

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 2004

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

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

CONTENTS

	Pages
Legal & administrative information	1 - 2
Report of the trustees and directors	3 - 7
Report of the auditors	8
Consolidated statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 19
List of publications	20
List of events	21

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

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.

Charity registration number

800065

Company registration number

2292601

Directors and Trustees who have acted during the year

C Powell	(Chairman)
Professor Lord Bhattacharyya	
Lord Brooke	
Lord Eatwell	
Lord Gavron	
Lord Giddens	
Dr C Gibson-Smith	
J Hardie	(Treasurer)
Lord Hollick	
Professor J Humphries	
Professor R Jowell	
Rt Hon N Kinnock	
R Lambert	
Professor D Marquand	
F O'Grady	
Dr C Patel	(Secretary)
Sir Michael Perry	
D Pitt-Watson	
D Prentis	
Lord Puttnam	
Sir M Rees	
Lady Royall	
E Sweeney	
Rt Hon Prof S Williams	
Baroness Young of Old Scone	

Method of 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.

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
Nine Brindleyplace
4 Oozells Square
Birmingham B1 2HB

Solicitors

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

Surveyors

ATIS REAL Weatheralls Ltd
22 Chancery Lane
London WC2A 1LT

Insurance brokers

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

Report of the Trustees (continued)

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 2004.

Objects of the charity, principal activities and organisation of our work

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, 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.

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, media and digital society. The charity has produced 18 publications (listed in full on page 20), with additional research papers published on the charity's website. The charity also held over 50 events in 2004: private seminars and workshops and public lectures, conferences and breakfast briefings (a small selection listed on page 21).

Organisation of our work

The charity is constituted as a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association. The Institute is a registered research and educational charity.

The Board of Trustees (who are the directors of the company for Companies Act purposes) is elected by the company's members at the Annual General Meeting. One third of the trustees retire each year. No members of the board of trustees have been paid any remuneration by the charity.

The charity is organised so that the trustees meet regularly to manage its affairs. There are four full time directors of operations and a further four full time associate directors, who manage the day to day activities of the charity supported by a small administration section. The remaining staff are researchers either with the Institute indefinitely or on specific contracts for projects. These researchers are assisted by external research consultants and organisations as appropriate.

Development, activities and achievements this year

During 2004, the charity's research and events continue to generate public debate, influence policy thinking, receive interest across the political spectrum and secure high media interest. In 2004 the charity undertook more than 30 research projects, published over 50 books, pamphlets and papers and held over 50 events including seminars, debates, lectures and conferences. The charity continued to grow and two new initiatives in particular have given us a new policy perspective and way of working:

The opening in Newcastle of ippr north, the first regional office of a national UK think tank. It has been ippr's long-held aspiration to maintain our broad policy programme and core areas of research but to ensure that our work is relevant to and reaches beyond the Westminster village. ippr north will work closely with ippr in London on projects which have a national focus

Report of the Trustees (continued)

and extend research to cover issues which have a particular relevance across the north. Initial work has included research on transport and social exclusion and unemployment.

Having developed its proposals for a new centre for research on cities in 2003, the charity secured funding, appointed new staff and began work in 2004. The Centre for Cities will be launched in March 2005.

At the same time, ippr has strengthened its core national public policy areas. In the last year this has included work on some of the trade offs that may need to be made in relation to public spending and taxation. Core work on public services hit the headlines particularly over housing, transport and sustainability. Our work on the media and the arts continued with a major publication on the future of public service broadcasting and a controversial review of arts funding.

Research was also completed on health including a series of papers on mental health policy. Particularly high profile was the charities work on welfare reform, a review of benefit conditionality policies in relation to single parents, disabled people and problem families and the publication of research looking at options for reform of incapacity benefits. Set up in 2003, ippr's international team completed work in 2004 on policies needed to avert state failure and UK policy on human rights.

In 2004, the work of ippr's people and policy team work - which spear-headed citizen's juries and deliberative public involvement techniques in the UK - is currently exploring public attitudes to asylum seekers in five local areas.

Future developments

The charity is responsive to external developments and priorities and constrained by the limits of available funding. Whereas 2003 was characterised by smaller scale projects, we were able to secure funding and start several major new initiatives in 2004. ippr's plans for 2005 include the publication of some major pieces of work which we began in 2004:

The Commission for Sustainability of the South East is a major new project which is working with six councils in the south east, the private sector, regional bodies and other relevant parties. It is examining how we reconcile the economic growth and quality of life in the region with pressing issues including water shortage, congestion, housing and wider environmental concerns.

