



Industry and Parliament Trust

Building bridges between business,
government and Parliament



Joint Presidents' Messages

As President of the Industry and Parliament Trust, I was delighted that the Lord Chancellor, Lord Falconer, agreed to become joint President of the Trust in January 2004, succeeding Lord Irvine of Lairg.

Parliament, the Trust and those enterprises which support the Trust have continued to be active in every respect and I extend my sincere appreciation for their dedication and hard work. Companies donate many hours of management time to the Trust in support of the Trust's aim to foster better understanding between the worlds of Parliament and industry.

There are now some two hundred Fellows in the current Parliament. Despite many distractions and

pressures on their time, I continue to see numbers of MPs and members of the House of Lords, as well as officers from both Houses, coming forward for Fellowships, all valuing the Trust as a significant resource. The Trust's increasing emphasis on providing a varied and uniquely tailored programme to meet the requirements of both individual members and companies builds bridges and develops important relationships that can only be beneficial.

I look back on the IPT's year and regard it as a success: I look forward to 2005 and have confidence that the IPT will continue its good work.

The Rt Hon Michael J Martin MP
Speaker of the House of Commons

It is a great privilege to have been appointed joint President of the Industry and Parliament Trust in January 2004. I am pleased to continue the support that my predecessors have given to the Trust during its twenty-seven years. The opportunity for members and officers of both Houses to spend time with industry on both a practical and strategic level is an invaluable learning resource and can only

better inform our legislative process. I encourage all businesses and every parliamentarian to engage with the Trust in its unique and invaluable work.

The Rt Hon the Lord Falconer of Thoroton QC
Secretary of State for Constitutional Affairs and Lord Chancellor

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Message from the Chairman of the Trustees

The year has again involved much change, including a necessary office relocation. However, I am delighted with the progress that has been made by the Director and her Secretariat in restructuring, consolidating the Trust's future strategy and repositioning its traditional core activities to reflect good governance and sound financial management.

Our Mission remains the same –

To ensure that the United Kingdom has the best business-informed Parliament and the best parliamentary-informed business community in Europe.

The objects of the Industry and Parliament Trust

The Industry and Parliament Trust ("the Trust") is established to promote industry and commerce and the efficient and effective administration of government for the benefit of the public.

This is achieved by promoting mutual understanding between legislators and wealth generators of all sectors of business.

Specifically, the Trust provides programmes of study, research, education and training in respect to the organisation and practice of industry and commerce, and also in the administration of Government both within the United Kingdom and the European Union.

The Trust seeks to publish the results of such study and research.

The aims of the Trust

The Trust is dedicated to enabling a better mutual understanding and better informed policy judgements in business, government and Parliament.

The Trust operates as an independent, non-partisan, non-lobbying, non-profit-making organisation, in which the concept of 'practitioner learning from practitioner' is encouraged.

The Trust places MPs, Peers, Officers of both Houses of Parliament and MEPs in educational exchange Fellowships and topic-based programmes within a range of participating companies of all sectors and sizes. Business personnel, at all levels within participating companies, are given the opportunity to improve their understanding of Parliament and the EU institutions, through a series of study programmes, workshops and seminars.

Report of the Trustees

For the year ended 30 September 2004

The Board of the Industry and Parliament Trust ("the Trust") is pleased to present their annual report on the activities of the Trust, together with the audited financial statements for the year ended 30 September 2004.

This report and the financial statements have been prepared in accordance with the Charities (Accounts and Reports) Regulations 2000, and the Statement of Recommended Practice (SORP) 2000.

Primary activities

During the year ended 30 September 2004, the Trust continued to meet its charitable objects and fulfil its mission through implementation of its principal activities:

1. Fellowship Programmes for parliamentarians
2. Study programmes for company representatives in Westminster and Europe
3. The MP/MEP Civil Servant Attachment Scheme
4. Seminars for companies and Fellows

The Trust's Fellowship Programmes for parliamentarians

The Fellowship Programme is delivered in a number of ways and each parliamentarian who applies for a Fellowship is subject to a transparent process of application, scrutiny and approval by the Board of Trustees. A parliamentarian is elected a Fellow by the Trust after successfully completing an educational programme of 18 days study within a company or several organisations. The time taken to complete the programme is, on average, 18 months. The programme is tailored to match the needs, responsibilities and career background of the individual parliamentarian.

Company Fellowships

A Company Fellowship attaches a parliamentarian to a participating company to provide practical experience of the global economic, environmental, personnel and financial issues facing a company, enabling the parliamentarian to explore the company relationship with investing institutions, suppliers and customers.

City Fellowship

A City Fellowship provides an understanding of the impact on the economy of financial institutions and organisations. The Fellowship looks at the different financial markets operating in the City, incorporating securities, insurance, derivatives and the regulatory environment.

University Fellowship

The first University Fellowship has been completed by Alistair Burt MP. The Fellowship provided an insight into the issues that affect the management of a university in respect of curriculum, resource planning and income generation.

Small Business Fellowship

A Small Business Fellowship is a staged programme whereby a parliamentarian may choose from a number of modules. It aims to provide the parliamentarian with a greater understanding of the issues that affect small businesses, such as funding, legislation and competition.

