

INDUSTRY AND PARLIAMENT TRUST

CHAIRMEN'S REPORT DIRECTOR'S REPORT REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2002 – 2003

REF 01308583



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Report of the Chairmen

The Trust now has a new strategy in place that builds on the continuing success of our Fellowship schemes, and the number of parliamentarians and business executives benefiting from our core programmes continues to grow. Fundamental to our strategy, the Trust's mission is to ensure that we have the best industry-informed Parliament and the best Parliament-informed business community in Europe.

However, all this has been achieved against a background of much change. The Trustees felt it was imperative to review the Trust's development over the past 25 years and make plans for future growth and development. With our Director, Riki Hyde-Chambers, it was mutually agreed that the Trust would benefit from fresh impetus to implement the strategy effectively over the next few years.

Riki Hyde-Chambers left the Trust in May 2003 and was awarded the OBE for his services to the advancement of public education in the art of science and government. We would like to express our thanks to him, and also to Peter Sharp who acted as Director of the Trust during the recruitment process for Riki's successor. The Board of Trustees is delighted with the appointment of Sally Muggerridge as the new Director for the Trust from October 2003. Exceptional costs of the departing Director, as well as the investment in advertising for and recruiting a new Director were the necessary consequences of a change of leadership.

Our joint President for the past six years, Lord Irvine, stepped down on his departure from the Woolsack. The Rt Hon Michael Martin MP, Speaker of the House of Commons, continues as our President.

Sir Kenneth Jackson retired from the Trustee Board at the start of 2003. Sir Michael Davies retired as a Trustee on his retirement as Clerk of the Parliaments, and Roger Sands retired on his promotion from Clerk Assistant to Clerk of the House of Commons. Douglas Millar, Clerk Assistant, House of Commons,


has been appointed as a Trustee and Paul Hayter LVO, Clerk of the Parliaments, has agreed to be formally appointed.

During the year our core income rose by £37,000, being £18,600 above budget. Net non-core income also increased by £75,000. The number of subscribing members rose from 86 to 91.

Many significant events constituted the highlights of the year. We were delighted to be able to hold our annual business reception at Lancaster House, courtesy of the Rt Hon Richard Caborn MP. Our annual week-long Parliamentary Study Programme took place at Westminster and the ninth European Study Programme headed for Brussels and Luxembourg last November. Both programmes were over-subscribed and excellent feedback was received. The MP/Civil Servant Attachment Scheme arranged for over 60 civil servants to shadow MPs both in the House of Commons and in constituencies.

Media coverage included an article in *The Times* featuring Eric Joyce, MP for Falkirk West, during his Fellowship activity with ExxonMobil, resplendent in hardhat visiting a company plant in Fife. The Trust's newsletter – *The Bridge* – included contributions from companies and parliamentarians on a range of topics, including renewable energy, banking and corporate social responsibility.

Congratulations are due to all the parliamentarians who completed their Fellowships this year. Margaret Moran MP (Labour, Luton South) and John Mann MP (Labour, Bassetlaw) join Baroness Gould of Potternewton as Small Business Fellows. We both look forward to the continuing development of the Trust under its new Director.



The Lord Tomlinson



Jim Meredith

Director's report

Without doubt, 2002/2003 proved a difficult year of transition within the Secretariat involving a long interregnum. This inevitably inhibited and delayed new initiatives taking place. There were, however, some significant achievements and full credit must be given to the staff for keeping the routine work of the Trust going smoothly despite several unsettling months of uncertainty.

Of course, for me it was a year in which I took no part, carry no responsibility for any decisions taken, and equally can claim no credit as I was appointed as the new Director after the year end in October 2003. However, it will be apparent from the accounts that the financial position of the Trust has suffered due to exceptional costs incurred in making changes to senior management. This does cause me concern, inhibiting as it must my future room for manoeuvre. As Director and Chief Executive, I will seek discerning and cost effective future utilisation of our limited resources and I will be working with the Trustees to ensure that our reserves are restored as soon as possible.

New to the job of running the Secretariat, I am not new to the work and objectives of the Trust. For over ten years, I have seen at first hand the important role the Trust fulfils in bringing business and our legislators into mutual understanding and dialogue. Indeed, in 1993 I had the pleasure of guiding a relatively unknown Labour female backbencher, now a prominent government minister, through her Fellowship with Cable & Wireless. In turn, I gained a Corporate Fellowship and the Parliamentary Study Programme I attended certainly served to give me a far clearer insight into how the process of government works.