Ten years after its commission on social justice, ippr decided to revisit this agenda in 2004. This work will be completed in 2005 and includes new ground not covered in the original commission including the implications of migration, science and greater environmental pressures.

ippr's climate change task force, a partnership with an Australian and an American charity, has been examining the policy changes needed to tackle climate change in the run up to the UK leading the G8.

Examples of events

ippr hosts events on a wide range of policy areas aimed at broad and diverse audiences. This year has included conferences on race and diversity, identity cards, transport and the annual Oxford Media Convention. Debates have included themes as broad as aid, higher education funding, pensions, debt, the Bank of England, young people and state intervention into family life. We have also set up ippr exchange, a series of seminars, debates and lectures and this year visiting speakers included Amitai Etzioni, Paul Krugman and Ronald Dworkin. This September will be the third year running where ippr and Channel 4 work together to run a policy hotel and in 2004 we held over 30 events aimed at mixing politics, policy, comedy and fun.

Report of the Trustees (continued)

TRANSACTIONS AND FINANCIAL POSITION

Income

Overall the income of the organisation rose to £3,361,473 (2003: £3,145,740). This is mostly as a result of an increase in the project funding received to complete specific research projects which continues to come mainly from the corporate sector. In addition, rental income was received for the first time relating to the subletting of the first floor of the property at Southampton Street.

The level of commissioned research which fell to £332,375 (2003: £464,273) is dependent on the volume of work the organisation undertakes each year through its trading subsidiary, IPPR Trading. The fall in commissioned research is more than compensated by the increase in donations for research projects.

Most of our research projects are funded by a number of donors. Donation and sponsorship income comes from a variety of sectors. The largest proportion (36%) of donation and sponsorship income comes from the corporate sector, with trusts (20%) and individuals (18%) being the next highest.

IPPR will continue to seek to diversify its income base and is anticipating an increase in non-donation income in future years particular in the areas of commercial conferences and publications.

Expenditure

The expenditure has risen by 4% to £3,178,790 (2003: £3,057,256) which reflects a small increase in overall activity.

The basis of allocation of costs to the expenditure categories has been changed for 2004. Central costs such as rent, depreciation and utilities and departmental costs of central services such as Finance, Human Resources and Information Technology are allocated directly to expenditure categories (the allocation is based on the level of salary costs). We believe this provides a more realistic picture of the resources used in each category. Previously these costs were mainly allocated to Support and Management & Administration and charged to other funds through a transfer. The 2003 expenditure figures have been restated as described in note 1.

Reserves

For 2004 the presentation of the restricted and designated funds has changed. This was because some of the income for funds that were previously reported as being restricted came from non-donation sources (such as conferences and commissioned research) and therefore should more appropriately be disclosed as designated. Hence the funds as at 1st January 2004 have been reanalysed to adjust the funds to reflect this. This adjustment is shown at the foot of the Statement of Financial Activities and described in more detail in note 12.

Reserves policy

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.

The trustees have 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 recognise the need to hold a general reserve equivalent to approximately six months' core expenditure (before apportionment of overheads). This recognises that the bulk of the charity's income is potentially quite volatile while most of its costs (salaries, premises) are relatively fixed.

General reserves at the year-end amounted to £678,257. Core expenditure for the year, before apportionment of attributable overheads to projects, was £1,462,871. The general reserves therefore represent just over 5.5 months' core expenditure, which is considered adequate. The reserve levels will continue to be monitored.

Report of the Trustees (continued)

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 above and the development of a strategic plan for diversifying unrestricted 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.

Public Policy Research Associates Ltd / IPPR Trading Ltd

These wholly owned subsidiaries carry out commercially commissioned research but only in areas where there is existing expertise or as an extension of existing policy work. Public Policy Research Associates Ltd has not traded during the year.

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 7 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 5 restricted funds in deficit at the year end (see note 11). All these funds are expected to receive restricted income to cover these deficits in 2005.

Report of the Trustees (continued)

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 charity and of the excess or deficit of the charity for that 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 which 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 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

Saffery Champness were appointed auditors to the company in the year and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed 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

4 April 2005

**Independent Auditors Report to the Members of
Institute for Public Policy Research Ltd**

We have audited the financial statements of the Institute of Public Policy Research Limited for the year ended 31 December 2004 on pages 9 to 19.

