.