

Company No: 2292601 (England and Wales)
Charity No: 800065

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

Registered address:
30-32 Southampton Street
London WC2E 7RA

Saffery Champness

CHARTERED ACCOUNTANTS

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

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Legal and administrative information

Full name of charity

Institute for Public Policy Research Ltd

Other names used by the charity

Institute for Public Policy Research, ippr

Charity registration number

800065

Company registration number

2292601

Directors and Trustees who have acted during the year

C Powell	Chairman
Professor the Lord Bhattacharyya	
Lord Brooke	
Lord Eatwell	
Lord Gavron	
Lord Giddens	Resigned 19 November 05
Dr C Gibson-Smith	Resigned 10 June 05
J Hardie	Treasurer
Lord Hollick	
Professor J Humphries	
Professor R Jowell	
Rt Hon Lord Kinnock	
R Lambert	
Professor D Marquand	Resigned 5 September 05
F O'Grady	
Dr C Patel	Secretary
Sir Michael Perry	
D Pitt-Watson	
D Prentis	
Lord Puttnam	
Lord M Rees	
Baroness Royall	Resigned 3 June 05
E Sweeney	
Baroness S Williams	
Baroness Young of Old Scone	
Dr Jane Roberts DBE	Appointed 5 December 05

Chief Executive

The day-to-day management of the organisation is delegated to the Chief Executive, Nick Pearce.

Legal and administrative information (continued)

Registered office

30-32 Southampton Street
London
WC2E 7RA

Company secretary

Dr C Patel

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

Bankers

Unity Trust Bank plc
9 Brindley Place
4 Oozells Square
Birmingham B1 2HB

Solicitors

Bates Wells & Braithwaite
Cheapside House
138 Cheapside
London EC2V 6BB

Insurance brokers

Stackhouse Poland Ltd
New House
Bedford Road
Guildford
Surrey
GU1 4SJ

Report of the Trustees

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 December 2005.

Structure, Governance and Management

How the charity is constituted and the nature of the governing document

The charity is constituted as a company limited by guarantee and is governed by a Memorandum and Articles of Association.

Method of recruitment and appointment of trustees

The trustees (who are the directors of the company for Companies Act purposes) are elected by the company's members at the Annual General Meeting. One third of the trustees retire each year. The trustees have the power to appoint to fill casual vacancies. New trustees can be nominated by any trustee.

Induction and training of trustees

Trustees are given an in-depth introduction to the organisation and the role of trustee through meetings with other trustees (including the Chair) and meetings with staff (including Chief Executive). New trustees are also given relevant documentation including recent research, meeting minutes and annual reports.

Organisational structure

The day-to-day running of the organisation is delegated to staff under the leadership of the Chief Executive. The board of trustees meet on a quarterly basis primarily to discuss issues of strategic direction both in relation to the running of the organisation and the research priorities. They therefore approve an annual strategic plan and budget before the start of the year and then monitor progress against the plan during the year.

Group structure

The charity fully owns a trading subsidiary, IPPR Trading Limited, which undertakes consultancy work. During the year Public Policy Research Associates Limited, a previously fully-owned trading subsidiary, was dissolved. Both ippr north and Centre for Cities are teams within the charity.

Risk management

During the year the trustees continued to develop and refine their risk management strategy, which comprises:

- an annual review of the major risks to which the charity is exposed
- the establishment of systems and procedures to mitigate those risks
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The most significant external risk faced by the charity is the potential volatility of funding. This is being addressed through the reserves policy described below and through the diversification of income sources both in terms of sector (to reduce reliance on corporate donations) and activity (to reduce reliance on restricted research income). Internal risks have been minimised by the strengthening of senior management, financial controls and the research quality assurance process. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Objectives and Activities

Objects

The charity's object is to contribute to public understanding of social, economic and political questions through research, discussion and publication. At any time there are many such questions and the Institute has to select those which are most urgent, most important, most susceptible to resolution and to which its own competencies are relevant. To some extent,

Report of the Trustees (continued)

urgency is determined by the politics of the day; those issues which are prominent in public debate, and for which public policy action is likely at some future point, are the ones where the public has the most urgent need to be informed. As part of this process ippr develops and disseminates policy ideas.

Principal activities

Over the past year the charity has undertaken research in the areas of sustainability, economics, education and employment, health and social policy, public services, public involvement, democracy, international issues, urban policy, regional policy, media and digital society. The charity has produced 24 publications (listed in full on page 19), with additional research papers published on the charity's website. The charity also held over 50 events in 2005: private seminars, workshops, public lectures, conferences and breakfast briefings (a small selection is listed on pages 19 and 20).

