



**Wilton Park**  
Harnessing the power of dialogue

# WILTON PARK

## AN EXECUTIVE AGENCY OF THE FOREIGN & COMMONWEALTH OFFICE

### ANNUAL REPORT AND ACCOUNTS

2010/11

Presented to the House of Commons pursuant to section 7  
of the Government Resources and Accounts Act 2000

Ordered by the House of Commons  
to be Printed 11th July 2011

HC 1256 LONDON: THE STATIONERY OFFICE      £10.25



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## Chairman's Foreword

The year ending March 2011 has been a period of considerable challenge and also of encouraging progress at Wilton Park.

The challenges have centred on weather and politics; the ash cloud and severe winter weather together with funding uncertainty around the time of the election and the subsequent spending round settlement combined to significantly reduce conference income and participant numbers. Richard Burge and his team were quick to realise the seriousness of this situation and took prompt action to contain costs and reduce expenditure wherever possible, thereby mitigating the scale of the final cash deficit. Richard has more detail on the financial situation in his section of this report.

The encouraging progress through the year includes further development of our conference programmes and formats, with a number of off-site conferences being held in the UK and overseas, we have also hosted a small number of heavily targeted short events with excellent feedback from participants. Close attention has been paid to the new FCO agenda and future conference programmes are closely aligned to the new FCO priorities. Our programme development is now benefitting from the new monitoring and evaluation process introduced in 2010. Richard has introduced a regular series of conference related podcasts and a Wilton Park blog, both have been regularly featured on the 'front page' of the FCO web-site. Finally, we have again achieved excellent satisfaction ratings from the nearly 2,400 people who participated at a Wilton Park event in the year. It is clear that our 'customers' continue to see real value in the work of Wilton Park.

During the year a number of our long serving staff retired, our Director of External Relations Nick Hopkinson (22 years), Conference Delivery Manager Heather Ingrey (15 years), Duty Manager Wendy Hide (14 years) and Programme Director Roger Williamson (10 years). I would like to place on record our appreciation of the great contribution which they have made to the work of Wilton Park during their time here.

Looking to the current year (ending March 2012) we clearly face another challenging period. Richard and his team have put together a tough and challenging Business Plan and are committed to adopting new ways of working, which will both further reduce the overall cost base and improve our ability to respond to variable activity levels. The Board fully support this plan and are impressed by the willingness and open mindedness of Richard and his team as they seek new ways to ensure the future viability and sustainability of Wilton Park.

I would like to take this opportunity to thank all the staff at Wilton Park for their commitment and hard work throughout what has been a difficult and tough year. I would also like to thank the Public Diplomacy team at the FCO for their support and intercessions on our behalf at King Charles Street.

We are fortunate to have a strong and engaged Advisory Council whose members give freely of their time and whose input and wise counsel is of great value to Wilton Park; we are very grateful for all that you do for us.

We have no false illusions about the nature and scale of the task ahead, we are committed to implementing the changes required to deliver the business plan and in so doing to build the future on the successes of the past.

The Board and the staff share a strong belief in the value of the work of Wilton Park, a common understanding of the need to continuously evolve the way we work and a powerful ambition to see Wilton Park deliver an ever more valuable contribution to the 'quiet work' of the FCO; we absolutely believe in the power of dialogue.

I look forward to reporting to you again next year on our work, our progress and our contribution to a fairer and safer world.

**Iain Ferguson CBE**  
**Chairman**



## Chief Executive's Overview

This year has been one of responding to the new foreign affairs priorities and approaches of the Coalition Government while coping with significant falls in revenue caused by reductions in public expenditure and external shocks.

Our final result is a cash deficit of £259,000 (before deducting £235,000 in non-cash items) on a turnover of £4,110,000. The uncertainty caused in the run-up to the General Election and the Ash Cloud followed by in-year reductions in government budgets hit conference planning in the first two quarters of the year. By the last quarter, we were at full capacity, but the overall consequence was that we held only 47 conferences and 3 new-form events against a target of 56 conferences.

The financial performance should not detract, however, from the fact that Wilton Park is one of the high impact and diverse agents of soft power for the UK, giving the FCO significant value for money on its annual investment through the core allocation. Last year 2,388 participants attended from 113 nations. While the number was down because of the fall in the number of conferences and the relatively small proportion of very high attendance events, around 98 visits were by individuals at ministerial level in overseas governments or the equivalent from international organisations. Wilton Park is seen as influential enough to attract over 10 ministerial visits from the UK government.

