

**POLITICS AND ECONOMICS RESEARCH TRUST**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

**Company Number: 05982645**

**Charity Number: 1121849**

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## **POLITICS AND ECONOMICS RESEARCH TRUST**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Trustees</b>	Peter Brown John Mills Simon Richards Richard Smith
<b>Registered Office</b>	Bridge House Borough High Street London SE1 9QR
<b>Registered Charity Number</b>	1121849
<b>Company Number</b>	05982645
<b>Bankers</b>	Santander UK Plc
<b>Independent Examiner</b>	John Howard FCA Wilkins Kennedy LLP Bridge House London Bridge London SE1 9QR

# **POLITICS AND ECONOMICS RESEARCH TRUST**

## **REPORT OF THE TRUSTEES**

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The Trustees present their report and financial statements for the year ended 31 December 2014.

### **Constitution**

The Charity, registered number 1121849, is a company limited by guarantee, number 05982645, and is governed by its Memorandum and Articles of Association. The guarantee of individual members is limited to £1.

### **Trustees**

The trustees, who are also directors for the purposes of the Companies Act 2006, who served during the year were:

Ruth Lea                - resigned 23/10/2014  
Peter Brown  
John Mills  
Simon Richards  
Richard Smith

No trustees had any contract or arrangement of a material nature with the company during the year under review.

Trustees are ultimately appointed at the annual general meeting of the Charity although they can be appointed by the board in the interim, with the AGM confirming the appointment. There is a process of induction for new trustees which includes meetings with staff and the provision of key information.

### **Risk Management**

The trustees have examined the major risks which the Charity faces and confirm that systems have been established so that the necessary steps can be taken to lessen any such risks.

### **Objectives and Activities for the Public Benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

The object of the Charity is to advance education of the public and in particular to promote for the public benefit research into matters of public taxation, public policy, applied economics and political science and to disseminate the useful results thereof.

In 2014, the Charity approved 34 grant proposals amounting to £532,000. The research grants approved in the year covered the four core subject areas of the Charity.

## **POLITICS AND ECONOMICS RESEARCH TRUST**

### **REPORT OF THE TRUSTEES**

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#### **Financial review and reserves policy**

Overall, there was a surplus for the year of £11,629 (2013: deficit of £25,388). The Charity is financially dependent on voluntary income received from its supporters and had total incoming resources for the year of £514,551 (2013: £413,154), details of which are shown on the Statement of Financial Activities. The level of reserves at the year end was, after grant commitments, £67,823 (2013: £56,194).

The Charity manages its funds and the donations that it receives to ensure that sufficient reserves are available to ensure that committed grants and administrative costs are covered. This includes £15,000 as working capital for the Trust.

#### **Grant making policy**

The Charity can only fund research projects that are completely non-party political. They must also be carried out to the highest academic standards and be of interest to the public. They must focus on the four core subject areas of the Charity, which represent the enduring themes of the Trust (public taxation, public policy, applied economics and political science).

The Charity accepts applications for funding which are then reviewed against specific criteria as set by the trustees in accordance with the Charity's objectives. The research project team applying for a grant must include people with knowledge, experience and research skills to carry out a successful research project. The Charity sometimes commissions work directly. These proposals are solicited, but are considered according to the same criteria as externally generated proposals.

Grant proposal pass through two stages of scrutiny:

- the Charity Secretary assesses whether the proposal fits within the Trust's current priorities and is technically adequate;
- the Trustees then consider and decide between competing proposals and make the final decision.

When looking at a proposal key issues are:

- the importance and relevance of the topic to the Trust's priorities;
- whether the work will offer new insights or developments;
- the appropriateness of the methods proposed to the aims of the project, including research design, data collection and analysis;
- demonstration of good knowledge of the area, including both research literature and the policy and practice context;
- the ability of the staff and organisation to carry out the work and complete on time;
- the policy and practice implications of the project;
- an appropriate approach to dissemination;
- priority within available funds and value for money.

Judgments about proposals are made on the basis of what is written down. Some proposals are turned down because the Trust cannot give the topic sufficient priority even though the proposal is well thought out and presented. But proposals can also be rejected because insufficient information has been provided about key aspects or there is a lack of clarity about what is planned.

#### **Plans for Future Periods**

The Charity's aims for 2015 are to continue to make grants and fund research in pursuance of the charitable objects.

## POLITICS AND ECONOMICS RESEARCH TRUST

### REPORT OF THE TRUSTEES

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#### Trustees' responsibilities statement

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

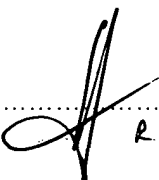
Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. 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 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to smaller entities.

By Order of the Board

  
R. SMITH

Date: 29 September 2015

## **POLITICS AND ECONOMICS RESEARCH TRUST**

### **Report of the Independent Auditors To The Members**

#### **of Politics and Economics Research Trust**

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We have audited the financial statements of Politics and Economics Research Trust for the year ended 31 December 2014 on pages seven to eleven. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 the charitable company's 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 set out on page six, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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 financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2014 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **POLITICS AND ECONOMICS RESEARCH TRUST**

### **Report of the Independent Auditors To The Members**

#### **of Politics and Economics Research Trust**

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##### **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 financial statements 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.