Achievements and Performance

2005 saw the successful completion of large scale, complex projects involving diverse political partners. While strengthening our research standards, we expanded into new areas and put in place important improvements to the working environment at the Institute.

ippr published major pieces of research in 2005 on social justice, immigration, climate change and digital policy. Media coverage of these reports and other research outputs was extensive. We expanded our international links through the International Climate Change Taskforce, run in partnership with the Centre for American Progress and the Australia Institute, and the work of our international team, which focused on Africa and the Middle East. These areas of work will be developed further in 2006.

The report of our cross-party Commission on Sustainable Development was published in the summer of 2005 and received widespread coverage in the regional and specialist press. Other links to the major political parties were developed through our comprehensive and professional events programme.

To strengthen our economic policy work, a new Economics and Business Exchange was launched, comprising academic economists, business analysts and civil servants. Our journal *New Economy* was relaunched as *Public Policy Research*, with editions published on responsibility, tax, work and religion.

We continued to improve the quality of our research in 2005 and the first fruits of our new quantitative research capacity were published. Our academic and intellectual networks were enhanced through a regular series of seminars and the creation of advisory groups for our research teams. A new ippr website was launched and more research material was made available online (the web address remains www.ippr.org).

We also made some significant changes to ippr's structure and working environment. At the beginning of the year Directors were appointed for ippr north and the Centre for Cities. Each centre now has well established research projects, events programmes and strategic partnerships with external organisations. Improvements to staff terms and conditions were made and we now recognise a trade union branch and use an ethical cleaning company.

Plan for Future Periods

2006 will be another year of successful growth and change at ippr. We will continue to improve the standard of our research, enhance our operational professionalism, extend our reach and maintain an excellent media profile. In order to secure our future in changing political circumstances, we will continue to build our reputation for rigorous, independent research, develop new income streams and strengthen links across the political spectrum.

We will deliver major cross-cutting projects on public service reform and behaviour change, undertake new work on economics and business policy, and continue to promote international

Report of the Trustees (continued)

links with projects on India, Africa and climate change. The Centre for Cities will publish its first research outputs and continue its expansion. ippr north will focus on the northern economy, public services and democratic renewal.

Our events programme will enable us to maintain our profile, expand our audiences and develop links across political parties and beyond Westminster. We will publish pamphlets by leading thinkers from the UK and overseas, enhance our own research skills, and build new networks.

Financial Review

Income

The income of the organisation remained stable at £3,361,328 (2004: £3,361,473).

Voluntary income rose to £2,254,554 (2004: £2,053,692). Voluntary income represents donations both to individual research projects and to our central 'Core Partners' and 'Economic and Business Exchange' programmes. Our donation income comes from a variety of sectors including corporate (34% of the total donation income; 2004: 35%), trusts and foundations (22%; 2004: 21%) and individuals (24%; 2004:20%). The majority of this income supports specific research projects.

The Activities for Generating Funds income comprises commissioned research and rental income and has increased to £410,032 (2004: £397,259). The commissioned research is conducted through the wholly owned subsidiary, IPPR Trading.

Conference fees and sponsorship income has fallen to £471,411 (2004: £554,251) and is due to a reduction in the level of sponsorship of research-related events.

Expenditure

The increase in expenditure shows the continuing growth of the organisation over the past year. Expenditure has risen by 12% to £3,571,965 (2004: £3,178,790). The expansion is, to a large degree, attributable to the two new projects launched in 2004, Centre for Cities and ippr north, both of which have continued their growth in 2005.

Support costs (which are allocated to activities as shown in note 6) have risen marginally as a proportion of total of expenditure to 25% (2004: 24%). Support costs are maintained at a level to provide a solid infrastructure for the organisation within the constraints of limited budgets.

Trading subsidiaries

IPPR Trading Limited carries out commercially commissioned research but only in areas where there is existing expertise or as an extension of existing policy work.

Tangible fixed assets for use by the charity

Details of movements in fixed assets of the organisation, all of which are held without restrictions, are set out in note 8 to the accounts.

Investment powers

There is no restriction on how the Charity's reserves can be invested. All the cash reserves are currently held in an interest bearing current account.

Funds in deficit

There are eight restricted funds in deficit at the year end (see note 12). All these funds are expected to receive restricted income to cover these deficits in 2006.