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 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.

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. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 of the group as at 31 December 2004 and of its incoming resources and application of resources, including its 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
4 April 2005

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Consolidated Statement of Financial Activities
for the year ended 31 December 2004**

	Notes	Unrestricted funds			Restricted	Total	as restated
		General	Designated		funds	2004	Total
		£	£	£	£	£	2003
							£
Income and expenditure							
Incoming resources							
	2						
Donations		203,403	316,635	1,828,494	2,348,532		2,171,818
Activities in furtherance of the charity's objects							
Sale of publications		76,200	-	-	76,200		73,911
Conference fees		254,545	4,866	-	259,411		265,016
Secondments, honoraria & sundry other		160,982	17,063	-	178,045		134,153
Activities for generating funds							
Commissioned research		19,158	313,217	-	332,375		464,273
Rent		64,884	-	-	64,884		-
Other income		30,967	23,521	-	54,488		-
Interest receivable		47,538	-	-	47,538		36,569
Total incoming resources		857,677	675,302	1,828,494	3,361,473		3,145,740
Resources expended							
	5						
Cost of generating funds		321,961	85,197	-	407,158		403,767
Charitable expenditure							
Grants		-	2,000	12,956	14,956		33,564
Project costs		311,528	549,802	1,726,728	2,588,058		2,489,867
Support costs		123,643	28,785	-	152,428		112,462
Management and administration		16,190	-	-	16,190		17,596
Total resources expended		773,322	665,784	1,739,684	3,178,790		3,057,256
Net incoming / (outgoing) resources before transfers		84,355	9,518	88,810	182,683		88,484
Transfers between funds		(5,801)	(22,010)	27,811	-		-
Net income / (expenditure) for the year		78,554	(12,492)	116,621	182,683		88,484
Total funds brought forward at 1 January 2004		589,144	66,955	724,251	1,380,350		1,291,866
Prior year restatement of reserves	12	10,559	182,203	(192,762)	-		-
Total funds restated brought forward at 1 January 2004		599,703	249,158	531,489	1,380,350		1,291,866
Total funds carried forward at 31 December 2004		678,257	236,666	648,110	1,563,033		1,380,350

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.

As described in note 1 the allocation of expenditure for 2003 has been restated.

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 2004**

		<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
	<u>Notes</u>	<u>2004</u>	<u>2004</u>	<u>as restated</u>	<u>as restated</u>
		<u>£</u>	<u>£</u>	<u>2003</u>	<u>2003</u>
				<u>£</u>	<u>£</u>
Fixed assets					
Tangible assets	7, 10	70,004	70,004	48,504	48,504
Investment in subsidiaries	16	-	102	-	102
		<u>70,004</u>	<u>70,106</u>	<u>48,504</u>	<u>48,606</u>
Current assets					
Debtors	8	337,377	515,273	296,375	373,323
Cash at bank and in hand		1,397,839	1,184,851	1,243,238	1,110,474
		<u>1,735,216</u>	<u>1,700,124</u>	<u>1,539,613</u>	<u>1,483,797</u>
Creditors					
Amounts falling due within one year	9	242,187	207,478	207,767	152,346
Net current assets		1,493,029	1,492,646	1,331,846	1,331,451
Total assets less current liabilities		<u>1,563,033</u>	<u>1,562,752</u>	<u>1,380,350</u>	<u>1,380,057</u>
Funds					
Unrestricted	11				
- General funds		678,257	677,976	599,703	599,410
- Designated funds		236,666	236,666	249,158	249,158
Restricted		648,110	648,110	531,489	531,489
		<u>1,563,033</u>	<u>1,562,752</u>	<u>1,380,350</u>	<u>1,380,057</u>

Approved by the Board of Trustees on 4 April 2005 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 2004 (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 2000) issued in October 2000.

(b) **Group financial statements**

These financial statements consolidate the results of the charity and its wholly-owned subsidiaries Public Policy Research Associates Ltd and 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 and charitable expenditure 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.

(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. The amount of irrecoverable VAT paid in the year was £10,905.

(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.

(k) **Prior year adjustment of expenditure**

The method of allocating to expenditure categories in 2003 has been reviewed and as a result a reallocation has been made to better reflect the actual activities. This adjustment has no net effect on the surplus.