Coming from a corporate background – a career wholly spent hitherto with blue-chip companies – I have come to understand the prime importance of staff training and career development. My aim

within the Secretariat is to offer a highly efficient, well trained and motivated team fully able to implement the important work we need to do.

Despite being a charity, an educational trust, and offering corporate attachments to parliamentarians, the IPT must regard itself as needing to promote its services and products. Our customers are MPs, MEPs, Peers and Officers of both Houses on the one hand, and participating organisations on the other. They must want to buy into what we are offering as adding experience of practical and professional value.

A strategy was agreed by the Board of Trustees in February 2003 for the period through to 2010 setting a mission for the Trust with measurable targets. Core activities will remain Parliamentary and Corporate Fellowships. In promoting Parliamentary Fellowships, we will strengthen our relationships with the Whips in both Houses so that MPs and new Peers are actively encouraged, indeed expected, to use the Trust to further their understanding of business as personal development.

We will be running both single and multi-company IPT Business Programmes for parliamentarians. We also plan to run Trust programmes in conjunction with universities, exposing parliamentarians to the challenges in preparing a future work force with the skills required by industry.

Trust Fellowships can be sector based, involved with small business, linked to the problems of the rural economy, geared to the challenges of universities, or can introduce parliamentarians to the work and functioning of the City of London. It is a broad range and should serve to increase the number of participating parliamentarians. This will also considerably widen the range of enterprises to which we can offer Corporate Fellowships.

Another element of the proposed strategy for 2003-2010 is to introduce newly structured programmes with business, including basic business economics. These would be expected to be of six days' duration and qualify MPs as "business-aware and informed". This course could be modular, being built up to a Fellowship within the lifetime of a Parliament. All such courses would require an evaluation process sensitive to the role of parliamentarians to ensure that a genuine standard of attainment was reached.

We shall organise Fellows' Company Seminars, tailoring further company seminars to meet specific identified needs, and run an Emerging Issues series which would explore new policy issues, bringing together Parliamentary and Corporate Fellows with interests in debating these topics.

There will also be regular events such as the Fellows' Dining Club, new member receptions, executive briefings and high profile, Trust sponsored, visits.

The limiting factor is likely to be funding so part of our strategy must be to widen the sources of funds open to us, as well as using existing funding to greater effect.

To sustain our income, we must give priority to the core activities which do most to make supporting the Trust attractive to companies, setting the Trust up to be a much-valued resource. By being seen to add value for supporter companies, as well as parliamentarians, we will also find it easier to interest new companies in contributing to the Trust and to retain as supporters those who already do.

The Trust is involved in many areas of imparting and interchanging information and we may well find other organisations covering parts of our strategic functions to a greater or lesser extent. For most

efficient use of resources we must therefore explore synergies and work with others where appropriate to do so, avoiding duplication of effort. And of course the Trust must also liaise with and support similar organisations established in other countries, including those devolved governments within the United Kingdom.

We must also face the challenge that most major companies today operate in a global context. I have spent a good part of my career working in other countries for UK-based companies. Using a somewhat overworked phrase, we must think global and act local, utilising our international contacts to provide liaison and understanding with other governments and legislatures. To this end, the Trust will look to the IABP – the International Association for Business and Parliament – and work with my predecessor on making this happen.

To achieve our strategy in full, it has long been recognised that the Secretariat will need to grow and will require new office accommodation, preferably on the Parliamentary Estate. Situated at 1 Buckingham Place, our current accommodation is not of the size needed to maximise the service we provide. A possible relocation of the Trust is currently under consideration.

The challenge is immense but I have sought to provide some indication of the direction the Trust will be taking with the support of my Secretariat and a proactive Board of Trustees and Executive Committee. My task is simply to build on the firm foundations that have been set by my predecessors over the past 26 years, and give the Trust a fresh impetus, energy and vision. I'm looking forward to the year ahead.



Sally Muggeridge

"My task is simply to build on the firm foundations that have been set by my predecessors over the past 26 years, and give the Trust a fresh impetus, energy and vision"

Report of the Trustees for the year ended 30 September 2003

The Trustees present their report with the financial statements of the Industry and Parliament Trust ("the Trust") for the year ended 30 September 2003.