Rural Fellowship

This Fellowship provides practical experience with businesses in rural locations illustrating various forms of ownership, size, product, regional variation, and diversification. Food processing companies, banks and supermarket chains are included along with DEFRA and the European Commission.

Business Programme

Tailored programmes can include business-related, economic, environmental, financial or employment issues, or specific technical areas of activity that have implications on policy and legislation.

During the year 16 parliamentarians completed their business programmes or a Fellowship. Those marked with a † are now Fellows of the Trust.

Name	Party	Attachment	Company
Tony Banks MP†	Labour	Company Fellowship	Ladbrokes
Liz Blackman MP†	Labour	Company Fellowship	Reed Elsevier
Dr Peter Border	Officer - POST*	Business Programme	ITN
Russell Brown MP†	Labour	Company Fellowship	Total Holdings UK
Alistair Burt MP	Conservative	University Fellowship	Universities UK
Rt Hon Tom Clarke CBE MP†	Labour	Company Fellowship	Lloyds TSB Bank
Claire Curtis-Thomas MP†	Labour	Company Fellowship	BT
Nigel Evans MP	Conservative	Business Programme	ConocoPhillips (UK)
Eric Joyce MP†	Labour	Company Fellowship	ExxonMobil
Sabina Magnano	EU Official Portugal	Business Programme	BASF
Arlene McCarthy MEP	PES	Company Fellowship	Bloomberg
Rosemary McKenna CBE MP†	Labour	Company Fellowship	The Royal Bank of Scotland
Andrew Mackinley MP†	Labour	Company Fellowship	BAE Systems
Laura Moffat MP	Labour	Company Fellowship	The Go-Ahead Group
Linda Perham MP†	Labour	Company Fellowship	DHL International (UK)
Gareth Thomas MP†	Labour	Company Fellowship	Boots

* POST = Parliamentary Office of Science and Technology

The Trust's Study Programmes for company representatives

These programmes provide executives with four consecutive days of study in either the Palace of Westminster in London or the European Parliament in Brussels. Both Study Programmes offer company representatives the opportunity of shadowing a Member of Parliament (MP or MEP) for one day in Parliament and up to two days in the Member's constituency.

Parliamentary Study Programme for Industry

This programme mirrors the parliamentary timetable of a typical week in Westminster and covers every aspect of policy and legislative development in both the House of Commons and the House of Lords.

45 representatives from 28 companies completed a Parliamentary Study Programme in the Palace of Westminster and were elected Fellows of the Trust.

Parliamentary Study Programme Delegates - February 2004

Simon Astley

Director Parliamentary Relations
BAE Systems

Jonathan Bailey

Director of Customer Relations
Severn Trent Water Ltd

Duncan Cantor

Senior Policy Analyst
BUPA

Jodie Claridge

Head of UK Government Relations
Vodafone Group Services

Mark Dawson

Partner
PricewaterhouseCoopers LLP

Report of the Trustees

For the year ended 30 September 2004

Lee Drabwell

Regional Director of Operations South
Ladbroke's Ltd

Alastair Evans

Head, Government Affairs
Lloyd's of London

Tina Hallett

Partner
PricewaterhouseCoopers LLP

Caroline Harris

Head of External Communications
Smiths Group PLC

Kate Hewer

Senior External Affairs Manager
GlaxoSmithKline UK Ltd

Nina Hughes

Community & Corporate Affairs Manager
Powergen plc

Colin Jenkins

Regional Director Midlands
Aggregate Industries UK Ltd

Lisa Kerr

External Affairs Manager
Commercial Radio Companies Association

Tom Longland

General Manager
Aggregate Industries UK Ltd

Neil McCrae

Director, External Affairs
GlaxoSmithKline UK Ltd

Laura Mowbray

Public Affairs Manager
Barclays Bank PLC

Mike Reece

Director UK MOD Business (Land and Joint Logistics)
BAE Systems

Alex Rhodes

Stakeholder Engagement Advisor (Industry
Relations)
Shell UK Ltd

Harm B Tegelaars

Chief Executive
Cannons Group Ltd

Raphael Vermeir

Government Affairs Manager
ConocoPhillips

Conal Walker

Customer Relations Manager
MBDA UK Limited

Malcolm Wood

Director of Legal Services
The Standard Life Assurance Company

Donna Young

General Manager, Broadband and Product
Marketing, BT

**Parliamentary Study Programme Delegates–
July 2004**

Lucy Barker

Public Affairs Manager, Public Policy
Barclays PLC

Christian Cull

Head of Press & Public Relations
Waitrose Limited

Caroline Donoghue

Business Analyst Public Policy & Regulation
Lloyds TSB Group

Howard Forti

Manager, External Affairs
ExxonMobil

Andrew Garvey

Senior External Affairs Manager
GlaxoSmithKline UK Ltd

James Graham

Community & Transport Manager
Pfizer UK Ltd

Brian Johnson

Director MOD Business
BAE Systems

Barry King

Regulatory Affairs Manager
ConocoPhillips Limited

Simon Leary

Director
PricewaterhouseCoopers LLP

Geoff Lee

Government Affairs
GE Healthcare

Claire Martin

Head of External Affairs
Natwest Bank plc

Kevin McCullough

Director RWE Innogy Renewables
RWE Innogy

Nicola McDonnell

Marine Sales Manager
ConocoPhillips Limited

Chris Mundy

Managing Director, UK Marketing Group
Marsh Ltd

Matthew Streets

Finance Director
Cannons Group Ltd

Charlotte Sweeney

Diversity Manager
Barclays PLC

Aileen Taylor

Head of Board and Corporate Governance
Royal Bank of Scotland Group

David Taylor

Partner
PricewaterhouseCoopers LLP

Geraint Thomas

External Affairs Manager
GlaxoSmithKline UK Ltd (Wales)