**Notes to the Financial Statements
for the year ended 31 December 2004 (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
	2004	2003
	£	£
Trustees' emoluments	-	-
Auditors' remuneration	8,000	6,181
Depreciation - owned assets	39,700	29,698
	-	-

4. Employees

Total staff costs

Wages & salaries	1,481,243	1,405,748
Social security costs	157,163	145,086
Pension costs	50,514	41,729
	1,688,920	1,592,563

Agency staff fees	21,878	14,718
Secondments	54,268	1,642
Other	6,563	-
	1,771,629	1,608,923

	Number	Number
<i>Employees' earnings</i>		
£50,000 to £60,000	One	One

Pension contributions of £3,055 (2003: £0) were made to a defined contribution scheme under salary sacrifice arrangements in respect of the above employee.

Number of employees

The average number of employees analysed by function was:

Research	35	36
Administration	5	6
Support	9	7
Publishing & printing	1	1
	50	50

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Notes to the Financial Statements
for the year ended 31 December 2004 (continued)**

5. Analysis of expenditure - Group

	Designated funds		Restricted Funds	Total 2004	Total 2003
	General	Designated			
	£	£	£	£	£
(a) Cost of generating funds					
Salaries & other staff costs	208,573	-	-	208,573	245,207
Premises costs	13,548	-	-	13,548	31,327
Office costs	12,144	-	-	12,144	17,689
Professional fees / Research	29,948	72,179	-	102,127	60,931
Events	35,091	1,691	-	36,782	15,064
Publications / marketing	21,057	10,549	-	31,606	24,810
Depreciation	1,600	-	-	1,600	4,037
Other costs	-	778	-	778	4,702
	321,961	85,197	-	407,158	403,767
(b) Charitable expenditure					
Grants	-	2,000	12,956	14,956	33,564
Project costs					
<i>Company & Group</i>					
Salaries & other staff costs	171,984	328,444	1,035,409	1,535,837	1,377,087
Premises	12,098	75,701	195,508	283,307	192,354
Office costs	28,162	35,665	127,838	191,665	39,069
Professional fees / Research	10,624	58,129	203,135	271,888	537,256
Events	60,928	20,325	100,007	181,260	86,823
Publications / marketing	26,291	22,523	38,549	87,363	135,402
Depreciation	1,441	9,015	26,282	36,738	4,189
Other costs	-	-	-	-	117,687
	311,528	549,802	1,726,728	2,588,058	2,489,867
Support costs					
<i>Company & Group</i>					
Salaries & other staff costs	99,463	-	-	99,463	65,955
Premises costs	10,079	13,537	-	23,616	8,725
Office costs	8,842	-	-	8,842	13,621
Professional fees / Research	905	15,248	-	16,153	12,330
Publications / marketing	3,574	-	-	3,574	9,252
Depreciation	780	-	-	780	1,124
Other costs	-	-	-	-	1,455
	123,643	28,785	-	152,428	112,462
Management & administration					
<i>Company</i>					
Salaries & other staff costs	4,522	-	-	4,522	7,426
Premises costs	323	-	-	323	1,365
Office costs	1,952	-	-	1,952	1,780
Professional fees / Research	8,045	-	-	8,045	6,610
Events	-	-	-	-	23
Publications / marketing	1	-	-	1	12
Depreciation	38	-	-	38	176
Other costs	1,309	-	-	1,309	204
	16,190	-	-	16,190	17,596

**Notes to the Financial Statements
for the year ended 31 December 2004 (continued)**

6. Corporation tax

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

**7. Tangible Fixed Assets
Group and Company**

	Computers and other equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2004	165,834	54,609	220,443
Additions	60,070	1,129	61,200
At 31 December 2004	<u>225,904</u>	<u>55,738</u>	<u>281,643</u>
Accumulated depreciation			
At 1 January 2004	121,978	49,961	171,939
Charge for year	36,594	3,105	39,700
At 31 December 2004	<u>158,572</u>	<u>53,066</u>	<u>211,639</u>
Net book values			
At 31 December 2004	<u>67,332</u>	<u>2,672</u>	<u>70,004</u>
At 31 December 2003	<u>43,856</u>	<u>4,648</u>	<u>48,504</u>

	Group 2004 £	Company 2004 £	Group 2003 £	Company 2003 £
Capital commitments				
Authorised but not contracted for	Nil	Nil	Nil	Nil