Reserves

The trustees recognise the need to hold reserves to allow protection of core activities in the event of income shortfalls, to promote balanced, long-term strategic planning and to enable the Institute to carry out exploratory research into otherwise unfunded areas of public policy.

Report of the Trustees (continued)

One specific contingency in the medium term for the organisation is the need for bigger and possibly more expensive premises when our current lease expires in December 2007.

The trustees have in the year reviewed the needs, risks and opportunities faced by the charity, along with relevant financial forecasts and analyses. On the basis of this review the trustees recognised the need to hold a general reserve and the size of this reserve should be related to the level of ongoing financial commitments. The trustees decided that as a guide the organisation should keep its general reserves at a level close to three months of ongoing commitments, which are primarily salary and property costs. This recognises that the bulk of the charity's income is potentially quite volatile and short-term while most of its costs (salaries, property) are relatively fixed.

In December 2005 it is estimated that these ongoing commitments total £691k. At the year end the general reserves stand at £761k. As the organisation continues to expand the current level of general reserves is considered sufficient. The trustees will continue to review the reserves policy and levels annually.

Note 11 on page 15 analyses the balance sheet between funds and shows of the cash balance of £1,132,405 held at the year end, £553,012 relates to the general reserves with the balance being held for use on specific research projects.

Report of the Trustees (continued)

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and group and of the surplus or deficit of the group for the period. 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 the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in existence.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

The trustees confirm that in their opinion the financial statements comply with current statutory requirements including applicable accounting standards, the requirements of the Statement on Recommended Practice for Accounting and Reporting by Charities, and the requirements of the charity's governing document.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be re-appointed as auditors will be put to the Annual General Meeting.

In preparing this report, the trustees have taken advantage of special exemptions applicable to small companies conferred by Part VII of the Companies Act 1985.



ON BEHALF OF THE BOARD:

Dr C Patel – Secretary

3 April 2006

**Consolidated Statement of Financial Activities
for the year ended 31 December 2005**

We have audited the financial statements on pages 9 to 18.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the Institute for Public Policy Research Ltd for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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' Annual Report is not consistent with the financial statements, if the charity 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 with the charity is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 as to whether 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 affairs of the charity and the group as at 31 December 2005 and of the incoming resources and application of resources, including income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saffery Champness

Registered auditors
Lion House
Red Lion Street
London

3 April 2006

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Consolidated Statement of Financial Activities
for the year ended 31 December 2005**

	Notes	Unrestricted funds		Restricted	Total	Total
		General	Designated	funds	2005	2004
		£	£	£	£	£
Incoming resources	2					
Incoming resources from generated funds						
Voluntary income		295,042	0	1,959,512	2,254,554	2,053,692
Activities for generating funds		120,896	289,136	0	410,032	397,259
Investment income		49,199	0	0	49,199	47,538
Incoming resources from charitable activities						
Sale of publications		74,539	440	0	74,979	76,200
Conference fees and sponsorship		276,338	195,073	0	471,411	554,251
Secondments, honoraria and sundry other		90,810	10,343	0	101,153	178,045
Other incoming resources		0	0	0	0	54,488
Total incoming resources		906,824	494,992	1,959,512	3,361,328	3,361,473
Resources expended	6					
Cost of generating funds						
Costs of generating voluntary income		84,213	0	0	84,213	157,248
Fundraising trading		4,368	210,589	0	214,957	195,409
Charitable activities	5					
Research and dissemination		615,439	547,589	2,094,622	3,257,650	2,809,943
Governance costs		15,145	0	0	15,145	16,190
Total resources expended		719,165	758,178	2,094,622	3,571,965	3,178,790
Net incoming/(outgoing) resources		187,659	(263,186)	(135,110)	(210,637)	182,683
Transfers between funds		(105,013)	192,993	(87,980)	0	0
Net movement in funds		82,646	(70,193)	(223,090)	(210,637)	182,683
Total funds brought forward at 1 January 2005		678,257	236,666	648,110	1,563,033	1,380,350
Total funds carried forward at 31 December 2005		760,903	166,473	425,020	1,352,396	1,563,033

There are no recognised gains or losses other than those disclosed above.

All of the above results derive from continuing activities and there were no acquisitions in the period.

The notes on pages 11 to 19 form part of these accounts.