The diverse support for Wilton Park is reflected in our revenue; 40% comes from UK government sources and a further 10% from overseas governments. 17% comes from individual participants (or their governments or institutions) funding full cost fees for their participation in our events. The recognition of our value and importance in the eyes of the leadership of other nations is reflected in winning the Diplomat magazine's 2011 award for "Most Distinguished Contribution to Diplomacy" – nominated and selected by the senior foreign diplomats in London.

The commercial use of Wiston House in those times when it is not used for the purposes of Wilton Park provides a vital income stream. It deploys the same staff skills and capacity at marginal cost for a high value venue and service. Despite the recession, our commercial earnings went up by 7% to £ 660,000. Sadly, we continue to find it difficult to secure increased revenue from the use of Wiston House – a publically managed facility – by other government departments

With the fixed costs of Wilton Park being a very high proportion of our overall expenditure (about 80%), there is very little room for manoeuvre within a financial year. However, we reduced our overall costs by 5% and our headcount by 7 (or 9%) through non-replacement of staff on resignation or through a Flexible Early Retirement scheme funded by the FCO.

There is an increasing demand for our work. Now that the policy of the Coalition Government is in place, the requests for us to organise conferences has grown to a level well above the norm. Our enthusiasm for holding more events overseas has started to gather a market response from UK mission and from potential partner organisations in other countries – we have conferences being planned for 9 countries in the coming year. We are witnessing a demand for overseas conference from funders.

We now face a rapidly changing world. Global events have increased the demand for our work, but public sector finances have significantly reduced the ability for the UK and other governments to pay. The financial and staffing structure of Wilton Park was designed for a much more predictable world where our work was only rarely conducted away from Wiston House.



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While the demand for our work has grown, so has the requirement from clients that we develop a broader range of expertise on international affairs, and are able to deliver a greater range of outputs with more variation in the length of conferences at Wiston House, short-form events in London and full conferences overseas.

The pressure on the budgets of the FCO mean that we have to manage with a greater certainty that they will not be called upon to support a deficit and we have to respond to a serious price squeeze from all our funders.

Therefore, in 2011/12, we have to undertake and complete two major exercises:

- Reduce significantly the cost of delivering our work and therefore the price charged to clients and participants – this will require a radical shift in our processes.
- Move a greater proportion of our costs from fixed to variable so we can respond quickly to volatility in demand and funding.

All public sector organisations are experiencing acute financial pressure at the moment. The constraints we are facing at Wilton Park are not unusual. Between 2009/10 and 2011/12 our access to core funding support from the FCO will fall by £ 175,000 (or 16%), but this is neither disproportionate nor unfair. Our sponsoring department and, more importantly, individual Heads of Mission overseas and policy directors in London are enthusiastic and engaged. They see Wilton Park as part of the formidable soft power armoury of the UK, and our status enables us to focus on the issues that are of direct concern to British foreign policy and on the countries whose bilateral relationships matter most to us.

**Richard Burge**  
**Chief Executive**



## Governance

Wilton Park's aims and terms of reference are laid down in a Framework Document approved by Ministers in November 2009. A copy of the Framework Document can be found on the FCO ([www.fco.gov.uk](http://www.fco.gov.uk)) website. The Wilton Park Senior Management Team provides a forum for the Chief Executive to consult senior staff on performance and strategy, to help resolve management issues, to contribute to financial and business planning and to develop fundraising and marketing strategies. The composition of the Senior Management Team during the year was as follows:-

Richard Burge	Chief Executive
Nicholas Hopkinson (to Nov 10)	Director (External Relations and Development)
Robin Hart	Director (Programme and Delivery)
Tim Catherall	Finance Director
Shirley Ellis	Personnel Manager
Mark Bellone	Operations Director

The Wilton Park Board agrees strategy and objectives including financial and other performance targets, monitors and evaluates progress, and advises on resource allocation. Its membership is:-

Iain Ferguson	Chair
Richard Burge	Chief Executive
Ian Hargreaves (to May 10)	Director Strategic Communications, FCO – Senior Responsible Officer
Richard Morgan (to Sept 10)	Head of Public Diplomacy Group, FCO
David Frost (to Aug 10)	Director Strategy and Planning, FCO – Senior Responsible Officer
Andrew Whyte (from Oct 10)	Director of Communications, FCO – Senior Responsible Officer
Alex Ellis (from Jan 11)	Director for Strategy, FCO
Alex Jablonowski (NED)	High Performance Leadership Limited
Simon Turl (NED)	Chief Executive, Road Chef

