

01308583.

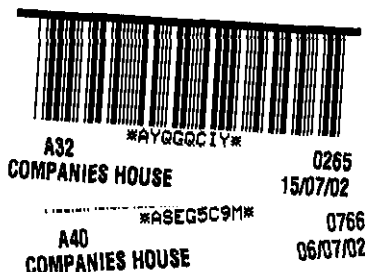
**Industry and Parliament Trust**

1 Buckingham Place  
London SW1E 6HR  
Telephone 0207 630 3700  
Fax 0207 630 3701  
Direct Line 0207 630 3703  
E-mail: sue@ipt.org.uk  
<http://www.ipt.org.uk>



# INDUSTRY AND PARLIAMENT TRUST

## CHAIRMEN'S REPORT DIRECTOR'S REPORT REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2000 – 2001



Ref: 01308583

Presidents: The Rt Hon the Lord Irvine of Lairg, the Lord Chancellor The Rt Hon Michael Martin MP, Speaker of the House of Commons

Trustees: The Lord Tomlinson, Chairman Richard Allen MP The Rt Hon Virginia Bottomley MP The Rt Hon Richard Caborn MP, Minister for Sport Roger Sands, Clerk Clerk Assistant, House of Commons Sir Michael Davies, Clerk of the Parliaments The Rt Hon the Baroness Dean of Thornton-le-Fylde PC Judge David Edward CMG QC The Baroness Hooper CMG Sir Ken Jackson, General Secretary, Amicus (AEEU Section) Miller McLean, Group Director, Legal and Regulatory Affairs and Group Secretary, The Royal Bank of Scotland Plc Ken Minton CBE, Bill Olnier MP John Sacher CBE Barry Stickings, Chairman, BASF Plc

Registered as a charity: registration no 287527. A company limited by guarantee, registered in England no 1308583. Registered address as above.

I found my IPT time spent with GKN to be hugely valuable. I could not have maintained a link in the real industrial world in any other way.

Rt Hon Lord Robertson, Secretary-General of NATO IPT Fellow

## The Chairmen's Report

**The Rt Hon The Lord Weatherill DL**  
Chairman of the Trustees.

**Barry Stickings**  
Chairman, BASF Chairman of the Executive Committee and a Trustee

The tragic events of 11th September and the resulting economic uncertainty have impacted directly on all the Trust's participating enterprises. The personal tragedies and the changing economic and international scene have all impacted directly on Parliament. The Trust is working to ensure that it is at maximum effectiveness for its participating business personnel and parliamentarians as they develop policies and measures to meet the new world situation.

Last year we reported on the new approaches the Trust was adopting to enhance its responsiveness to changing business circumstances and a new Parliament following the General Election. Quite apart from the 11th of September, recent months have shown the wisdom of that approach. Indeed, the improved positioning of the Trust has been evident from the take up of Parliamentarians following the election (page 4).

Continuing company restructuring in many sectors causes all business personnel to focus on immediate business outcomes. During recent months, the Trust has been working with its participating enterprises to see how its resources can be tailored to meet both company as well as personnel development needs. Twelve-month action plans have been agreed with a third of the participating companies and this process is being accelerated. The Small Business Sub-Committee, (Chair: Colin Whurr), has been developing the facilities the Trust offers to enable greater inter-change between participating small businesses, parliamentarians and corporate personnel.

The Finance Sub-Committee (Chair: Michael Alderson) developed subscription rules, adopted at the AGM and EGM, to provide some financial protection for the Trust in the event of company mergers and demergers. At the beginning of the financial year, we budgeted a reduction in core income to £405,000. Through increased company subscriptions, we were able to increase core income to £419,000 which, together with strict cost controls and sponsorship raised through help in kind, enabled the Trust to fulfil its year's programme without cutbacks.

Bloomberg LP, TotalFinaElf, Taylor Woodrow and YTKO have been elected to the Trust, while Degussa-Hüls have agreed to retain Laporte's membership. We are particularly grateful to YTKO for their design expertise in developing the IPT's web site [www.ipt.org.uk](http://www.ipt.org.uk). It is our intention to develop this during the coming year as a key means of communicating with companies and parliamentarians.