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Consolidated and Charity Balance Sheet
at 31 December 2005**

		<u>Group</u> <u>2005</u> <u>£</u>	<u>Company</u> <u>2005</u> <u>£</u>	<u>Group</u> <u>2004</u> <u>£</u>	<u>Company</u> <u>2004</u> <u>£</u>
	Notes				
Fixed assets					
Tangible assets	8, 11	90,464	90,464	70,004	70,004
Investment in subsidiaries	16	–	100	–	102
		<u>90,464</u>	<u>90,564</u>	<u>70,004</u>	<u>70,106</u>
Current assets					
Debtors	9	408,540	609,216	337,377	515,273
Cash at bank and in hand		<u>1,132,405</u>	<u>869,516</u>	<u>1,397,839</u>	<u>1,184,851</u>
		1,540,945	1,478,732	1,735,216	1,700,124
Creditors					
Amounts falling due within one year	10	<u>279,013</u>	<u>216,900</u>	<u>242,187</u>	<u>207,478</u>
Net current assets		1,261,932	1,261,832	1,493,029	1,492,646
Total assets less current liabilities		<u><u>1,352,396</u></u>	<u><u>1,352,396</u></u>	<u><u>1,563,033</u></u>	<u><u>1,562,752</u></u>
Funds	12				
Unrestricted					
<i>General funds</i>		760,903	760,903	678,257	677,976
<i>Designated funds</i>		166,473	166,473	236,666	236,666
Restricted		<u>425,020</u>	<u>425,020</u>	<u>648,110</u>	<u>648,110</u>
		<u>1,352,396</u>	<u>1,352,396</u>	<u>1,563,033</u>	<u>1,562,752</u>

Approved by the Board of Trustees on 3 April 2006 and signed on its behalf by:

C Powell Trustee



J Hardie Trustee



The notes on pages 11 to 19 form part of these accounts.

**Notes to the Financial Statements
for the year ended 31 December 2005 (continued)**

1. **Accounting policies**
- (a) **Basis of accounting**
The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985, applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities (SORP 2005) issued in March 2005.
- (b) **Group financial statements**
These financial statements consolidate the results of the charity and its wholly-owned subsidiary, IPPR Trading Ltd, on a line by line basis.
- (c) **Income**
All income is accounted for on a receivable basis. Donations and grants given for specific purposes are treated as restricted income and any amounts which are unspent at the year-end are shown as restricted funds.
- (d) **Expenditure**
Expenditure is accounted for on an accruals basis. Costs of generating funds, charitable expenditure and governance costs comprise direct expenditure including staff costs attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of those resources. In general, overheads have been allocated on the basis of staff.
Governance costs comprise external audit costs, trustee meeting expenses and costs of preparing the statutory accounts.
- (e) **Fund accounting**
The unrestricted fund comprises the accumulated surpluses on the statement of financial activities. Restricted and designated fund activity for the year represents monies received for specific research projects and the costs incurred in carrying out research on those projects.
- (f) **Tangible fixed assets and depreciation**
Fixed assets are stated at cost less accumulated depreciation. No assets costing less than £500 are capitalised. Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives on a straight-line basis at the following rates:
Furniture and fittings: 25% on cost
Computer equipment: 25% on cost
- (g) **Taxation**
No corporation tax has been provided in these accounts because the income of the holding company, a registered charity, is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988 and the subsidiary companies have made sufficient covenant/gift aid payments to the parent charity to extinguish any liability to corporation tax.
- (h) **Irrecoverable VAT**
Irrecoverable VAT is included directly within the same expenditure category as the relevant cost.
- (i) **Pensions**
All staff have the opportunity to take part in a stakeholder pension scheme under a salary sacrifice arrangement. Pension costs charged in the financial statements represent the contributions payable by the employer during the year on behalf of the employee.
- (j) **Operating lease**
Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

**Notes to the Financial Statements
for the year ended 31 December 2005 (continued)**

2. Income

The income and surplus of expenditure over income are attributable to the one principal activity of the charity which is to contribute to public understanding of social, economic and political questions through research, discussion and publication.

The majority of the donation income is received from companies (the other significant sectors accounting for more than 10% of the total are individuals and trusts).

3. Surplus of resources for the year

Excess of income over expenditure is stated after charging:

	Group	Group
	2005	2004
	£	£
Trustees' emoluments	–	–
Auditors' remuneration	8,750	8,000
Depreciation – owned assets	50,019	39,700

4. Employees

Total staff costs

Wages and salaries	1,839,717	1,481,243
Social security costs	193,763	157,163
Pension costs	122,105	50,514
	2,155,585	1,688,920

Agency staff fees	29,325	21,878
Secondments	32,464	54,268
Other	6,050	6,563
	2,223,424	1,771,629

There were no employees with emoluments in excess of £60,000.