The financial statements have been prepared in accordance with current statutory requirements, the revised Memorandum and Articles of Association dated 24 January 2000 and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Review of activities and future developments

The aims and objects of the Trust are shown at the opening of this report. The principal activities and review of operations of the Trust are shown in the Chairmen's Report. The financial results of the Trust for the year are set out on pages 12 onward. Plans for the future are shown in the Director's Report.

Subscribing enterprises

A list of subscribing members can be found on the back cover.

Participation in the Trust is open to any enterprise which 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 and location.

Presidents

The Rt Hon the Lord Irvine of Lairg QC,
Lord Chancellor (retired June 2003)

The Rt Hon Michael Martin MP,
Speaker of the House of Commons (*Fellow*)

Vice-President

The Rt Hon the Lord Weatherill DL

Officers

Chairman of the Board of Trustees

The Lord Tomlinson (*Fellow*)

Board of Trustees

The Trustees serving during the financial year and since the year-end are:

Richard Allan MP (*Fellow*)

The Rt Hon Virginia Bottomley MP (*Fellow*)

The Rt Hon Richard Caborn MP

Minister of State, Department for Culture,
Media and Sport (*Fellow*)

Sir Michael Davies KCB Clerk of the Parliaments
(retired July 2003)

The Rt Hon the Baroness Dean of Thornton-le-
Fylde (*Fellow*)

Sir David Edward KCMG

Paul Hayter LVO Clerk of the Parliaments
(appointed November 2003)

The Baroness Hooper CMG (*Fellow*)

Sir Ken Jackson General Secretary, Amicus
(retired January 2003)

Miller McLean Group Director, Legal and
Regulatory Affairs and Group Secretary,
the Royal Bank of Scotland plc (*Corporate Fellow*)
Jim Meredith Chief Executive, Waste Recycling

Group Limited (*Corporate Fellow*)
(appointed February 2003)
Douglas Millar Clerk Assistant, House of
Commons (appointed February 2003)
Kenneth Minton CBE
Bill Olnier MP (*Fellow*)
John Sacher CBE
Roger Sands Clerk Assistant, House of Commons
(*Fellow*) (retired January 2003)
Barry Stickings President, Region Europe,
BASF plc (*Corporate Fellow*)

Chairmen of the Executive Committee

Jim Meredith Chief Executive, Waste Recycling
Group Limited (*Corporate Fellow*) (elected February 03)
Barry Stickings President, Region Europe, BASF plc
(*Corporate Fellow*) (retired February 2003)

Executive Committee

Michael Alderson CBE, Motorola
(*Corporate Fellow*) (retired February 2003)
Chris Bale, Director of Operations, Scottish Power
(*Corporate Fellow*)
Bert Bertoloni Education Action Zone
(*Corporate Fellow*) (retired February 2003)
Rosemary Brook, Director, Kaizo
(*Corporate Fellow*)
Mike Davis Director, Public Policy, Barclays plc
(*Corporate Fellow*)
Mary Jo Jacobi Vice President Group External
Affairs, Shell International Ltd (*Corporate Fellow*)
(appointed July 2003)
Stephen Johnson Member of the Board,
Right Management Consultants Inc
Martin Loveday Managing Director,
Thomas H Loveday (*Corporate Fellow*)
Chris Murray Nirex
(*Corporate Fellow*) (retired June 2003)
Lesley Perry Director of External Relations
and Communications, Universities UK
(appointed April 2003)
Colin Whurr Managing Director, Whurr Publishers

Legal and administrative information

The Trust is a company limited by guarantee,
registration number 1308583, which was
incorporated on 25 March 1977. The Trust's
constitution and principal regulations are set out
in its Memorandum and Articles of Association.
The Trust is a registered charity, registration
number 287527. The registered office of the Trust
is 1 Buckingham Place, London, SW1E 6HR. The

business of the Trust is managed by members of
the Board of Trustees. The composition,
appointment, election and retirement of Trustees
are governed by the Articles of Association. The
Board of Trustees is made up of representatives of
the political parties, including minority parties,
Parliamentary Officers, EU Institutions and trade
unions. In addition, there are some non-
parliamentary representatives. The Trustees do not
receive remuneration.

Under the Trustees, an Executive Committee
manages the business of the Trust. The members
of the Executive Committee are appointed by the
Board of Trustees from subscribing members.
The Executive Committee assists the Trustees in
carrying out the aims and objectives of the Trust.