The ADAPT Project, which formally ended on 30th of June, is being maintained by the House (pages 11-12). It is introducing, within the neutral forum of the Trust, best business practice in a range of practical business applications and bringing together Members and their staff and business personnel. The Trust can take some pride in this contribution to Westminster. It has achieved all the objectives of ADAPT and is in the 1% of projects which have been mainstreamed.

The Trust is grateful to its ADAPT Project partners: BAE Systems, Coutts Consulting Group plc, the Centre for Employment Initiatives and the Serjeant at Arms Department of the House of Commons. The Training Sub-Committee (Chair: Bert Bertolini) has been closely involved in the ADAPT project and has also taken a key role in the development of the academic accreditation of Fellowships. Six Fellows-elect are taking up this option.

Professor Drummond Bone, Principal of Royal Holloway University, initiated discussions on the possibility of universities playing a role within the Trust. Brian Kent as a Trustee and Stephen Johnson on behalf of the Executive Committee, progressed discussions. The Trustees and Executive Committee agreed that there should be a consortium of universities elected to participate in the Trust. This recognises the key role that universities have both in business-related research and development, and in ensuring that the UK has the necessary skill base to make it competitive. In addition, of course, many universities now have to operate as businesses. We consider this bringing together of academia, business and Parliament to be valuable for all concerned.

There is no doubt that the survey on corporate social responsibility 'The politics of responsible business' - conducted by PricewaterhouseCoopers in association with the Trust and published in May - is a uniquely useful resource for anyone interested in CSR policy development (page 8). In addition, the opportunity to assess objectively the value of IPT programmes has been of major importance for us. All involved with the Trust should take pleasure in the outcomes (pages 9-10). They have been fed into the Strategy Sub-Committee's survey of parliamentarians, company Chief Executive Officers and personnel. The results will help to determine the Trust's strategy for the next five years.

The year 2002 marks the Silver Jubilee of the Trust. It is a measure of our success that the Trust has helped in the founding of six other UK schemes and eight national schemes. It is a success which we hope all participating parliamentarians and business personnel will help to promote during the coming Silver Jubilee year.

*Stickings*

*Bernard Weatherill*

## The Director's Report

Fredrick R Hyde-Chambers  
Director of the Trust

**The General Election and the IPT:** There are ninety-nine new Members (78 are due to retirements and 21 seats have been won). The impact on IPT's Fellows has been minimal. Five Fellows lost their seats and one Fellow was elected (one of seven who had previously been MPs). In the Government five Fellows lost their Ministerial posts but six others were appointed Ministers. The Shadow Secretary of State for Trade and Industry is among the 18 Fellows included in the Leader of the Opposition, Rt Hon Iain Duncan Smith's Front Bench team. There is an increase in Liberal Democrat Fellowships. Currently there are 45 Members, officers, MEPs and Peers at some stage of their Fellowship or IPT Business Programme (there were 47 at the same period last year). Eight Fellowships were awarded in the period between the General Election and the summer recess and a further six are under consideration. At the financial year-end there are 36 Fellowship vacancies, which are a priority to be addressed as soon as the House returns in October.

Members are now able to take advantage of a range of Fellowships (see inner back cover) as well as IPT Business Programmes. These are designed to assist members with first hand experience of specific parliamentary related issues. They can be used, for example, to look at a policy area or to focus on a highly technical issue.

During the summer recess programmes have continued through the Learning and Development Project for Members' support staff. 611, almost a third of the staff, have already benefited from the eighteen month life of the project.

Reference is made in the Chairmen's report to the survey carried out of Fellows and Fellows-elect to assist with the future strategy of the Trust. It is evident from this survey, in addition to the PWC survey (pages 9-10) that the Fellowship still provides a unique, valued experience. There is keenness for short seminars on issues, with follow-up at a company, which we are exploring, possibly on an issue such as PPP. There is no doubt that we need to be able to anticipate Members' needs more effectively. Thought is also going into support or introductory material for the Fellowship programmes.

**Business:** The degree to which continuing change impacts on the work of the IPT is evident from the 30 inductions conducted for Company Representatives and Fellowship Mentors over the past 12 months at the Trust.