The following also attend the Board:-

Iain Morgan	MOD
Helen Orr (to Nov 10)	Strategic Finance Adviser, Communication Directorate, FCO
Tim Willows (from Nov 10)	Strategic Finance Adviser, Communication Directorate, FCO
Stephen Townsend	Team Leader, Public Diplomacy Partners, Public Diplomacy Dept, FCO





Established in 1946, Wilton Park became an Executive Agency in 1991 to give it more operational autonomy and a more secure financial footing through the opportunity to raise more of its funding. The Foreign and Commonwealth Office (FCO) provides capital funding, and financial and other support for individual conferences and for meeting public diplomacy objectives. The remaining costs are met by participants' contributions, sponsorship and the hire of the House for other events.

The Wilton Park Advisory Council was established in 1949. Under the 2009 framework document its purpose is to ensure Wilton Park meets the highest intellectual standards, and maintain its reputation as a global centre of excellence. The Secretary of State for Foreign and Commonwealth Affairs appoints members of the Advisory Council. Membership is drawn from the academic world, government, non-governmental organisations, media, business, trades unions and other organisations concerned with international relations.

The Advisory Council's primary roles are to advise on the selection of conference themes; and ensure a proper balance is maintained; monitor follow ups on our delivery of longer term objectives; provide practical advice on partnerships and fundraising. Advisory Council meetings are held twice a year. Individual members (who are volunteers) provide specialist advice and support and participate as appropriate at conferences by chairing sessions and workgroups.

Membership of the Advisory Council is as shown below:

Prof Colin Blackmore, FRS	Professor of Neuroscience, University of Oxford
Rachel Briggs	Director, Hostage UK and Freelance Researcher
Paul Evans	Director Intervention of the Serious Organised Crime Agency
Nik Gowing	Journalist and Broadcaster
Mary Jo Jacobi	British Civil Service Commissioner and Chair of the Forensic Science Service's Independent Advisory Group
Tim Livesey	The Archbishop of Canterbury's Secretary for Public Affairs
Dr Farhan Nizami	Director, Oxford Centre for Islamic Studies
Rupert H W Robson	Company Director
Prof Philippe J Sands QC	Professor of Law
Victor Sebestyen	Journalist and Writer
Owen Tudor	Head of TUC's European Union and International relations Department
Sir Stephen Wall GCMG LVO	Chairman (Public Affairs EMEA), Hill & Knowlton
Prof Myles Wickstead CBE	Former Head of Secretariat, Commission for Africa

The role of the Wilton Park International Council is as a principal instrument for the promotion of Wilton Park programmes. It comprises the Heads of Mission in London of the G20 and OECD nations plus the European Commission and the Commonwealth Secretariat. The Council meets annually at the FCO offices in London.



### **Wilton Park Audit Committee**

The Wilton Park Audit Committee was established to support the Wilton Park Board and the Accounting officer in their oversight by:

- Reviewing the comprehensiveness of assurances in meeting the Board/Accounting Officer's assurance needs
- Reviewing the reliability and integrity of these assurances and
- Providing an opinion on how well the Board and Accounting Officer are supported in decision taking and in discharging their accountability obligations (particularly in respect of Financial Reporting)

The full terms of reference are available on the Wilton Park website.

The Committee comprises the two Non-Executive members of the Wilton Park Board (Alex Jablonowski, Chair and Simon Turl), and Iain Morgan, Independent Member. The Wilton Park Chairman and Chief Executive (as Agency Accounting Officer) attend each meeting but neither are members of the committee.

The Audit Committee met four times during the year and considered reports from the external auditors (National Audit Office), the FCO Internal Audit Department, who provide internal audit services to the Agency, and Wilton Park's senior management.

In addition to the Annual Report & Accounts, the committee also considers:

- Internal Audit's plans, progress, findings and conclusions
- The principal risks facing Wilton Park, and their mitigation strategies
- Business continuity plans, and the arrangements for testing and
- The findings and conclusions from the NAO external audit

Specifically, this financial year, the committee were presented with audit reports covering Strategic and Financial Planning, Accommodation, Hotel and Bar and IT Environment plus three self audits covering Procurement, Programme and Data Handling in line with the agreed Audit Strategy. Members focussed in particular on the self audits and considered these to be satisfactory.

The Head of Internal Audit reported that the Wilton Park Executive Agency had a satisfactory system of internal control for 2010/11. Improvements have been identified as being required in certain areas and the committee ensures that these are followed-up. No frauds or whistle-blowing cases were reported to us during the year.

