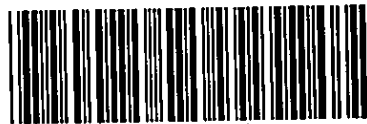


Charity Registration No 1126443

Company Registration No 06699468 (England and Wales)

THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010

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**THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees

M G Smith
E B Smith
C Edwards
B G Peerless
J Smith
K Wake
E Buchanan

Secretary

M G Smith

Charity number

1126443

Company number

06699468

Registered office

5 Park Town
Oxford
OX2 6SN

Auditors

Gross Klein
6 Breams Buildings
London
EC4A 1QL

Solicitors

Charles Russell
5 Fleet Place
London
EC4M 7RD

THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
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Cash flow statement	9
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THE SMITH FAMILY EDUCATIONAL FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The trustees present their report and accounts for the year ended 31 December 2010

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005

Structure, governance and management

Governing document

The charity is a company limited by guarantee, governed by its Memorandum and Articles of Association and is registered as a charity with the Charity Commission in England and Wales under the charity number 1126443. It was incorporated on 16 September 2008 under the name of The Smith Family Foundation. On that same day the name of the company was changed to The Smith Family Educational Foundation.

Membership is open to other individuals or organisations subject to the approval of the directors. The liability of the members is limited. Every member promises, if the charity is dissolved while he or she is a member or within twelve months after he or she ceases to be a member, to contribute such sum, not exceeding £10 as may be demanded of him or her towards the payment of the debts and liabilities of the charity incurred before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and the adjustment of rights of the contributories among themselves.

Trustees

The trustees, who are also the directors for the purpose of company law, and who served during the year were

M G Smith
E B Smith
C Edwards
B G Peerless
J Smith
K Wake
E Buchanan

Appointment of trustees

The trustees of the charity appoint new trustees in accordance with the Articles of Association.

Trustee induction and training

All new trustees are briefed on their obligations under charity and company law, the Charity Commission guidance, content of the Memorandum and Articles of Association, the trustees and decision-making process, the plans and recent financial performance of the charity. They are also introduced to the key personnel including the other trustees.

Organisation

The board of trustees administers the charity. The trustees agree the broad strategy and areas of activity for the charity including consideration of grant making, investment, reserves and risk management policies and performance. The day to day management is carried out by Martin Smith and Geraldine Conneely who is the administrator of the charity.

Martin and Elise Smith provide guidance and recommendations to the trustees about the nature of the projects and organisations that the charity wishes to support. The ultimate decision is taken by the trustees in accordance with the objects of the charity.

**THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2010

Related parties

All trustees give of their time freely and no trustee remuneration was paid in the period. Details of trustee expenses and related party transactions are disclosed in note 15 of the accounts. Trustees are required to disclose all relevant interest and withdraw from decisions where a conflict of interest arises unless authorised by the unconflicted trustees.

Risk management

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure thereto.

Objectives and activities

The charity's aim and object is to advance the education of the public principally by making grants to and supporting educational bodies including those that work in the fields of business, enterprise and economics and the fields of conservation, protection and improvement of the physical and natural environment.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The charity has been funded by donations from Martin Smith and entities related to him. Having obtained funds the board of trustees review and discuss projects to further the objects of the charity.

The main strategy is to establish the Smith School of Enterprise and the Environment, at the University of Oxford.

How our activities deliver public benefit

Our main activities and what we are trying to do is described above. These are undertaken to further our charitable purposes for the public benefit.

Achievements and performance

During the year a large donation was received from Martin Smith to fund the objects of the charity.

The board of trustees continue to review the arrangement, dated 17 November 2008, with the University of Oxford. The purpose of the arrangement is to establish the Smith School of Enterprise and the Environment, in the Social Science Division of the University, as a research and teaching institution. This school will pioneer ways in which public and private enterprise can work jointly and individually to develop solutions to future environmental issues. The total grant payable in instalments to the school, subject to certain conditions, amounts to £9,000,000 and is payable over seven years with the last instalment payable on 31 December 2015. As at 31 December 2010, £4,000,000 was due with the balance payable over the remaining period to 31 December 2015.

Financial review

During the year, donations receivable from Martin Smith and entities related to him, together with any Gift Aid claim, amounted to £858,974 (2009 £5,377,381). The other income is the interest receivable of £40,868 (2009 £141,548).

Donations payable for the year to the University of Oxford amounted to £1,944,471 (2009 £2,055,529). The only other costs were the governance costs amounting to £3,575 (2009 £10,228).

The net expenditure for the year amounted to £1,048,204 (2009 net income of £3,453,172).