Charles Thompson

Head of Communications, Naval Ships
BAE Systems (Scotland)

David Titcomb

National Access Manager
Pfizer UK Ltd

Richard Webb

Head of Compliance, Retail Investment Servs
Royal Bank of Scotland Group

European Study Programme for Industry

The 2003 programme took place from 3-7 November in London, Brussels and Luxembourg. 18 company-nominated executives completing the programme were elected Fellows of the Trust.

The programme's objectives were to provide an understanding of the culture, the processes and the demands and constraints underpinning the EU institutions and the way they operate. The programme illustrated how individuals and enterprises can pro-actively work within that framework at different levels of the organisation. Each delegate was given the opportunity of an attachment and time spent with MEPs offered a unique insight into how UK MEPs manage the relationship with UK enterprises within a regional framework.

Delegates**Jonathan Bailey**

Director of Customer Relations
Severn Trent Water Ltd

Gavin Berman

Social & General Statistics Section
House of Commons Library

Nick Besly

Clerk to EU Sub-Committee E
House of Lords

Philippa Carling

Business & Transport Section
House of Commons Library

Mike Connarty

Head of Business Development
Standard Life Bank

Pardeep Grewal

Regulatory and Industry Affairs Manager
Imperial Tobacco

Sue Harley

HR and Compliance Director
Ladbroke's Worldwide

Stuart Hurst

Head of Patient Access
Pfizer Ltd

Guy Jubb

Investment Director
Head of Corporate Governance
Standard Life Investments

Jo Lewis

Head of Public Affairs
Lloyds TSB

Audrey Nelson

Clerk to EU Sub-Committee C
House of Lords

Mark Oakes

Cabinet Office
Defence and Overseas Secretariat

Arthur Selman

Head of Group Regulatory Risk
HBOS plc

Patrick Sherry

Partner
PricewaterhouseCoopers LLP

Eric Stobart

Director of Public Policy and Regulation
Lloyds TSB

Andrew Topen

Head of Government Affairs
GlaxoSmithKline

Andrew Vickers

Manager External Affairs Europe
Shell UK Exploration and Production

Dominic Webb

Economic Policy & Statistics Section
House of Commons Library

Report of the Trustees

For the year ended 30 September 2004

MP/MEP Civil Servant Attachment Scheme

The Civil Servant Attachment Scheme has been extended to include both MPs and MEPs and both attachments include a full day's seminar with presentations from members and senior officers.

MP Attachment Scheme: Delegates spend a day and a half in the Palace of Westminster, learning about the work of Parliament and then shadow an MP for one day in the House of Commons and at least one day in the constituency. 59 people participated from 19 Government departments.

MEP Attachment Scheme: Delegates spend at least one day shadowing an MEP in Brussels or Strasbourg and at least one day in the constituency. There is also an opportunity to attend a seminar in Brussels on the work of the European Parliament and attend a half day briefing in the House of Commons. 15 people participated from 8 government departments.

One day Seminar: Delegates spend one day in the Palace of Westminster, learning about the work of Parliament. The speakers are either MPs, Members of the House of Lords or Officers of both Houses. 26 people participated from 6 government departments.

The following government departments or agencies sent delegates on our civil service schemes:

- Home Office
- Government Communications Headquarters
- Department for Work and Pensions
- Government Office for the East Midlands
- Land Registry
- Department for Environment, Food and Rural Affairs
- Ordnance Survey
- Department of Health
- Inland Revenue
- Department for Education and Skills
- Civil Service College
- Charity Commission
- Office of the Deputy Prime Minister
- Ministry of Defence
- Food Standards Agency
- Job Centre Plus
- Health and Safety Executive
- Department for Transport

Seminar programmes

Talks and lectures by leading parliamentarians and briefings to senior company representatives on various topics were given throughout the year.

A one-day Fellows' company seminar took place in the Palace of Westminster to update 20 company executives from GlaxoSmithKline. Seven parliamentarians lectured on aspects of their work and the legislative process.

An "Emerging Issues" seminar for companies and parliamentarians entitled "*The Pensions Challenge*" unfortunately had to be postponed due to an unscheduled debate on the Pensions Bill taking place in the House of Commons on the same date as the event. This meant that ministerial speakers were unable to attend.

The Director spoke at a Fellows' meeting in November 2003 and Mr Speaker hosted a meeting of Chairmen and Chief Executives from the Trust's subscribing member companies at Speaker's House in May 2004.

Promoting the work of the Trust

The Trust's promotional activities during the year were focused on maintaining and increasing awareness of the Trust amongst key stakeholders, notably UK and European parliamentarians, subscribing member companies of the Trust, businesses and donors.