Number of employees

The average number of employees analysed by function was:

Research	48	35
Dissemination	8	8
Support	7	7
	63	50

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Notes to the Financial Statements
for the year ended 31 December 2005 (continued)**

5. Breakdown of costs of charitable activities (Group)

	Activities undertaken directly £	Support costs £	Total £	2004 £
Democracy	93,768	90,570	184,338	84,885
Centre for Cities	343,527	151,654	495,181	145,385
Sustainability	298,482	141,019	439,501	446,767
Digital	81,696	47,957	129,653	203,172
Social Policy	135,927	116,254	252,181	174,835
Migration	106,015	74,497	180,512	283,679
People and Policy	69,943	47,006	116,949	43,333
International	135,348	14,103	149,451	136,269
ippr north	195,088	18,000	213,088	115,440
Public Services	273,133	134,384	407,517	435,442
Other	153,368	25,857	179,225	263,689
Events	312,172	12,174	324,346	277,511
Publications and media	175,020	10,688	185,708	199,536
Total	2,373,487	884,163	3,257,650	2,809,943

6. Breakdown of support costs by activity

	Allocated to costs of generating voluntary income £	Allocated to research and dissemination £	Total £	2004 £
Finance	429	60,734	61,163	67,966
Direction	1,203	170,195	171,398	119,599
Property	3,093	437,659	440,752	423,775
IT	582	82,410	82,992	52,612
HR	303	42,844	43,147	58,218
Depreciation	638	90,322	90,960	36,700
Total	6,248	884,164	890,412	758,870

All support costs have been allocated to activities based on an estimate of staff time spent on them.

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Notes to the Financial Statements
for the year ended 31 December 2005 (continued)**

7. Corporation tax

As a registered charity the company is not liable to corporation tax on its wholly charitable activities.

**8. Tangible fixed assets
Group and company**

	Computers and other equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2005	225,905	55,739	281,644
Additions	68,332	2,146	70,478
Disposals	(136,907)	(52,308)	(189,215)
At 31 December 2005	<u>157,330</u>	<u>5,577</u>	<u>162,907</u>
Accumulated depreciation			
At 1 January 2005	158,572	53,067	211,639
Charge for year	47,950	2,069	50,019
Disposals	(136,907)	(52,308)	(189,215)
At 31 December 2005	<u>69,615</u>	<u>2,828</u>	<u>72,443</u>
Net book values			
At 31 December 2005	<u>87,715</u>	<u>2,749</u>	<u>90,464</u>
At 31 December 2004	<u>67,332</u>	<u>2,672</u>	<u>70,004</u>

	Group 2005 £	Company 2005 £	Group 2004 £	Company 2004 £
Capital commitments				
Authorised but not contracted for	Nil	Nil	Nil	Nil

9. Debtors

Prepayments and accrued income	144,305	120,087	157,979	156,604
Trade debtors	264,235	175,688	150,516	118,562
VAT recoverable	0	5,303	28,882	0
Amounts due from subsidiary	0	308,138	0	240,107
	<u>408,540</u>	<u>609,216</u>	<u>337,377</u>	<u>515,273</u>

**10. Liabilities: Amounts falling due
within one year**

Trade creditors	86,105	85,255	60,291	60,292
Accruals and deferred income	92,884	50,885	94,581	59,874
Other taxes and PAYE	67,615	67,615	49,268	49,267
VAT payable	19,264	0	34,897	34,896
Other creditors	13,145	13,145	3,150	3,149
Amounts due to subsidiary	(0)	0	0	0
	<u>279,013</u>	<u>216,900</u>	<u>242,187</u>	<u>207,478</u>

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Notes to the Financial Statements
for the year ended 31 December 2005 (continued)**

11. Balance sheet analysis of net assets between funds

Group	Unrestricted £	Designated £	Restricted £	Total £
Fixed assets				
Tangible assets	90,464	0	0	90,464
Current assets				
Debtors	382,576	25,964	0	408,540
Cash at bank and in hand	553,012	140,509	438,884	1,132,405
	<u>935,588</u>	<u>166,473</u>	<u>438,884</u>	<u>1,540,945</u>
Creditors				
Amounts falling due within one year	265,149	0	13,864	279,013
Net current assets	670,439	166,473	425,020	1,261,932
Total assets less current liabilities at 31 December 2005	<u>760,903</u>	<u>166,473</u>	<u>425,020</u>	<u>1,352,396</u>
Company				
Company	Unrestricted £	Designated £	Restricted £	Total £
Fixed assets				
Tangible assets	90,464	0	0	90,464
Investment in subsidiaries	100	0	0	100
	<u>90,564</u>	<u>0</u>	<u>0</u>	<u>90,564</u>
Current assets				
Debtors	583,253	25,963	0	609,216
Cash at bank and in hand	290,122	140,510	438,884	869,516
	<u>873,375</u>	<u>166,473</u>	<u>438,884</u>	<u>1,478,732</u>
Creditors				
Amounts falling due within one year	203,036	0	13,864	216,900
Net current assets	670,339	166,473	425,020	1,261,832
Total assets less current liabilities	<u>760,903</u>	<u>166,473</u>	<u>425,020</u>	<u>1,352,396</u>