8. Debtors

Prepayments and accrued income	157,979	156,604	63,698	62,159
Trade debtors	150,516	118,562	222,660	103,044
VAT Recoverable	28,882	0	10,017	10,017
Amounts due from subsidiary	0	240,107	0	198,103
	<u>337,377</u>	<u>515,273</u>	<u>296,375</u>	<u>373,323</u>

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

Trade creditors	60,292	60,292	48,872	41,899
Accruals & deferred income	94,581	59,874	89,697	66,894
Other taxes and PAYE	49,268	49,267	68,718	43,073
VAT payable	34,897	34,896	0	0
Other Creditors	3,150	3,149	480	480
	<u>242,187</u>	<u>207,478</u>	<u>207,767</u>	<u>152,346</u>

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Notes to the Financial Statements
for the year ended 31 December 2004 (continued)**

10. Balance Sheet Analysis of net assets between funds

Group	Unrestricted £	Designated £	Restricted £	Total £
Fixed assets				
Tangible assets	70,004	0	0	70,004
Current assets				
Debtors	296,569	40,808	0	337,377
Cash at bank and in hand	503,628	218,387	675,824	1,397,839
	800,197	259,195	675,824	1,735,216
Creditors				
Amounts falling due within one year	191,944	22,529	27,714	242,187
Net current assets	608,253	236,666	648,110	1,493,029
Total assets less current liabilities	678,257	236,666	648,110	1,563,033
Company	Unrestricted £	Designated £	Restricted £	Total £
Fixed assets				
Tangible assets	70,004	0	0	70,004
Investment in subsidiaries	102	0	0	102
	70,106	0	0	70,106
Current assets				
Debtors	474,465	40,808	0	515,273
Cash at bank and in hand	290,640	218,387	675,824	1,184,851
	765,105	259,195	675,824	1,700,124
Creditors				
Amounts falling due within one year	157,235	22,529	27,714	207,478
Net current assets	607,870	236,666	648,110	1,492,646
Total assets less current liabilities	677,976	236,666	648,110	1,562,752

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Notes to the Financial Statements
for the year ended 31 December 2004 (continued)**

11. Reserves / Statement of Funds

The note analyses the reserves of the Group.

	<i>as restated</i>				
	Bal b/fwd	Income	Expenditure	Transfers	Bal c/fwd
	£	£	£	£	£
Unrestricted funds					
General funds	599,703	857,677	(773,322)	(5,801)	678,257
Designated funds - property fund	66,955	45,316	(28,785)	0	83,486
Designated funds - project funds	182,203	629,986	(636,999)	(22,010)	153,179
Total unrestricted funds	848,861	1,532,979	(1,439,106)	(27,811)	914,923
Restricted funds					
Restricted funds - open projects					
Not for profit PPPs	230	20,000	(20,230)	0	(0)
Tax Seminar Series	(14,045)	35,000	(16,567)	0	4,388
Labours New Regional Policy	12,675	10,000	(18,033)	0	4,642
Balance of Funding	0	10,000	(9,952)	0	48
Working Longer	0	40,900	0	0	40,900
Education Seminars	62,418	7,000	(27,241)	(34,603)	7,574
Post 16 Education	19,224	0	(18,771)	0	453
SchoolLets	43,807	11,739	(28,989)	0	26,557
Opportunity and Inclusion Forum	9,371	75,000	(69,849)	0	14,522
Choice and Equity in Teacher Supply	10,416	50,000	(19,313)	(5,001)	36,102
Mental Health First	0	20,650	(20,650)	0	0
Equitable Choices	0	55,000	0	0	55,000
Migration Team	99,276	65,250	(107,600)	(23,202)	33,724
Migration Working Papers	27,840	50,000	(61,581)	0	16,259
Public Attitudes to Asylum	28,800	22,000	(50,382)	(418)	0
Asset Effect	15,765	0	(7,059)	(11,970)	(3,264)
Anti-social Behaviour	0	20,000	(41,552)	0	(21,552)
Social Justice	0	74,103	(70,473)	15,000	18,630
Centre for Assets	0	25,000	(16,595)	1,470	9,875
Working and Caring	0	15,000	(6,359)	0	8,641
Police Stations	0	1,500	(1,500)	0	0
Community Sanctions	0	10,000	(10,000)	0	0
Value Added by Governance	0	5,118	(7,465)	0	(2,347)
Demography	0	50,000	0	0	50,000
Arts in Society	0	20,000	(20,000)	0	0
Digital Manifesto	0	77,000	(77,000)	0	0
Centre for Cities Team	0	424,393	(145,385)	(1,000)	278,008
Sustainability Team	0	30,000	(43,841)	13,841	0
Sustainable Development in the South Ea	5,000	190,000	(145,827)	0	49,173
Climate Change Task Force (IPPR)	0	21,273	(82,863)	0	(61,590)
Climate Change Task Force (Shared)	0	37,206	(65,929)	13,100	(15,623)
Olympics	0	37,500	(37,500)	0	0
International Team	0	5,000	(5,000)	0	0
Bellagio	0	30,841	(30,841)	0	0
Governance in Africa	15,000	35,000	(50,000)	0	0
IPPR North Team	80,905	95,000	(90,415)	0	85,490
Devolution	0	5,000	(5,000)	0	0
Intern Bursaries	0	12,500	0	0	12,500
Total Open Projects	416,682	1,693,973	(1,429,762)	(32,783)	648,110