The Trust's primary means of communication were:

- **The Trust's quarterly newsletter** *The Bridge* is circulated to all parliamentarians, subscribing member companies and those individuals involved in parliamentary and public affairs. *The Bridge* is also available to the general public online through the website and includes reports and articles from parliamentarians on aspects of their work or time spent on study and research within a company or economic sector (for example in the City); articles from companies on public affairs programmes and initiatives; information on Trust activities; information for companies and parliamentarians on political matters in the UK and Europe, and details of new Fellows and their fellowships.

- **The Trust's website** (www.ipt.org.uk) and links to it from other company and parliamentary websites.
- **Director representation** at the Labour, Liberal Democrats and Conservative party conferences.

The Director undertook a programme of visits to the Trust's subscribing member companies in order better to understand the needs of the businesses, to be informed of the organisation's corporate affairs strategy and to encourage the company's participation in Trust activities.

Future plans

The Trust has risen to a challenging year, which included a number of staff changes and an office move. Now settled in excellent offices in Whitehall Court, conveniently close to Parliament, the Trust has a cohesive and dedicated small team with much potential for the future. The Trust has worked hard to retain the confidence of its corporate supporters throughout the management and staff changes.

The Trust has had several exceptional one-off costs which have diminished the reserves to £38,636. Mindful of the need to rebuild its reserves, the Trust will continue to develop and deliver its charitable activities. New and existing activities or expenditure are carefully evaluated for risk. The Trust is being increasingly imaginative in the ways it strengthens its staffing resources without increasing its overheads – manpower continues to be a very real constraint as the Trust sets itself larger tasks.

The Trust has increased the number of fee-charging programmes, with new International and European programmes, company seminars and business briefings proving successful.

With over 200 members of the current Parliament who are Fellows, the Trust is extending the range of Fellowships it offers. For example, the Trust's redesigned City Fellowship provides insight into the workings of the City of London whose continued success is so vital to the economy of the capital. A prime part of the Trust's strategy must be to widen the sources of income, entering new areas that fit well with the Trust's aims and objectives. In order to support these initiatives the Trust is implementing a fund raising strategy.

The Bridge will continue to be a useful tool for promoting the work of the Trust. Based on feedback from members of both Houses and subscribing member companies, the Trust anticipates expanding its content and frequency.

The website will continue to be developed as it is an invaluable source of information for the public about the activities of the Trust.

Supporters of the Trust

The Trust could not undertake its activities without the support of parliamentarians - Peers, MPs, Officers of both Houses of Parliament and MEPs - and also its subscribing member companies who often provide vital resources such as additional funding, speakers, venues, hospitality and advice, free of charge. The Trustees would particularly like to thank all the companies for their invaluable help and continuing support.

Governance

At the Annual General Meeting of the Industry and Parliament Trust held on 15 March 2004, the members passed a special resolution altering the objects of the Memorandum and Articles of Association of the Trust by the deletion of Clause 3 and the substitution of the following new clause:

The objects for which the Trust is established are to promote industry and commerce and the efficient and effective administration of government for the benefit of the public. In particular this will be achieved by promoting mutual understanding between legislators and wealth generators of all sectors of business through:-

- (i) The provision of programmes of study, research, education and training about the organisation and practice of industry and commerce, and the administration of Government in the United Kingdom and the European Union.
- (ii) The publication of the useful results of such study and research.

The objects were altered to reflect accurately the purpose and charitable activities of the Trust. The new clause received prior written consent from the Charity Commission under Section 64 of the Charities Act 1993.

Report of the Trustees

For the year ended 30 September 2004

At a Board Meeting of the Trust held on 14 October 2004, the Trustees authorised a Constitution Working Group to ensure that the Memorandum and Articles of Association complied with current legislation and to review the Committee and Membership structure of the Trust. The Group is chaired by the Chairman of the Executive Committee. The outcome of the review will be submitted to Members of the Trust at its Annual General Meeting on 7 March 2005.

Secretariat

A retired member of staff, Sue Chaytor, who had served the Trust for 26 years, died unexpectedly in March 2004. A serving member of staff, Esther Finch, died in May 2004 after a short illness. Both are sadly missed by their colleagues.

There have been a number of staff changes in the course of the year with four new members of staff joining. At the end of September 2004 the Secretariat numbered seven full-time staff, including one on secondment from the Civil Service. In addition the Trust had the services of one temporary member of staff and two interns.

The Trustees are grateful to all the staff for their dedication and hard work, continuing to deliver the Trust's activities while undergoing significant changes and an office relocation. The Secretariat is in the process of forming a new and dynamic team with the skills necessary to drive the Trust forward and much has already been achieved.

Financial performance

Once again the Trust has sustained several exceptional costs which by their nature could not be anticipated or budgeted. This has led to further substantial diminution of the Trust's reserves.

In April 2004, Peter Sharp, Finance Director, left the Trust by mutual agreement after fifteen years employment. Peter had necessarily acted as interim Director of the Trust during the recruitment process in 2003. His departure, following that of Riki Hyde-Chambers in May 2003, has inevitably entailed further exceptional costs which could not be budgeted. Some residual recruitment costs of the new Director also fell within the 2004 accounts.