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Notes to the Financial Statements
for the year ended 31 December 2005 (continued)**

12. Reserves/Statement of funds

The note analyses the reserves of the group.

	Bal b/fwd £	Income £	Expenditure £	Transfers £	Bal b/fwd £
Unrestricted funds					
General funds	678,257	906,824	(719,165)	(105,013)	760,903
Designated funds – property fund	83,486	0	35	15,000	98,521
Designated funds – director's research	0	0	(12,500)	75,000	62,500
Designated funds – project funds	153,180	494,992	(745,713)	102,993	5,452
Total unrestricted funds	914,923	1,401,816	(1,477,343)	87,980	927,376
Restricted funds					
Restricted funds – open projects					
Tax seminar series	4,387	0	(145)	0	4,242
SchoolLets	26,557	11,739	(33,402)	0	4,894
New agenda for schools	0	0	(21,863)	0	(21,863)
Commissioning health services	0	35,000	(29,916)	0	5,084
Foundations and fundamentals	0	36,500	(15,955)	0	20,545
Migration team	33,724	138,750	(169,629)	0	2,846
Public attitudes to asylum	0	8,000	(4,494)	(2,000)	1,506
Anti-social behaviour	(21,552)	2,500	(3,500)	0	(22,553)
Growth areas	0	70,000	(84,965)	0	(14,965)
Value added by governance	(2,347)	15,840	(10,585)	0	2,908
Future of the civil service project	0	67,500	(78,388)	0	(10,888)
Crime and social justice	0	22,500	(27,690)	0	(5,190)
Unequal turnout	0	0	(6,435)	0	(6,435)
Teen courts	0	0	(173)	0	(173)
Intellectual property	0	104,000	(47,612)	0	56,388
Behaviour	0	15,000	0	0	15,000
Centre for Cities team	278,008	497,436	(478,816)	(23,812)	272,816
Low carbon programme	0	148,325	(125,803)	(7,501)	15,021
Water efficiency	0	20,000	(18,580)	0	1,420
Middle East reform	0	35,000	(8,499)	0	26,501
Responsibility to protect	0	14,994	(15,271)	0	(277)
ippr north team	85,491	150,000	(157,297)	0	78,193
Working longer	40,900	0	(27,900)	(13,000)	0
Education seminars	7,574	7,000	(14,574)	0	0
Post 16 education	453	25,000	(25,453)	0	0
Opportunity and Inclusion Forum	14,522	22,500	(37,022)	0	0
Health team	0	0	(1,045)	1,045	0
Equitable choices	55,000	0	(55,000)	0	0
Centre for assets	9,875	72,000	(81,875)	0	0
Working and caring	8,640	5,000	(13,640)	0	0
Demography	50,000	0	(50,000)	0	0
Arts in society	0	2,719	(2,719)	0	0
People and policy team	0	8,750	(8,750)	0	0
Road pricing	0	8,000	(8,000)	0	0
International team	0	19,387	(19,387)	0	0
ippr north – dissemination	0	6,700	(6,700)	0	0
Total open projects	591,232	1,570,140	(1,691,084)	(45,268)	425,020