There are inherent weaknesses within the company/IPT relationship. In general, they are dependent on two relationships, the Company Representative and Fellowship Mentor, who usually come from the Public or Government Affairs departments of companies. These departments are frequently called on to 'fire fight', so inevitably, the IPT relationship has to drop down their agenda. They are the departments often subject to cut backs when there is cost cutting. They, like all our businesses, at a time of economic downturn, are under great pressure to focus on business outcomes. To address this we are working through with each participating company the following points and agreeing with them a *12-month action plan*:

- a) Ascertaining how the IPT's resources can meet the needs of the company in its relationship with Government, Parliament and the EU institutions;
- b) Ascertaining whether the IPT can answer some of the companies' HR development needs;
- c) Assisting the promotion of IPT participation as good Corporate Social Responsibility;
- d) Ascertaining if aspects of the companies' best practice, i.e. customer care, are relevant to the Learning and Development programme for Members and their staff;
- e) Assisting companies in the management of Fellowships, to ensure the maximum benefit is achieved for both parties, with the minimum amount of additional work.

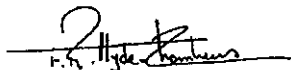
From the discussions on these points we agree a *12-month action plan*, providing the company with clear objectives and outcomes. For both Parliamentarians and enterprises the IPT's programmes have, or course, to be relevant to need or there will be no participation.

The links with HR Departments are of enormous importance to the Trust. They provide a more stable departmental relationship for the IPT as well as providing access to IPT programmes for graduates and rising managers.

Internally, we are completing a new management structure and changes in working practices, which are designed to enhance our management of company/Fellowship relationships. Here I would like to pay tribute to my colleagues, whose commitment has made the delivery of these activities possible.

The rigour with which we work to maintain the integrity of the Trust should not be underestimated. It is a constant process, given the sensitivity of, and constant media suspicion about, any Parliamentary business relationship. (The reaction of a Scottish paper to the newly formed Scottish and Parliament Business Exchange is a salutary warning on the need to maintain this rigour).

We will be making the maximum use of the Silver Jubilee of the Trust as an opportunity to profile and highlight the IPT as a resource for our participating companies and for both Parliament and the European Parliament.

  
F.R. Hyde-Chambers

## Report of the Trustees for the year ended 30 September 2001



The Rt Hon Virginia Bottomley MP

- 1 The Trustees submit their Report and Accounts for the year ended 30 September 2001.
- 2 The objectives of the Trust as stated in the revised Memorandum and Articles of Association dated 24 January 2000 are shown at the opening of the annual report. The principal activities and developments of the Trust are dealt with earlier in this report.
- 3 The Trustees believe it appropriate and helpful to underline that the major contribution by supporter companies and parliamentarians is one of time. Parliamentarians, in addition to guaranteeing five working weeks in a year for their Fellowship, also guarantee to give time to the Parliamentary programmes arranged for company personnel.
- 4 **Board of Trustees**  
The Board of Trustees is made up of representatives of all the political parties, including minority parties, Parliamentary officers, EU Institutions and Trade Unions. Industrial Trustees are the current Chairman of the Executive Committee, and former Chairmen of the Council and Management Committee.
- 5 **Executive Committee**  
The members of the Executive Committee are appointed by the Board of Trustees from the list of Corporate Fellows of the Trust who are representatives of participating companies. The Executive Committee assists the Trustees in carrying out the aims and objectives of the Trust.
- 6 **Sub-committees**  
The six Sub-committees are made up of a Trustee and Executive Committee member and Corporate Fellows.
  - Profile Sub-committee
  - Finance/Funding Sub-committee
  - Small Business Sub-committee
  - Training/Adapt Sub-committee
  - Corporate Fellows Sub-committee
  - Strategy Sub-Committee
  - Emerging Issues Sub-committee
- 7 **The Corporate Forum**  
The Corporate Forum is made up of participating company representatives. It has responsibility for the companies' relationship with the Trust, for developing the company's use of Trust resources within the company as well as for ensuring senior management support for the Parliamentary Fellowships. It is the Corporate Forum, which elects the Trustees at the Annual General Meeting.
- 8 **Programmes**  
In all its activities, the Trust's approach is of practitioner learning from practitioner. The role of the secretariat, through its particular skills, is to ensure that the potential of these activities is realised for the participants.
- 9 **Universities**  
The Trust now has a consortium of four universities, with whom it will be starting work with parliamentarians to inform them about the university sector. There have been many changes in higher education of recent years and the Trustees believe that Universities should be open to scrutiny because they are large budget holders deriving much of their funding, from their entrepreneurial activities and less from the public purse. Barry Sheerman, MP (and Fellow of the Trust) Chairman of the Education Select Committee has endorsed the plan to launch the university sector. He founded the All Party

Parliamentary Group on Universities and this project, he believes, would be a useful adjunct. The Lord Chancellor has agreed to meet with vice-chancellors of the representative universities in October; the occasion will mark the official launch of the project.