Sarah Hutchison, a qualified accountant with considerable experience of public practice as well as a wide commercial background, joined the Trust in May 2004 as Business Manager and assumed responsibility for the accounting function. A new accounting package has been introduced and a process is in place for reviewing existing policies and procedures of the Trust.

In March 2004 the lease on 1 Buckingham Place expired after some twenty years at that location and the landlord unexpectedly requested vacant possession. The subsequent costs of dilapidations and the necessary move in June 2004 have adversely affected the Trust's financial performance.

Overview

The income of the Trust has remained fairly constant, apart from the European funding of the Parliamentary Learning Project coming to an end. The net expenditure for the year was £110k (2002/03: net expenditure £43k), however as noted above there have been a number of one-off items in 2003/04, including redundancy payments, the office move, recruitment of a new director and the write off of a number of bad debts. Excluding these non recurring items, the Trust would have achieved excess incoming resources of £34k for the year.

All the assets and funds held are applied towards achieving the objects of the Trust.

Membership

The Trust welcomed the following new members:

- Bovince Limited
- David Ramsden Associates
- KPMG
- Nestlé
- Pineapple Developments Ltd.
- The Argyll Consultancies

Reserves

Reserves at the end of the year amounted to £38,636. Trust policy for the maintenance of the reserves is that they should provide for the statutory and contractual obligations of the Trust on winding up and also to meet exceptional non-budgeted employment costs that may from time to time arise. The reserves should be regarded as an insurance of the Trust's integrity and should ensure that company membership applications are not influenced by financial factors. They should also give the flexibility to do things that may not be possible within the annual budget. On this basis, the current target for reserves is £175,000. It is the Trust's policy to achieve this target by 2008. This is being achieved by strong controls on costs and a rigorous adherence to budgets; the introduction of new income streams; the expansion of existing ones and fundraising.

Investments

There are no specific restrictions on the investment powers available to the Board of Trustees. In the situation where the Trust has significant excess funds it aims to invest such funds to enable funding of future activities.

Dividends

The Trust is prohibited by its Articles of Association from distributing income by way of a dividend.

Related Parties

The Trust is a member of the International Association of Business and Parliament (IABP), a non-profit making body registered in Luxembourg that seeks to enhance the work of its members' national schemes.

Risk Management

The Trustees undertake an annual review of financial risk and compliance risk. Systems have been established to mitigate these risks and procedures are being implemented to minimise the potential impact on the Trust should any of these risks materialise.

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

Statement of Trustees' responsibilities

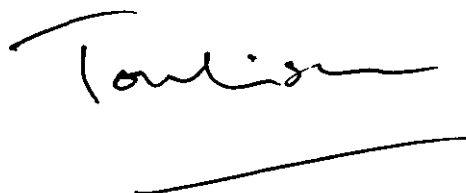
Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and the surplus or deficit of the Trust for that year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect other irregularities.

The accounts for the year, which are presented on pages 15-19 of this report, were approved by the Board on 25 January 2005.

By order of the Trustees



List of Trustees and Committees

Trustees

The direction and control of the Trust is determined by the Board of Trustees.

The composition, election and retirement of Trustees are governed by the Articles of Association. The Trustees do not receive remuneration.

The following served as members of the Board, and therefore as Trustees of the Trust, during the year.

Board of Trustees

The Lord Tomlinson (Chairman)

Re-elected AGM February 2002

Richard Allan MP

Re-elected AGM March 2004

Rt Hon Virginia Bottomley MP

Re-elected AGM March 2004

Rt Hon Richard Caborn MP

Re-elected AGM February 2003

Rt Hon the Baroness Dean of Thornton-le-Fylde

Re-elected AGM February 2003

Sir David Edward KCMG

Re-elected AGM February 2003

Paul Hayter LVO

Clerk of the Parliaments, House of Lords
Re-elected AGM March 2004

The Baroness Hooper CMG

Re-elected AGM March 2004

Miller R McLean FCIBS

Group Secretary and General Counsel, The Royal Bank of Scotland plc
Re-elected AGM February 2003

Jim Meredith (also Chairman of the Executive Committee)

Chief Executive, Waste Recycling Group Limited
Elected February 2003

Douglas Millar

Clerk Assistant, House of Commons
Elected AGM February 2003

Kenneth J Minton CBE

Re-elected AGM March 2004

Bill Olnier MP

Re-elected AGM February 2003

John Sacher CBE

Re-elected AGM February 2003

Barry Stickings CBE

Re-elected AGM March 2004

Committees as at 30 September 2004

In accordance with Article 55, the Trust delegates powers to the following committees:

- Business Development Sub-Group
- Communications Sub-Group
- Emerging Issues Sub-Group
- Finance & Services Sub-Group
- Small Business Sub-Group

Honorary Officers

The following were Honorary Officers of the Trust for the year:

JOINT PRESIDENTS

The Rt Hon the Lord Falconer of Thoroton QC

Secretary of State for Constitutional Affairs and Lord Chancellor

The Rt Hon Michael J Martin MP

Speaker of the House of Commons

VICE-PRESIDENT

The Rt Hon the Lord Weatherill DL

Peer

Legal and Statutory Information

Address and Registered Office:	Suite 101 3 Whitehall Court London SW1A 2EL
Company Registration Number:	1308583
Date of Incorporation:	14 April 1977
Charity Registration Number:	287527
Constitution:	Company limited by guarantee, no share capital. Section 30 of the Companies Act, with Memorandum and Articles of Association.
Directors/Trustees:	The Lord Tomlinson (Chairman of the Trustees) Richard Allan MP Rt Hon Virginia Bottomley MP Rt Hon Richard Caborn MP Rt Hon the Baroness Dean of Thornton-le-Fylde Sir David Edward KCMG Paul Hayter LVO The Baroness Hooper CMG Miller R McLean FCIBS Jim Meredith (also Chairman of the Executive Committee) Douglas Millar Kenneth J Minton CBE Bill Olnier MP John Sacher CBE Barry Stickings CBE
Secretary:	Miss Sally Muggeridge ¹
Bankers:	Lloyds TSB Butler Place Branch PO Box 132 1 Butler Place London SW1H 0PR
Solicitors:	Bond Pearce Solicitors Oceana House 39-49 Commercial Road Southampton Hampshire SO15 1GU
Auditors:	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

(1) Although listed as a Director until 25 January 2005, Miss Muggeridge was not a Trustee. This has been confirmed by the Charity Commission.

Independent Auditors' Report

To the members of the Industry and Parliament Trust

We have audited the financial statements which comprise the statement of financial activities, the balance sheet and the related notes.

Respective responsibilities of Directors and auditors

The Trustees are also Directors of the Industry and Parliament Trust for the purpose of Company Law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Trustees' report and the Chairman's statement.

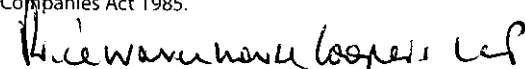
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 30 September 2004 and of its net outgoing resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London
25 January 2005

Statement of Financial Activities

including the income and expenditure account for the year ended 30 September 2004

	Notes	Unrestricted £	Restricted £	2004 Total £	2003 Total £
Income from activities in furtherance of the charity's objects:					
Contributions of supporters		435,233	-	435,233	443,809
Study Programmes and Seminars		164,658	-	164,658	118,200
Parliamentary Learning and Development Project	4.5	-	13,081	13,081	148,465
MP/MEP Civil Servant Attachment Scheme	4	-	71,485	71,485	105,375
Interest receivable		6,158	-	6,158	9,234
Donations		20,000	-	20,000	-
Miscellaneous income		960	-	960	1,434
		627,009	84,566	711,575	826,517
Cost of generating funds	9	(24,790)	-	(24,790)	(24,783)
Total incoming resources available for charitable application		602,219	84,566	686,785	801,734
Activities in the furtherance of the charity's objects					
Fellows' expenses		(10,753)	-	(10,753)	(1,661)
Study courses and seminars		(74,167)	-	(74,167)	(54,992)
Parliamentary Learning and Development Project	4.5	(23,567)	(13,081)	(36,648)	(66,507)
MP/MEP Civil Servant Attachment Scheme	4	-	(6,957)	(6,957)	(47,322)
Induction and information events		(6,224)	-	(6,224)	(6,147)
Depreciation	8	(9,956)	-	(9,956)	(8,889)
Staff costs directly attributable to charitable activities	4	(196,297)	(48,287)	(244,584)	(242,829)
Management and administration of the charity	13	(407,116)	-	(407,116)	(416,114)
Total charitable expenditure		(728,080)	(68,325)	(796,405)	(844,461)
Net movement in total funds (net income/(expenditure))					
for the year after transfer between funds		(125,861)	16,241	(109,620)	(42,727)
Transfer between funds	4,10	16,241	(16,241)	-	-
Net movement in total funds (net income/(expenditure))		(109,620)	-	(109,620)	(42,727)
for the year after transfer between funds					
Balance brought forward at 1 October		148,256	-	148,256	190,983
Balance carried forward at 30 September		38,636	-	38,636	148,256

There were no acquisitions in the year and no operations were discontinued. The Trust has no recognised gains or losses other than those in the surplus above and therefore no separate statement of gains and losses has been presented.

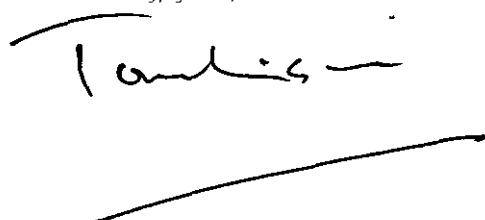
Balance Sheet

as at 30 September 2004

	Notes	Unrestricted £	Restricted £	2004 Total £	2003 Total £
Fixed assets					
Investment	8	30,750	-	30,750	29,250
Office equipment	8	20,978	-	20,978	26,666
Current Assets					
Debtors					
Trade debtors		9,172	-	9,172	55,999
Other debtors		13,844	-	13,844	76,287
Prepayments		10,537	-	10,537	13,634
Accrued income		-	-	-	8,875
Cash at bank and in hand		67,198	137,131	204,329	325,503
		100,751	137,131	237,882	480,298
Current liabilities					
Creditors due within less than one year					
Trade creditors		(11,628)	-	(11,628)	(6,750)
Other creditors		(23,565)	-	(23,565)	(25,568)
Accrued expenses		(10,736)	(33,691)	(44,427)	(67,931)
Deferred income	6	(60,570)	(103,440)	(164,010)	(287,698)
Other taxation and social security		(7,344)	-	(7,344)	(11)
		(113,843)	(137,131)	(250,974)	(387,958)
Net current assets		(13,092)	-	(13,092)	92,340
Accumulated Fund		38,636	-	38,636	148,256

Approved by the Trustees on 25 January 2005
The Lord Tomlinson

The notes on the following pages form part of these accounts.