**John Howard FCA (Senior Statutory Auditor)**  
**for and on behalf of Wilkins Kennedy LLP**  
Statutory Auditor  
Chartered Accountants  
Bridge House  
London Bridge  
London  
SE1 9QR

Date: 29 September 2015

**POLITICS AND ECONOMICS RESEARCH TRUST**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
<b>Incoming resources</b>			
<b>Incoming resources from generated funds:</b>			
Voluntary income	2	514,544	413,148
Investment income		7	6
<b>Total incoming resources</b>		<u>514,551</u>	<u>413,154</u>
<b>Resources expended</b>			
<b>Charitable activities:</b>			
Research grants		476,170	431,810
<b>Governance costs</b>		<u>36,752</u>	<u>6,732</u>
<b>Total resources expended</b>	3	<u>512,922</u>	<u>438,542</u>
<b>Net movement in funds</b>		<b>1,629</b>	<b>(25,388)</b>
Fund balances brought forward 1 January 2014		<u>56,194</u>	<u>81,582</u>
<b>Fund balances carried forward 31 December 2014</b>		<u><b>£57,823</b></u>	<u><b>£56,194</b></u>

The notes on pages 9 to 11 form part of the financial statements.



# **POLITICS AND ECONOMICS RESEARCH TRUST**

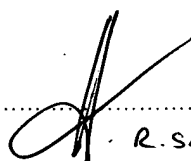
## **BALANCE SHEET**

**AS AT 31 DECEMBER 2014**

		2014		2013	
	Notes	£	£	£	£
<b>Current assets</b>					
Debtors	5	-		58,283	
Cash at bank and in hand		88,175		10,101	
		<u>88,175</u>		<u>68,384</u>	
<b>Creditors: Amounts falling due within one year</b>	6	<u>30,352</u>		<u>12,190</u>	
<b>Net current assets</b>			57,823		56,194
<b>Net assets</b>			<u><b>£57,823</b></u>		<u><b>£56,194</b></u>
<b>Represented by:</b>					
Unrestricted funds			57,823		56,194
			<u><b>£57,823</b></u>		<u><b>£56,194</b></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board on 29 September 2015 and signed on their behalf by:-

.....  
  
 R. SMITH

The notes on pages 9 to 11 form part of the financial statements.

# POLITICS AND ECONOMICS RESEARCH TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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### 1. ACCOUNTING POLICIES

#### (a) Basis of Accounting

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (April 2008) and the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005) issued in March 2005.

#### (b) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the Charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income including grants, donations and gifts is included in full in the Statement of Financial Activities when receivable.
- Investment income is included when receivable.

#### (c) Resources Expended

Expenditure is accounted for on an accruals basis.

- Grants are recognised as expenditure in the year in which they are approved and approval has been communicated to the recipient, except to the extent that it is subject to conditions that enable the Charity to revoke the grant award.
- Governance costs include those incurred in the governance of the Charity and are primarily associated with constitutional and statutory requirements.

#### (d) Funds accounting

The funds of the Charity comprise:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

#### (e) Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 2. VOLUNTARY INCOME

	2014 £	2013 £
Donations	514,544	413,148
Legacies	-	-
	<u>£514,544</u>	<u>£413,148</u>

**POLITICS AND ECONOMICS RESEARCH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

<b>3.</b>	<b>RESOURCES EXPENDED</b>	<b>Grants £</b>	<b>Support Costs £</b>	<b>Total 2014 £</b>	<b>Total 2013 £</b>
	<b>Charitable activities</b>				
	Grants approved (note 3.1)	532,000	-	532,000	427,250
	Amounts cancelled or returned	(60,000)	-	(60,000)	
	Support costs	-	4,170	4,170	4,560
		<u>472,000</u>	<u>4,170</u>	<u>476,170</u>	<u>431,810</u>
	Governance costs	-	36,752	36,752	6,732
	<b>Total resources expended</b>	<b><u>472,000</u></b>	<b><u>40,922</u></b>	<b><u>£512,922</u></b>	<b><u>£438,542</u></b>
<b>3.1</b>	<b>Grant commitments</b>			<b>2014 £</b>	<b>2013 £</b>
	Balance brought forward			10,000	8,000
	Grants approved (note 3.2)			532,000	427,250
	Amounts paid			(472,000)	(425,250)
	Amounts recovered			(60,000)	-
	Balance carried forward			<u>£10,000</u>	<u>£10,000</u>
<b>3.2</b>	<b>Grants approved</b>		<b>2014 Number</b>	<b>2014 £</b>	<b>2013 £</b>
	The Trust approved the following grants to institutions during the year:				
	TaxPayers' Alliance	20	300,000	300,000	
	New Culture Forum	1	7,000	12,250	
	Business for Britain	11	205,000	115,000	
	Global Britain	1	10,000	-	
	Commonwealth Exchange	1	10,000	-	
			<u>£532,000</u>	<u>£427,250</u>	
<b>3.3</b>	<b>Resources expended include the following:</b>			<b>2014 £</b>	<b>2013 £</b>
	Auditors' fee – for audit			3,000	-
	Auditors' fee – for other			10,600	-
	Independent Examiners' fee			-	1,200

**POLITICS AND ECONOMICS RESEARCH TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**4. STAFF COSTS**

There were no employees other than the trustees/directors (2013: None). None of the trustees/directors received any remuneration or reimbursement of expenses during the year (2013: None).

**5. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Taxation recoverable	-	58,283
	<u>£ -</u>	<u>£58,283</u>

**6. CREDITORS: Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	17,362	-
Grant commitments (note 3.1)	10,000	10,000
Accruals	2,990	2,190
	<u>£30,352</u>	<u>£12,190</u>