**Notes to the Financial Statements
for the year ended 31 December 2005 (continued)**

12. Reserves/Statement of funds (continued)

	Bal b/fwd £	Income £	Expenditure £	Transfers £	Bal b/fwd £
Restricted funds – completed projects					
Intern bursaries	12,500	0	(12,500)	0	0
Labour's New Regional Policy	4,642	0	(4,642)	0	0
Balance of funding	48	15,000	(15,048)	0	0
Choice and equity in teacher supply	36,102	0	(29,451)	(6,651)	0
Mental health first	0	25,650	(25,650)	0	0
Resourcing social care	0	15,000	0	(15,000)	0
Mature choices	0	11,900	(10,405)	(1,495)	0
Migration working papers	16,258	0	(8,870)	(7,388)	0
Asset effect	(3,263)	0	(2,885)	6,148	(0)
Social justice II	18,630	0	(18,630)	0	0
Community sanctions	0	15,000	(4,087)	(10,913)	0
Digital manifesto	0	25,000	(25,000)	0	0
Sustainable development in the SE	49,173	105,000	(154,173)	0	0
Climate change – ippr costs	(61,590)	140,000	(60,349)	(18,061)	0
Climate change – shared costs	(15,623)	(3,039)	601	18,061	(0)
Olympics	0	7,500	(88)	(7,412)	0
Bellagio	0	27,361	(27,361)	0	0
Devolution	0	5,000	(5,000)	0	0
Total completed projects	56,878	389,372	(403,538)	(42,712)	(0)
Total restricted funds	648,110	1,959,512	(2,094,622)	(87,980)	425,020

Designated funds

The Property Fund arose from donations received for refurbishment of the Southampton Street premises and will be held to cover future rental increases and/or dilapidations at the end of the lease.

The Director's Research Funds arose from unrestricted income and will be used to cover costs relating to costs of research projects outside the team structure of ippr.

The Project Funds arose from unrestricted income allocated to individual projects and will be used to cover costs relating to those projects.

Restricted funds

Transfers from restricted funds are made to reflect actual resource usage (e.g. staff costs are reallocated based on time spent on projects). They are also made on completion of projects where funds remain. These transfers are made to other research projects (some of which are designated rather than restricted) and only where donor conditions allow.

13. Pension contributions

All staff have the opportunity to take part in a stakeholder pension scheme under a salary sacrifice arrangement with a nominated defined contribution group stakeholder pension scheme. Contributions are accounted for in the income and expenditure account when paid. The pension costs charged in the year amounted to £122,105 (2004: £50,514). There were no outstanding or prepaid contributions at the balance sheet date.

14. Company Limited by Guarantee

The charity has no share capital but instead is limited by guarantee, each member being committed to contribute a maximum of £1 in the event of a winding up.

15. Lease commitments

The annual commitment for premises leases expires on 24 December 2007 at £182,000 p.a. plus VAT. The annual commitment for photocopier leases expires on 17 December 2009 at £6,843 p.a. plus VAT.

**Notes to the Financial Statements
for the year ended 31 December 2005 (continued)**

16. Investment in subsidiaries

The charity has investments in subsidiaries as follows:

IPPR Trading Ltd: £100

The investment of £100 represents the whole of the issued share capital, which is made up of £1 ordinary shares, of IPPR Trading Ltd, a company incorporated in Great Britain, which carries out commissioned research on public policy. The Company's gross income for the year to 31 December 2005 was £336,197 (2004: £332,375) and the net profit for the period of £16,592 (2004: £55,320) was donated by gift aid to the holding company leaving a net balance sheet total of £100.

IPPR Trading Ltd – Summary profit and loss account	2005	2004
	£	£
Turnover	336,197	332,375
Cost of sales	(323,974)	(278,822)
Administrative expenses	(2,068)	(3,608)
Bank interest	6,437	5,374
Donations to holding company	(16,592)	(55,320)
Profit on ordinary activities	–	–

17. Capital commitments

At 31 December 2005 there were no capital expenditure commitments.

18. Trustees and other related parties

The trustees have no financial interest in the charity's surplus or assets and receive no remuneration for acting in that capacity. No trustee received any reimbursement of expenses. The following transactions took place during the year with organisations with which trustees have some affiliation:

Trustee	Organisation	Transaction
D Prentis	UNISON	Donation of £10,000 received in support of Partnership Programme
	UNISON	Donation of £5,000 received in support of Middle East Seminar series
Professor Lord Bhattacharyya	Warwick Manufacturing Group	Donation of £60,000 received in support of Climate Change project
	Warwick Manufacturing Group	Balance outstanding of £35,250 at year end to be received by IPPR Trading for commissioned research to take place in 2006
Lord Hollick	United Business Media	Donation of £10,000 received in support of Partnership Programme
J Hardie	Esmee Fairbairn Foundation	Donation of £48,325 received in support of Low Carbon Britain project Donation of £11,793 received in support of SchoolLets project
J Roberts	London Borough of Camden	Commissioned research of £10,100

During the year the company recharged costs of £287,451 (2004: £194,232) to IPPR Trading Ltd. At 31 December 2005 the company was owed from IPPR Trading Ltd £308,138 (2004: £240,107). During the year the company paid a total of £1,297 for refreshments at trustees' meetings and for the biannual trustees' dinner and paid £2,209 for insurance that includes trustee liability and fidelity coverage.