### 10 Review of the Financial Position

The Financial statements for the year may be seen on pages 19 and 20 of this report. Reserves at the end of the year amounted to £184,276.

### 11 Resolutions affecting contributions

An Extraordinary General Meeting in July ruled that with effect from the beginning of the new financial year:

- A 5.25% increase in company payments would be applied, with a refund, of 5%, if payment was received within 60 days of invoicing;
- A year's full notice be required for companies resigning from the Trust;
- The company's full subscription to be due during the year in which notice is given and also for the following year;
- This rule to apply to companies taken over by non-member companies, and leaving the Trust in consequence;
- Small business subscriptions to be raised (see notes to the accounts);
- These rules supersede those that were passed at the January 2001 Annual General Meeting.

- 12 Financially Parliament contributes directly to Fellowship expenses and provides services and facilities for all the Trust's Westminster based programmes.

### 13 Trustee Retirements and Co-options

Archy Kirkwood, Ieuan Wyn Jones, and Bowen Wells have retired. George Cubie has been appointed Clerk of Committees and Roger Sands replaces him as Clerk Assistant and Trustee of the Trust. The Rt Hon Virginia Bottomley MP and Richard Allan have been co-opted to the Board of Trustees which is listed below:

The Rt Hon Lord Weatherill DL (Chairman)  
 Richard Allan MP (Fellow) from 1 November 2001  
 The Rt Hon Virginia Bottomley MP (Fellow) from 1 November 2001  
 The Rt Hon Richard Caborn MP, Minister of State (Fellow)  
 George Cubie (retired January 2001)  
 Sir Michael Davies KCB, Clerk of the Parliaments  
 Baroness Dean of Thornton-le-Fyde (Fellow)  
 Judge David Edward CMG QC  
 Baroness Hooper CMG (Fellow)  
 Sir Ken Jackson, General Secretary, AEEU  
 Ieuan Wyn Jones (retired January 2001)  
 Brian Kent, Chairman Wellington Holdings plc  
 Archy Kirkwood MP (retired January 2001)  
 Miller McLean, Group Director, Legal and Regulatory Affairs and Group Secretary, The Royal Bank of Scotland  
 Ken Minton OBE  
 Bill Oler MP (Fellow)  
 John Sacher CBE  
 Roger Sands, Clerk Assistant, House of Commons (from January 2001)  
 Barry Stickings, Chairman, BASF, Chairman of the Executive Committee  
 Lord Tomlinson (Fellow)  
 Bowen Wells (retired June 2001)

### Statement of Trustees responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which



Richard Allen MP

- give a true and fair view of the state of affairs of the Trust, and of 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 judgements 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.

Participation in the Trust is open to any enterprise as long as it meets the Trust's criteria and contributes to its objective of being fully representative of business in the UK. This takes account of size, sector, ownership, location and employment growth areas.

#### 14 Contributing Enterprises

All companies who participated throughout the period except where otherwise stated are:

Aggregates Industries  
Aims  
Bank of England  
Bardays plc  
BASF plc  
Bloomburys (February 2001)  
Blue Circle Industries plc  
BOC plc  
The Boots Company plc  
BAE Systems plc  
British Airways plc  
British American Tobacco  
BNFL  
BP plc  
British Telecommunications plc  
Centrica plc  
Chevron UK Ltd  
Conoco (UK) Ltd  
Courtis Consulting Group plc  
DHL International UK  
The Electricity Association  
Degussa UK Holdings  
Electronic Data Systems  
EMAP plc  
Ernst & Young  
Exxon Mobil plc  
The Federation of Small Businesses  
FlowerCity  
Fotolynx Ltd  
GKN plc  
GlaxoSmithKline plc  
Go Ahead Group  
HSBC Holdings plc  
IBM plc  
Imperial Chemical Industries plc  
Innogy plc  
ITN  
Jaguar Cars Ltd  
JWP Solutions in Print