Notes to the Accounts

30 September 2004

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, applicable UK law and the Statement of Recommended Practice on Accounting and Reporting by Charities ("SORP") issued by the Charity Commission in October 2000. A summary of the principal accounting policies, which have been applied consistently, is set out below. The financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of certain fixed assets.

1. Principal Accounting Policies

- (i) The Trust qualifies as a small entity and as a consequence, it is exempt from the requirement to publish a cash flow statement under Financial Reporting Standard 1 (revised) 'Cash Flow Statements';
- (ii) The Trust maintains two types of fund:
 - restricted: where the purposes for which the funds may be used have been restricted by donors. (The Trust operates two such funds, for the Parliamentary Learning and Development Project and the MP/MEP Civil Servant Attachment Scheme);
 - unrestricted: where the fund is not restricted as to use;
- (iii) All income is included in the accounting period on a receivable basis, where there is a legal entitlement and the amount can be quantified with reasonable accuracy. When income is received in advance it is treated as deferred income;
- (iv) Expenditure is included in the accounts on an accruals basis. Activities in furtherance of the charities objects comprises all costs directly related to the Fellowship Programme and the other courses and seminars held throughout the year. This includes expenses reimbursed to Fellows and the direct cost of staff involved in organising the Fellowship Programme and other Trust activities. Staff costs are apportioned between administration and other charitable expenditure on the basis of time spent;
- (v) Investments in original cartoon artwork are included in the financial statements at current cost at the end of the year, revalued on the basis of current market cost. The unrealised gain or loss arising from revaluation of these investments is shown in the Statement of Financial Activities;
- (vi) Costs of operating leases are charged on a straight line basis over the lease term;
- (vii) Fixed assets in excess of £1,000 are capitalised and are included at cost;
- (viii) Computer equipment is depreciated on a straight line basis over four years;
- (ix) The company has been granted charitable status and is exempt from direct taxation on its charitable activities;

- (x) The Trust contributes to a number of money purchase pension schemes on behalf of certain of its employees.

2. Staff costs

	Year ended 30 September 2004 £	Year ended 30 September 2003 £
Salaries	293,539	362,077
Contract staff	48,287	
Other staff costs		
Social security costs	27,746	28,681
Pension contributions	13,226	57,443
Private healthcare costs	(1,883)	12,026
	380,915	460,227

One employee's salary was between £50,000 to £60,000 during the year. This included a sum of £35,426 for his termination package, whilst another employee earned between £70,000 to £80,000 for the year. (In 02-03 one employee was paid between £100,000 and £110,000 which included £68,462 for the termination of his employment contract which also included a payment of £27,931 into the employee's pension fund.)

Payments into defined contribution pension schemes accrued or were paid for eight employees during the year (2003:7).

No Trustee received any emoluments in respect of services to the Trust during the year (2003:Nil). For part of the year the Chief Executive was listed as a Director. The Charity Commission have confirmed that she was not a Trustee and therefore require no further disclosure.

The number of employees employed by the Trust during the year 2003/2004 was seven full-time plus two interns plus one on fixed-term contract, and in the year 2002/03 was seven full-time plus two part time and three on fixed-term contracts.

3. The deficit for the year is after charging the following items

	Year ended 30 September 2004 £	Year ended 30 September 2003 £
Audit fee	3,856	3,924
VAT advice from auditor		1,880
Hire of plant and machinery - operating leases	7,742	5,702
Hire of other assets - operating leases	29,929	33,496
Termination packages	54,486	96,393
Moving Costs	11,634	-
Dilapidations	17,500	-
Bad Debts	59,647	

Notes to the Accounts

30 September 2004

4. Restricted funds

	Balance as at 30 September 2003 £	Income in year £	Expenditure in year £	Transfers to unrestricted fund £	Balance as at 30 September 2004 £
Parliamentary Learning and Development Project					
	-	13,081	13,081	-	-
MP/MEP Civil Servant Attachment Scheme					
	-	71,485	55,244	16,241	-
Total	-	84,566	68,325	16,241	-

The Parliamentary Learning and Development Project provided learning services for MPs and their staff, and was operated by the Trust under a fixed term contract with the House of Commons until Summer 2003. The contract was subject to tender and was not renewed.

The MP/MEP Civil Servant Attachment Scheme demonstrates to civil servants some aspects of MPs' and MEPs' activities by means of short attachments. Civil Service Departments pay the Trust per civil servant attached.

Surpluses from both these activities may be and have been transferred by the Trust to its other activities.

5. Parliamentary Learning and Development Project contingent liability

To ensure transparency on financial transactions, probity and learning outcomes, the first phase of the Parliamentary Learning and Development Project, which was funded by the European Social Fund, is subject to audit by the European Court of Auditors or its agents up to 12 September 2005. Were such an audit to take place and reveal negligence, lack of transparency or financial impropriety the Trust could be liable to repay up to £285,306 to the European Social Fund.