INSTITUTE FOR PUBLIC POLICY RESEARCH LTD

**Notes to the Financial Statements
for the year ended 31 December 2004 (continued)**

11. Reserves / Statement of Funds (Cont'd)

	as restated				
	Bal b/fwd	Income	Expenditure	Transfers	Bal c/fwd
	£	£	£	£	£
Restricted funds - completed projects					
Local Authority Funding	894	0	(894)	0	(0)
How do we pay	0	7,500	(7,503)	3	0
Education in London	4,231	0	(47,414)	43,183	0
Teenage Governors	(7,490)	21,490	(11,225)	(2,775)	0
Decentralising Health Services	20,379	0	(16,526)	(3,853)	0
Future Social Care Workforce	4,522	0	(4,522)	0	0
Future of Social Care	8,896	10,000	(16,772)	(2,124)	0
Race Equality Taskforce	(1,179)	10,000	(58,480)	49,659	0
Migration Seminars	9,110	0	0	(9,110)	0
M&E Team Administrator	20,068	0	(6,594)	(13,474)	0
Terms of the Debate	18,885	0	(12)	(18,873)	0
New Politics of Ownership	0	26,031	(26,031)	0	0
Human Rights and Equalities	0	45,000	(45,000)	0	0
Rethinking Volunteering	(8,681)	6,500	(5,298)	7,479	0
Town Halls	2,907	0	(2,907)	0	(0)
Active Citizenship	17,706	0	(17,706)	0	0
Broadband	0	0	(4,675)	4,675	0
Mixed Economy in e-Delivery	12,604	0	(5,983)	(6,621)	0
Public Value in e-Delivery	392	0	(19,527)	19,135	(0)
Public Involvement Awards	(4,337)	0	0	4,337	0
Gatsby	1,327	0	(97)	(1,230)	0
Car Safety Environment	7,056	3,000	(3,382)	(6,674)	0
Science	0	5,000	(5,000)	0	0
International Human Rights	0	0	(4,373)	4,373	0
Research Funds	7,517	0	0	(7,517)	0
Total Completed Projects	114,807	134,521	(309,921)	60,593	(0)
Total Restricted Funds	531,489	1,828,494	(1,739,683)	27,810	648,110

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 delapidations at the end of the lease.

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

12. Prior Year Adjustment Note (consolidated)

	Unrestricted funds			Restricted funds	Total
	General	Designated Property Fund	Designated Project Fund		
	£	£	£	£	£
At 1 January 2004	589,144	66,955	0	724,251	1,380,350
Prior year adjustment	10,559	0	182,203	(192,762)	0
At 1 January 2004 as restated	599,703	66,955	182,203	531,489	1,380,350
Incoming resources	857,677	45,316	629,986	1,828,494	3,361,473
Resources expended	(773,323)	(28,785)	(636,999)	(1,739,683)	(3,178,790)
Transfer between funds	(5,800)	0	(22,010)	27,810	0
At 31 December 2004	678,257	83,486	153,180	648,110	1,563,034

The prior year adjustment represents a reallocation of funds previously treated as restricted following a review of the terms attached to the various funds.

**Notes to the Financial Statements
for the year ended 31 December 2004 (continued)**

13. Pension Contributions

The charity does not operate a pension scheme but offers 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 £50,514 (2003: £41,729). 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.