Under the Executive Committee, five sub-groups
operate to deal with specific business issues.
The sub-groups include a Trustee and an Executive
Committee member. The sub-groups are as follows:

Name	Purpose
Communications	to expedite the Trust's communications strategy
Finance and Services	to monitor the financial progress and resourcing needs of the Trust and its strategy
Small Business	to develop the small business sector in Trust activities
Business Development	to oversee and evaluate programmes and assist in strategy delivery
Emerging Issues	to research current issues

An Executive Director runs the day-to-day
operation of the office. 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.

The Trustees believe it appropriate and helpful to
underline that the major contribution by supporter
enterprises and parliamentarians is one of time.
Parliamentarians, in addition to guaranteeing 18
working days in a year for their Fellowship, also
guarantee to give time to the parliamentary
programmes arranged for company personnel.

Advisers**Auditors**

PricewaterhouseCoopers LLP, Southwark Towers,
32 London Bridge Street, London SE1 9SY

Bankers

Lloyds TSB, Butler Place Branch, PO Box 132
1 Butler Place, London SW1H 0PR

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 member national schemes. As in the prior year, the Trust is the administrative member for the IABP and accordingly is responsible for the financial and administrative arrangements of the body.

Reserves

Reserves at the end of the year amounted to £148,256. 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. 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 within 5 years.

Investments

There are no specific restrictions on the investment powers available to the Board of Trustees.

Dividends

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

Risk statement

The Trustees have approved a risk map for the Trust, based around strategic risk, operational risk, financial risk and compliance risk. Systems are being established to mitigate these risks and procedures are being implemented to minimise any potential impact on the Trust should any of those risks materialise.

Auditors

Following the conversion of our auditors,

PricewaterhouseCoopers, to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 20 February 2003 and the Trustees appointed its successor, PricewaterhouseCoopers LLP, as 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 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.

BY ORDER OF THE TRUSTEES



Sally Muggeridge

Company Secretary and Director of the Trust

Independent auditors' report

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

Respective responsibilities of Trustees 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 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 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 Report of the Trustees, the Report of the Chairmen and the Director's Report.

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 2003 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
PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London
19 February 2004

Statement of financial activities

for the year ended 30 September 2003

	Notes	Unrestricted £	Restricted £	2003 £	2002 £
Income from activities in furtherance of the charity's objects					
Contributions of supporters		443,809	–	443,809	409,356
Study Courses and Seminars		118,200	–	118,200	56,000
Parliamentary Learning and Development Project	4, 5	–	148,465	148,465	78,776
Civil Service MP attachment scheme	4	–	105,375	105,375	35,600
Interest receivable		9,234	–	9,234	6,765
Miscellaneous income		1,434	–	1,434	971
		572,677	253,840	826,517	587,468
Cost of generating funds	9	(24,783)	–	(24,783)	(14,101)
Total incoming resources available for charitable application		547,894	253,840	801,734	573,367
Charitable expenditure					
Activities in furtherance of the charity's objects					
Fellows' expenses		(1,661)	–	(1,661)	(28,833)
Study courses and seminars		(54,992)	–	(54,992)	(36,795)
Parliamentary Learning and Development Project	4, 5	–	(66,507)	(66,507)	(23,589)
Civil Service MP attachment scheme	4	–	(47,322)	(47,322)	(20,371)
Induction and information events		(6,147)	–	(6,147)	(3,429)
Depreciation	8	(8,889)	–	(8,889)	–
Staff costs directly attributable to charitable activities	4	(200,367)	(42,462)	(242,829)	(175,448)
Management and administration of the charity	4, 13	(364,651)	(51,463)	(416,114)	(297,092)
Total charitable expenditure		(636,707)	(207,754)	(844,461)	(585,557)
Unrealised revaluation surplus		–	–	–	18,897
Net movement in total funds (net income/(expenditure))					
for the year before transfer between funds		(88,813)	46,086	(42,727)	6,707
Transfer between funds	4, 10	46,086	(46,086)	–	–
Net movement in total funds (net income/(expenditure))					
for the year after transfer between funds		(42,727)	–	(42,727)	6,707
Balance brought forward at 1 October		190,983	–	190,983	184,276
Balance carried forward at 30 September		148,256	–	148,256	190,983

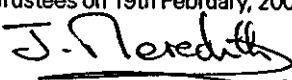
There were no acquisitions in the year. All operations were continued except the Parliamentary Learning and Development Project. The Trust has no recognised gains or losses other than those included in the surplus above and therefore no separate statement of gains and losses has been presented.