Kingfisher plc  
Lattice plc  
The John Lewis Partnership  
Lloyds  
Lloyds TSB Group plc  
The London Stock Exchange  
Thomas H Loveday Ltd  
Marks & Spencer plc  
Mars UK Companies  
Marsh Development Capital  
Simon Martin Group (Launer)  
Merck Sharp & Dohme Ltd  
Millennium Inorganic Chemicals  
Motorola Ltd  
Muncaster Visitor Management  
National Botanic Garden of Wales  
The National Grid Company plc  
Nationwide Building Society  
Nettec plc  
Nirex  
Norsk Hydro (UK) Ltd  
Northumbrian Water Limited plc  
Nycomed Amersham plc  
Pfizer Limited  
Pilkington plc  
PowerGen plc  
PricewaterhouseCoopers  
Prince's Trust  
Railtrack plc  
Reed Elsevier plc  
Rio Tinto plc  
The Royal Armouries  
The Royal Bank of Scotland plc  
Severn Trent Water Limited  
Shanks plc  
Shell UK Ltd  
Short Brothers plc  
The Standard Life Assurance Company  
Thos Storey Fabrications Ltd  
TotalinaEff Plc (March 2001)  
Six Continents Plc (July 2001)  
Smiths Group Plc  
Swiss Re  
Tesco Stores plc  
Texaco Ltd  
Unilever plc  
United Utilities plc  
Whurr Publishers Ltd

- 15 During the year, Ernst and Young, Johnson and Johnson, Kelda, NatWest, Polestar left the Trust.
- 16 The Trust is prohibited by its Articles of Association from distributing income by way of dividend.
- 17 The Trusts' auditors are Messrs PriceWaterhouseCoopers, of 1, London Bridge, London SE1 9QL and its bankers are Lloyds TSB plc, 1, Butler Place, London SW1H 0PR.
- 18 A resolution to reappoint the auditors, Messrs PriceWaterhouseCoopers will be proposed at the Annual General Meeting on 4th February 2002.
- 19 The Trustees would like to record their appreciation to the Members of the Executive Committee and its sub-committee members who have served during the year under review (see page 15).

BY ORDER OF THE TRUSTEES

**Fredrick R Hyde-Chambers**  
Company Secretary and Director of the Trust

## Accounts for the year ended 30 September 2001

### 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.

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 Trustees' 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 Trustees' 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. For example 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 Trustees 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 2001 and of its net incoming resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London  
17th January 2002

*PricewaterhouseCoopers*

## Income and Expenditure

Statement of Financial Activities for the year ended 30 September 2001

Notes	Unrestricted £	Restricted £	2001 Total £	2000 Total £
<b>Incoming resources:</b>				
Contributions of supporters	405,603	—	405,603	394,651
Income from study courses and seminars	55,005	—	55,005	104,695
Income from induction and information events	—	—	—	—
Income for Learning Centre 4	—	209,628	209,628	192,911
Interest receivable	13,507	—	13,507	12,038
Miscellaneous income	772	—	772	9,868
<b>Total incoming resources</b>	<b>474,887</b>	<b>209,628</b>	<b>684,515</b>	<b>714,163</b>
<b>Resources expended:</b>				
Direct charitable expenditure:				
Study courses and seminars	(37,569)	—	(37,569)	(69,379)
Fellows' expenses	(7,142)	—	(7,142)	(16,176)
Induction and information events	(3,127)	—	(3,127)	(2,948)
Learning Centre 4	—	(147,593)	(147,593)	(109,806)
Staff costs directly attributable to charitable activities	(144,596)	(31,941)	(176,537)	(181,965)
	(192,434)	(179,534)	(371,968)	(380,274)
Other expenditure:				
Management and administration of the charity 3	(250,495)	(30,094)	(280,589)	(303,923)
Publicity and support material	(12,478)	—	(12,478)	(9,765)
	(262,973)	(30,094)	(293,067)	(313,688)
<b>Total resources expended:</b>	<b>(455,407)</b>	<b>(209,628)</b>	<b>(665,035)</b>	<b>(693,962)</b>
<b>Net incoming resources for the year</b>	<b>19,480</b>	<b>—</b>	<b>19,480</b>	<b>20,201</b>
<b>Balance brought forward at 1 October</b>	<b>164,796</b>	<b>—</b>	<b>164,796</b>	<b>144,595</b>
<b>Balance carried forward at 30 September</b>	<b>£184,276</b>	<b>—</b>	<b>£184,276</b>	<b>£164,796</b>