6. Deferred income

	Year ended 30 September 2004 £	Year ended 30 September 2003 £
Balance as at 1 October	287,698	267,116
Income received	164,010	287,698
Released to income and expenditure account	(287,698)	(267,116)
Balance as at 30 September	164,010	287,698

7. Financial commitments

At 30 September the Trust had annual commitments under operating leases as follows, being non-cancellable except as shown:

	Year ended 30 September 2004 £	Year ended 30 September 2004 £	Year ended 30 September 2003 £	Year ended 30 September 2003 £
	Land and buildings	Other	Land and buildings	Other
Operating leases which expire:				
- within one year	-	5,978	14,224	1,353
- in the second to the fifth year inclusive	35,000 ⁽¹⁾	-	-	-

(1) Rent lease for 5 years with a 3 year break clause

8. Asset movement note

	Fixed assets £	Investments £
Cost/Valuation		
As at 1 October 2003	35,555	29,250
Additions:		
Cartoons		1,500
Computer installation	4,268	
As at 30 September 2004	39,823	30,750
Accumulated depreciation		
As at 1 October 2003	8,889	
Charge for the year	9,956	
As at 30 September 2004	18,845	30,750
NBV at 30 September 2004	20,978	30,750
NBV at 30 September 2003	26,666	29,250

9. Cost of generating funds

The cost of generating funds is the cost of Trust publications explaining and advertising the Trust's activities.

10. Transfers between funds

The transfer of funds from the restricted to the unrestricted fund represents the surplus arising from restricted activities, and the donors are aware and in agreement that such a transfer should be made.

11. Trustees' expenses

The total amount reimbursed to a Trustee for travel was £322 (2002-2003: Nil).

12. International Association of Business and Parliament (IABP)

The accounts of the Trust do not reflect the financial position and results of the IABP. At the year-end, the IABP owed the Trust £nil (2003: £522).

13. Management and Administration costs

	Year ended 30 September 2004 £	Year ended 30 September 2003 £
Premises	35,994	38,740
Office overheads	216,189 ⁽¹⁾	140,124
Corporate Forum and Annual General Meeting	16,896	16,030
Participation in IABP	1,706	3,822
Staff costs not attributable to direct charitable activity	136,331	217,398
	407,116	416,114

(1) The office overheads include the exceptional costs of termination packages (£54k), moving costs (£12k), dilapidations (£18k), and bad debts (£60k).

14. Related party transactions

One of the Trustees is a consultant for a recruitment agency. The Trust used this organisation for the appointment of the new Director. The costs incurred during the year were £9,465 (2003: £25,037).

15. Company status

The Trust is a charitable trust limited by guarantee. The guarantors are the existing members whose liability is limited in the case of each class of members to the following amounts:

Subscribing members	£1,000
Trustee members	£1

Subscribing Member Companies

at 30 September 2004

Aggregate Industries plc	Motorola Ltd
ARM Ltd	Muncaster Visitor Management
BAE Systems plc	Nationwide Building Society
Bank of England	Nestlé UK Ltd
Barclays plc	Network Rail Infrastructure Ltd
BASF plc	Norsk Hydro (UK) Ltd
Bloomberg LP	Northumbrian Water Limited
Boots Group plc	Pfizer Limited
Bovince Limited	Pilkington plc
BP plc	Pineapple Developments Ltd
British American Tobacco (Holdings) Limited	PricewaterhouseCoopers LLP
British Nuclear Fuels plc	Rank Group Gaming Division plc
British Telecommunications plc	Reed Elsevier Group plc
Cannons Group plc	Rio Tinto plc
Centrica plc	Royal Armouries
ConocoPhillips (UK) Ltd	Royal Holloway, University of London
David Ramsden Associates	RWE Npower plc (Formerly RWE Innogy plc)
Degussa UK Holdings Limited	Severn Trent Water Limited
DHL International (UK) Limited	Shanks Group plc
E.ON UK (formerly Powergen UK plc)	Shell International Limited
EMAP plc	Short Brothers plc
ExxonMobil	Signify
FlowerCity (London) Limited	Simon Martin Group Ltd
Future Forests Ltd	Smiths Group plc
Gala Group Ltd	Swiss Re GB plc
GE Healthcare	Tesco Stores Ltd
GKN plc	Thales plc
GlaxoSmithKline UK Ltd	The Argyll Consultancies
Historic Houses Association	The BOC Group plc
Imperial College of Science Technology and Medicine	The Federation of Small Businesses
ITN Limited	The Go-Ahead Group plc
John Lewis Partnership	The Royal Bank of Scotland plc
Johnson & Johnson	The Standard Life Assurance Company
Kingston University	Thomas H. Loveday Ltd
KPMG	Total Holdings UK Ltd
Ladbroke's Ltd	Tunstall Group Ltd
Lafarge Cement UK	Unilever UK Ltd
Lloyd's of London	United Kingdom Nirex Ltd
Lloyds TSB Bank plc	United Utilities plc
Marks and Spencer plc	University of Bristol
Marsh Ltd	UPS Ltd
Marsh Development Capital Ltd	Waste Recycling Group Limited
Mitchells & Butlers plc	Whurr Publishers Ltd



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Registered address as above.