As at 31 December 2010, the unrestricted funds of the charity amounted to £2,404,968 (2009 £3,453,172).

**THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2010

Reserves policy

It is the policy of the charity that unrestricted funds should be maintained at a level equivalent to between three and six month's expenditure, not allowing for special projects, amounting to an estimated figure of £9,500. The trustees consider that reserves at this level will ensure that they will be able to continue while consideration is given to ways in which additional funds may be raised. This level of resource has been maintained throughout the period.

Funding sources

The principal funding source are the donations receivable from Martin Smith and/or entities related to him.

Investment policy

The trustees, having regard to grants payable to the University of Oxford and to the reserves policy, have operated a policy of keeping available funds in interest-bearing deposit accounts and seek to achieve a reasonable rate on deposit. During the period, the charity earned £40,868 (2009: £141,548) on the available funds.

Plans for the future

The charity has a long term commitment with a grant payable to the University of Oxford. The trustees will review quarterly reports from the University and attend an annual review meeting. Other projects will be considered but will depend upon donations received. Any surplus funds held will be kept in deposit accounts until they are required.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

Gross Klein were appointed auditors to the company, a resolution proposing that they be re-appointed will be put to the members.

On behalf of the board of trustees



M G Smith
Director/Trustee

Dated: 22 September 2011

THE UNIVERSITY OF MICHIGAN LIBRARY

1000 TAPSCOTT DRIVE
ANN ARBOR, MICHIGAN 48106-1000

TEL: 734-763-1000 FAX: 734-763-1001

1. The University of Michigan Library is a non-profit organization. It is organized as a corporation under the laws of the State of Michigan. The University of Michigan Library is a non-profit organization. It is organized as a corporation under the laws of the State of Michigan.

2. The University of Michigan Library is a non-profit organization. It is organized as a corporation under the laws of the State of Michigan. The University of Michigan Library is a non-profit organization. It is organized as a corporation under the laws of the State of Michigan.

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THE SMITH FAMILY EDUCATIONAL FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also the directors of The Smith Family Educational Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year

In preparing these accounts, the trustees are required to

- 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. 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

**THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF THE SMITH FAMILY EDUCATIONAL FOUNDATION

We have audited the accounts of The Smith Family Educational Foundation for the year ended 31 December 2010 set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of The Smith Family Educational Foundation for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the accounts.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 16 to the accounts.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

TO THE MEMBERS OF THE SMITH FAMILY EDUCATIONAL FOUNDATION

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

**Howard Gross (Senior Statutory Auditor)
for and on behalf of Gross Klein**

**Chartered Accountants
Statutory Auditor
6 Breams Buildings
London
EC4A 1QL**

Dated 22 September 2011

THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Incoming resources from generated funds			
Donations receivable	2	858,974	5,377,381
Investment income	3	40,868	141,548
Total incoming resources		899,842	5,518,929
Resources expended	4		
Charitable activities			
Donations payable		1,944,471	2,055,529
Governance costs		3,575	10,228
Total resources expended		1,948,046	2,065,757
Net (expenditure)/income for the year/ Net movement in funds		(1,048,204)	3,453,172
Fund balances at 1 January 2010		3,453,172	-
Fund balances at 31 December 2010		2,404,968	3,453,172

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

**THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
BALANCE SHEET**

AS AT 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
Current assets					
Debtors	9	499		155,020	
Cash at bank and in hand		3,406,869		3,300,502	
		<u>3,407,368</u>		<u>3,455,522</u>	
Creditors: amounts falling due within one year	10	<u>(1,002,400)</u>		<u>(2,350)</u>	
Net current assets		<u>2,404,968</u>		<u>3,453,172</u>	
Net assets		<u>2,404,968</u>		<u>3,453,172</u>	
Income funds					
Unrestricted funds		<u>2,404,968</u>		<u>3,453,172</u>	
		<u>2,404,968</u>		<u>3,453,172</u>	

The accounts were approved by the Board on 22 September 2011



M G Smith
Director/Trustee

Company Registration No. 06699468

THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2010

		Year ended 31 December 2010 £	Period ended 31 December 2009 £
	Notes		
Net cash inflow from operating activities	11	106,367	3,300,502
Increase in cash	12	<u>106,367</u>	<u>3,300,502</u>

**THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy

Tax recoverable from voluntary income received under Gift Aid is recognised when the related income is receivable and is allocated to the income category to which the income relates

No amounts are included in the financial statements for services donated by volunteers

Interest on funds held on deposit is included when receivable by the charity

1.3 Resources expended

Expenditure is recorded when a liability is incurred. Funding provided through contractual agreements are recognised when the contractual obligation arises