Representative selection of events and publications in 2005

During 2005, ippr produced the following **publications**, which can be ordered from Central Books (0845 458 9910):

- Meeting the Climate Challenge
- Asian Britishness: A study of first generation Asian migrants in Greater Manchester
- Putting our House in Order: Recasting G8 policy towards Africa
- Mental Health and Social Inclusion
- Maintaining Momentum: Extending social mobility and life chances from early years to adulthood
- Social Justice: Building a fairer Britain
- Mental Health in the Mainstream
- Asylum: Understanding Public Attitudes
- Modernising with Purpose: A manifesto for a digital Britain
- At the Crossroads: Transport and social inclusion in the North East
- Working Later: Raising the Effective Age of Retirement
- The Commission on Sustainable Development in the South East: Final report
- Choice and Equity in Teacher Supply
- Beyond Black and White: Mapping new immigrant communities
- Toward Zero Exclusion: An action plan for schools and policymakers
- Towards full Employment: Tackling economic inactivity
- Daddy Dearest? Active fatherhood and public policy
- New Directions in Community Justice
- Unilever Family Report 2005: Home alone?
- Direct Representation: Towards a conversational democracy
- Equitable Choices for Health
- Time For Land Value Tax?
- Devolution in Practice 2006
- Choosing to Learn: Improving participation after compulsory education

We also published the following **reports and papers**, available on our website:

- Keeping the South East Moving
- Child Trust Funds and Local Authorities: Challenges and opportunities
- Managing Water Resources and Flood Risk in the South East
- Asylum in the UK: An ippr factfile
- Attitudes to Social Justice
- Climate Change Policy Beyond Kyoto: A new global plan
- Migration and Health in the UK: an ippr FactFile
- Quiet Revolution: Progressive government in South America
- Setting a Long Term Climate Objective
- A New England: An English identity within Britain
- Catalysing Commitment on Climate Change
- A Good Choice for Mental Health
- A Full Employment Region
- Meeting Housing Need in the South East
- Paying Their Way: The fiscal contribution of immigrants in the UK
- Brave New Choices? Behavioural genetics and public policy
- From New Towns to Growth Areas: Learning from the past
- Adaptation to Climate Change
- Murky Waters: GATS and the provision of water in developing countries
- From Rome to The Hague: European Union policy-making on asylum
- Seeking Scapegoats: The coverage of asylum in the UK press
- Gendered Migrations: Towards gender sensitive policies in the UK
- Improving Public Services: Using a human rights approach
- Shifting Foundations: Home ownership government objectives
- Anti-social Behaviour: Challenges and responses

Representative selection of events and publications in 2005

- Housing-Rich, Income-Poor: The potential of housing wealth in old age
- Cooperative Social Enterprise and its Potential in Public Service Delivery
- Climate Commitment: Meeting the UK's 2010 carbon dioxide emissions target
- A Mature Policy on Choice
- Top Tips for Top Ups
- Selecting Wisely: Making managed migration work for Britain
- After Turner: Creating a sustainable pensions settlement
- Markets in the Online Public Sphere
- The Future of Public Services Regulation

During 2005 the charity held over 50 public events, a small selection of which are listed below:

- Liberalism and Localism
- Securing our future: The Pensions Challenge
- Sex Equality Fit for the 21st Century
- Road User Charging: Building a Consensus
- Daddy Dearest?
- Ippr and Channel 4 at the Labour Party Conference
- The Opportunity Society
- Equity and Excellence: Education and Social Mobility
- Working Later: Raising the Effective Age of Retirement
- Building Sustainable Communities
- The Asset State: The Future of Welfare
- The End of the Affair? Mending the Relationship Between Citizens and Westminster
- Creative Britannia: Turning Ideas into Business
- America 08: Does the US have a Progressive Future?
- Britain and Europe: In Conversation with Neil Kinnock and Sir Stephen Wall
- Future Challenges: Living With Risk
- Behavioural Genetics: The New Divide?
- A New England? Identity, Citizenship and Belonging
- The Moral State We're in
- Why Should Government Support the Arts?
- Work and Pensions: the Next Term
- Fit for Purpose? Welfare to Work and Incapacity Benefit
- Oxford Media Convention: Setting the Framework for 2010
- The Youth of Today
- Diversity, Equality and Social Capital