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

## Balance Sheet

Balance Sheet as at 30 September 2001

	Unrestricted £	Restricted £	2001 £	2000 £
<b>Current Assets</b>				
Stocks of publicity and support material	7,953	—	7,953	10,195
Debtors				
Trade debtors	9,599	—	9,599	44,264
Other debtors	18,929	1,498	20,427	21,567
Prepayments	25,241	—	25,241	19,714
Accrued income	1,630	120,712	122,342	59,334
Cash at bank and in hand	301,236	(59,080)	242,156	79,875
	364,588	63,130	427,718	234,949
<b>Current Liabilities</b>				
Creditors due within less than one year				
Trade creditors	(7,543)	—	(7,543)	(3,690)
Other creditors	(13,448)	(3,902)	(17,350)	(6,724)
Accrued expenses	(27,441)	(59,228)	(86,669)	(49,902)
Deferred income	(131,286)	—	(131,286)	—
Other taxation and social security	(594)	—	(594)	(9,837)
	(180,312)	(63,130)	(243,442)	(70,153)
<b>Accumulated Fund</b>	<b>£184,276</b>	<b>—</b>	<b>£184,276</b>	<b>£164,796</b>

Approved by the Trustees on 17th January 2002  
The Rt Hon the Lord Weatherill DL  
Roger Sands

The notes on the following page form part of these accounts




## Notes to the Accounts

30 September 2001

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice on Accounting by Charities ("SORP") issued by the Charity Commission in October 1995. 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.

### 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 statement';
- (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 currently operates only one restricted fund, for the ADAPT-financed Learning Centre);
  - unrestricted: where the fund is not restricted as to use;
- (iii) All income is included in the accounts on an accruals basis;
- (iv) Expenditure is included in the accounts on an accruals basis. Direct charitable expenditure 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 direct charitable expenditure on the basis of time spent;
- (v) Stock, comprising publicity and support material, is valued at the lower of cost and net realisable value;
- (vi) Costs of operating leases are charged on a straight line basis over the lease term;
- (vii) The company has been granted charitable status and is exempt from direct taxation on its charitable activities;
- (viii) 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 2001 £	Year ended 30 September 2000 £
Office salaries	284,948	274,715
Other staff costs	14,086	17,854
Social security costs	28,493	28,138
Pension contributions	27,329	26,582
Private healthcare costs	7,059	7,315
	<b>361,914</b>	<b>354,604</b>

One employee earned between £40,000 and £50,000 in the year to 30 September 2001 (2000:1) and one between £50,000 and £60,000 (2000:0).

No Trustee received any emoluments in respect of services to the Trust during the year (2000:nil).

The number of employees employed by the Trust during the year 2000/2001 was twelve full-time plus two on fixed-term contracts, and in the year 1990/00 was eight full-time.

### 3 Total resources used – other disclosures

	2001 £	2000 £
Audit fee	1,800	1,768
Hire of plant and machinery – operating leases	4,874	4,484
Hire of other assets – operating leases	33,496	29,183

### 4 Learning Centre project

At 30 September 2000 the Trust had a liability of £192,711 to the European Social Fund (ESF) contingent upon an audit of the project yet to be conducted by the ESF or its agents.

### 5 Financial commitments

At 30 September 2000 the Trust had annual commitments under operating leases as follows, being non-cancellable except as shown:

	2001		2000	
	£ Land and buildings	£ Other	£ Land and buildings	£ Other
Operating leases which expire:				
- within one year	-	-	-	-
- in the second to the fifth year inclusive	33,496 (1)	4,874	33,496 (1)	4,874
(1) Cancellable with six months' notice				

### 6 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