16. Investment in subsidiaries

The charity has investments in subsidiaries as follows:

Public Policy Research Associates Ltd	£ 2
IPPR Trading Ltd	<u>£100</u>
	<u>£102</u>

a) The investment of £2 represents the whole of the issued share capital, which is made up of £1 ordinary shares, of Public Policy Research Associates Ltd, a company incorporated in Great Britain, which carries out commissioned research on public policy. The Company did not trade during the year ended 31st December 2004.

b) 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 2004 was £332,375 (2003: £464,273) and the net profit for the period of £55,320 (2003: £187,543) 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	2004	2003
	£	£
Turnover	332,375	464,273
Cost of sales	(278,822)	(277,271)
Administrative expenses	(3,608)	(4,281)
Bank interest	5,374	4,822
Donations to holding company	(55,320)	(187,543)
Profit on ordinary activities	-	-

17. Capital commitments

At 31 December 2004 there were no capital expenditure commitments.

**Notes to the Financial Statements
for the year ended 31 December 2004 (continued)**

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
Dr C Patel		Donation of £17,000 received for the Property Fund
Dr C Patel	Priory Group	Commissioned research of £3,500 through IPPR Trading
J Hardie	Esmee Fairbairn Foundation	Donation of £23,586 received in support of Schoolets project Donation of £50,000 received in support of Choice Equity and In Teachers' Supply

During the year the company recharged £194,232 (2003: £191,750) to IPPR Trading Ltd. At 31 December 2004 the company was owed from IPPR Trading Ltd £240,107 (2003: £198,103). During the year the company paid a total of £3,125 for trustees' expenses, refreshments at trustees' meetings and for the biannual trustees' dinner and paid £3,000 for insurance that includes trustee liability and fidelity coverage.

List of publications produced in 2004

During 2004 the charity produced the following publications, which can be ordered from Central Books (0845 458 9910):

- Sanctions and Sweeteners: Rights and Responsibilities in the Benefits System
- Human Rights: Who Needs Them?
- Fit for Purpose
- The Burning Question: Is the UK on Course for a Low Carbon Economy
- After the Gold Rush: a sustainable Olympics for London
- Unfinished Business
- Diverse Missions: Achieving Excellence and Equity in Post-16 Education
- Three Steps Forward Two Steps Back: reforming PPP policy
- Race Equality: The benefits for responsible business
- Task Force on Race Equality and Diversity in the Private Sector
- Lonely Citizens
- Sustainability and Social Justice
- For Art's Sake
- Human Rights and Global Responsibility: an international agenda for the UK
- Meeting Complex Needs: the future of social care
- Reinventing the Town Hall: a Handbook
- Making It Work: Refugee employment in the UK
- Moving Forward: The provision of accommodation for Travellers and Gypsies

Additional research papers published on the charity's website (www.ippr.org) include:

- Child Trust Funds and Local Authorities: Challenges and Opportunities
- Reinventing the Police Station
- The Problems of Success: Reconciling Economic Growth and Quality of Life in the South East
- Developments and Trends in Mental Health Policy
- Going for Growth
- The Party Paradox
- Fair Dues: Towards a More Progressive Inheritance Tax
- Pay and the Public Service Workforce
- Something for Something: A National Youth Action Programme
- Tough Choices: the 2004 spending review
- Promoting Effective States
- From Public Service Broadcasting to Public Service Communication
- Who Cares? Building the Social Care Workforce

Representative selection of events held in 2004

During 2004 the charity held over 50 public events, a small selection of which are listed below:

- Oxford Media Convention 2004: Competition, Regulation and Renewal
- University Funding: Opportunity For All
- Ippr North: The launch
- Trade not Aid
- Growth Fetish
- Impact and Evidence: The Nationwide Role of Museums and the Cultural Sector
- Rebuilding Iraq - Winning the Peace
- Boring Bankers - Should we Listen?
- On democracy in Hong Kong: the Road to Constitutional Reform
- Migration in an Enlarged Europe
- Mixed Messages: Migration and the Media
- New Challenges for Race Equality and Community Cohesion
- Last of the Big Spenders? Debt and the Nation
- Vote USA
- Ippr and Channel 4 at the Labour Party Conference
- Ippr and Policy Exchange at the Conservative Party Conference
- From the Welfare State to the Opportunity Society
- Inequality, Mobility and Opportunity
- Should the State Play Nanny?
- Future of Transport: Network for 2030
- Modernising the Welfare State, Pensions, Poverty and Property