Governance costs represent those costs of the strategic management of the charity and of complying with constitutional and statutory requirements. These costs include audit fees, legal advice for trustees, preparation of the annual report and costs associated with constitutional and statutory requirements

Any irrecoverable VAT is charged to the relevant category of the outgoing resource in the Statement of Financial Activities

1.4 Fund accounting

Unrestricted funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity

1.5 Legal status of the company

The company is limited by guarantee and has no share capital. Every member promises, if the charity is dissolved while he or she is a member or within twelve months after he or she ceases to be a member, to contribute such sum, not exceeding £10 as may be demanded of him or her towards the payment of the debts and liabilities of the charity incurred before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and the adjustment of rights of the contributories among themselves

2 Donations receivable

	2010 £	2009 £
Donations and gifts	<u>858,974</u>	<u>5,377,381</u>

THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2010

3 Investment income

	2010 £	2009 £
Interest receivable	<u>40,868</u>	<u>141,548</u>

4 Total resources expended

	Other costs £	Grant funding £	Total 2010 £	Total 2009 £
Charitable activities				
Donations payable				
Grant funding of activities	-	1,944,471	1,944,471	2,055,529
Governance costs	<u>3,575</u>	-	<u>3,575</u>	<u>10,228</u>
	<u>3,575</u>	<u>1,944,471</u>	<u>1,948,046</u>	<u>2,065,757</u>

Auditors' remuneration

Fees payable to the auditor for the audit of the charity's annual accounts	<u>1,200</u>	<u>1,175</u>
Fees payable to the auditor and its associates for other services		
Accountancy and tax services	<u>1,200</u>	<u>1,175</u>

5 Grants payable

	Total 2010 £	Total 2009 £
Grants to institutions (1 grant)		
University of Oxford	<u>1,944,471</u>	
	<u>1,944,471</u>	<u>2,055,529</u>

THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

6 Governance costs

	2010 £	2009 £
Other governance costs comprise		
Legal and professional	1,175	7,878
Accountancy fees	1,200	1,175
Audit fees	1,200	1,175
	<u>3,575</u>	<u>10,228</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or expenses during the year in respect of their services as trustee. Fees payable to persons connected with the trustees are detailed in note 15.

8 Employees

There were no employees during the year.

9 Debtors

	2010 £	2009 £
Prepayments and accrued income	<u>499</u>	<u>155,020</u>

10 Creditors amounts falling due within one year

	2010 £	2009 £
Grants payable	1,000,000	-
Accruals	<u>2,400</u>	<u>2,350</u>
	<u>1,002,400</u>	<u>2,350</u>

THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

11 Net cash inflow from operating activities	2010	2009
	£	£
Reconciliation to changes in resources		
Changes in resources before revaluations	(1,048,204)	3,453,172
Decrease/(increase) in debtors	154,521	(155,020)
Increase in creditors	1,000,050	2,350
	<u>106,367</u>	<u>3,300,502</u>

12 Reconciliation of net cash flow to movement in net funds	2010	2009
	£	£
Increase in cash	106,367	3,300,502
Net funds at 1 January 2010	3,300,502	-
Net funds at 31 December 2010	<u>3,406,869</u>	<u>3,300,502</u>

13 Analysis of net cash balances	At 1 January 2010	Cash flow	Non-cash changes	At 31 December 2010
	£	£	£	£
Cash at bank and in hand	3,300,502	106,367	-	3,406,869
	<u>3,300,502</u>	<u>106,367</u>	<u>-</u>	<u>3,406,869</u>

14 Commitments

The charity has an agreement with University of Oxford to make a total grant of £9,000,000. This grant is payable in instalments over a period to 31 December 2015. As at 31 December 2010, the amount not yet payable amounts to £5,000,000. The amount payable in the year ending 31 December 2011 amounts to £1,000,000 (2009 £1,944,471). The trustees have received assurances that donations will be received to meet this commitment.

**THE SMITH FAMILY EDUCATIONAL FOUNDATION
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE ACCOUNTS (CONTINUED)**

FOR THE YEAR ENDED 31 DECEMBER 2010

15 Related parties

During the period the donations receivable from Martin G Smith, who is a trustee, and other sources connected with him, amounted to £858,974 (2009 £5,377,381) including the Gift Aid claim

B G Peerless, who is a trustee, is also a partner at the firm of solicitors Charles Russell LLP. He is not remunerated for his role as a trustee but £1,175 (2009 £3,361) were paid to Charles Russell LLP for professional services rendered to the charity

16 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts and tax matters