Balance sheet
as at 30 September 2003

	Notes	Unrestricted £	Restricted £	2003 £	2002 £
Fixed assets					
Investment	8	29,250	–	29,250	28,650
Office equipment	8	26,666	–	26,666	–
Current assets					
Debtors					
Trade debtors		55,999	–	55,999	18,368
Other debtors		14,514	61,773	76,287	16,695
Prepayments		12,714	920	13,634	32,876
Accrued income		882	7,993	8,875	84,294
Cash at bank and in hand		317,661	7,842	325,503	349,835
		401,770	78,528	480,298	502,068
Current liabilities					
Creditors due within less than one year					
Trade creditors		(6,750)	–	(6,750)	(5,200)
Other creditors		(19,703)	(5,865)	(25,568)	(16,753)
Accrued expenses		(26,458)	(41,473)	(67,931)	(50,274)
Deferred income	6	(256,508)	(31,190)	(287,698)	(267,116)
Other taxation and social security		(11)	–	(11)	(392)
		(309,430)	(78,528)	(387,958)	(339,735)
Net current assets		92,340	–	92,340	162,333
Accumulated fund		148,256	–	148,256	190,983

Approved by the Trustees on 19th February, 2004

Jim Meredith



The notes on the following pages form part of these accounts

Notes to the accounts

for the year ended 30 September 2003

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 Civil Service MP 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. 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) 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 three 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 Sept 03 £	Year ended 30 Sept 02 £
Salaries	362,077	308,511
Other staff costs	–	8
Social security costs	28,681	30,457
Pension contributions	57,443	31,531
Private healthcare costs	12,026	7,593
	<u>460,227</u>	<u>378,100</u>

One employee was paid between £100,000 and £110,000 (2002:nil) including £68,462 for the termination of his employment contract, which also entailed a payment of £27,931 into his pension fund as part of a total payment into his fund of £31,715 during the year.

Payments into defined contribution pension schemes accrued or were paid for ten employees during the year.

No Trustee received any emoluments in respect of services to the Trust during the year (2002:nil).

The number of employees employed by the Trust during the year 2002/2003 was seven full-time plus two part-time plus three on fixed-term contracts, and in the year 2001/2002 was eight full-time plus two on fixed-term contracts.

3 Total resources used – other disclosures

	Year ended 30 Sept 03 £	Year ended 30 Sept 02 £
Audit fee	3,924	2,711
VAT advice from auditor	1,880	–
Hire of plant and machinery – operating leases	5,702	4,874
Hire of other assets – operating leases	33,496	33,496

4 Restricted funds

	Balance as at 30 Sept 02	Income in year	Expenditure in year	Transfers to unrestricted fund	Balance as at 30 Sept 03
	£	£	£	£	£
Parliamentary Learning and Development Project	-	148,465	150,056	(1,591)	-
Civil Service MP Attachment Scheme	-	105,375	57,698	47,677	-
Total	-	253,840	207,754	46,086	-

The Parliamentary Learning and Development Project provided learning services for MPs and their staff, and was operated by the Trust under a contract with the House of Commons.

The Civil Service MP attachment scheme demonstrates to Civil Servants some aspects of MPs' 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 12th 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 Sept 03 £	Year ended 30 Sept 02 £
Balance as at 1 October	267,116	131,286
Income received	287,698	267,116
Released to income and expenditure account	(267,116)	(131,286)
Balance as at 30 September	287,698	267,116

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 Sept 03 £	Year ended 30 Sept 03 £	Year ended 30 Sept 02 £	Year ended 30 Sept 02 £
	Land and buildings	Other	Land and buildings	Other
Operating leases which expire:				
- within one year	14,224	1,353	-	1,353
- in the second to the fifth year inclusive	-	-	33,496 (1)	-

(1) Cancellable with six months' notice.

8 Asset movement note

	Fixed assets £	Investments £
As at 1 October 2002	-	28,650
Additions:		
Cartoons	-	600
Computer installation	35,555	-
Depreciation	(8,889)	-
As 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

No Trustees' expenses were reimbursed during the year.

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 £522 (2002: £3,780).

13 Management and administration costs

	Year ended 30 Sept 03 £	Year ended 30 Sept 02 £
Premises	38,740	38,172
Office overheads	140,124	72,970
Corporate Forum and Annual General Meeting	16,030	13,795
Participation in IABP	3,822	1,229
Staff costs not attributable to direct charitable activity	217,398	170,926
Total	416,114	297,092

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 £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