Following the completion of the external audit work, the committee considered a final draft of the Annual Report and Accounts on 10<sup>th</sup> June 2011. We specifically considered (a) the Statement on Internal Control, and whether any significant internal control issues should be disclosed and (b) errors identified by the external audit that had not been adjusted. We were satisfied in both areas. However, HM Treasury advises that an Audit Committee will not be able to advise the Accounting Officer on whether the accounts are true and fair.

The Committee sought views on its effectiveness from members, stakeholders and other meeting attendees during the year and no major issues were identified.

**Alex Jablonowski**  
**Chairman**



## **Review of Performance and Future Prospects**

### **Wilton Park Conferences**

Information on Wilton Park's conferences is published in our Calendar. The Calendar is distributed widely to contacts within government in the UK and overseas and to a range of international and UK organisations outside government. Copies are automatically sent to participants in recent conferences, and to previous conference participants.

Details of forthcoming conferences are also very much at the heart of the Wilton Park website – [www.wiltonpark.org.uk](http://www.wiltonpark.org.uk).

We continue to develop the website as a key tool for spreading information about Wilton Park conferences and for encouraging interaction with the international policy community.

The website shows our conferences under thematic headings and provides clear information on the full scope of our work. The site also contains background information about the Agency and its location, information on how to contact its staff and means of applying to participate in conferences.

As part of the wider dissemination of information on Wilton Park's conference activities, the site also provides a comprehensive range of reports on past conferences.

A full schedule of Wilton Park's conferences and relevant statistical information is included below.

### **The Impact of Our Policy Work**

Wilton Park conferences contribute to the achievement of the UK government's international policy priorities. Wilton Park's framework targets include:-

**Target: The impact of Wilton Park conferences on policy and opinion should receive the positive endorsement of the Advisory Council and the FCO.**

**This was successfully achieved.**

We engage with a range of external stakeholders on the outcomes from conferences held and in looking at the range and balance of our proposed future conference schedule. These key external stakeholders include the Wilton Park Advisory Council (WPAC) and Wilton Park International Council (WPIC).

We also engage with Directorates within the FCO and with other government departments to ensure that our policy work is aligned to UK International policy priorities.

The contribution of our conferences to policy outcomes is directly measured by feedback from conference participants, both orally and in targeted questionnaires, for which we obtain a response rate of 60%. This year we have developed a new Monitoring and Evaluation system which we rolled out in January 2011. We are refining this system and therefore this year's feedback statistics only include conferences to 31<sup>st</sup> December 2010.



## Schedule of Wilton Park Conferences 2010/11

Conf ID	Conference Title	Dates
WP1029	Latin America: Tackling the Cocaine Trade	19 - 21 Apr 2010
WPS10/06	Wilton Park & the FCO: Maximising our Engagement	26 - 27 Apr 2010
WPS10/01	Enhancing Domestic Resource Mobilization in Sub-Saharan Africa	27 - 30 Apr 2010
WP1065	The European Union's External Action Service: Ensuring Strategic Coherence & Effective Delivery	17 - 19 May 2010
WPS10/07	Extractive Contracts	2 - 5 Jun 2010
WP1034	Public Diplomacy: Moving from Policy into Practice?	7 - 9 Jun 2010
WP1036	Transiting To a Low Carbon Economy: How to make Successful Policy & Regulation Happen	21 - 24 Jun 2010
WP1037	Science Diplomacy: Delivering Results	24 - 27 Jun 2010
WP1035	Nuclear Salience in Decline?	27 - 30 Jun 2010
WP1038	UKBA (in London)	28 Jun 2010
WP1066	The European Union's Economic Governance: Prospects for Recovery, Reform & Europe 2020 After The Crisis	30 Jun - 2 Jul 2010
WP1040	British German Forum	12 - 16 Jul 2010
WP1041	Ending Internal Conflict: The Role of Stabilisation & Counter-Insurgency	19 - 22 Jul 2010
WP1042	The Responsibility to Protect	26 - 28 Jul 2010
WP1043	Atlantic Youth Forum	2 - 6 Aug 2010
WPS10/05	FCO Commonwealth Meeting	1 - 2 Sept 2010
WP1045	Public Private Investment Partnerships for Health (PPIP): Serving the Poor	20 - 22 Sep 2010
WP1046	Prospects for the 2011 Biological & Toxic Weapons Convention Review	24 - 26 Sep 2010
WPS10/04	Negotiating Justice: The Challenge of Justice & Accountability in Peace Negotiations	27 - 30 Sep 2010
WP1070	Foundations and International Development: Partnership and Outcomes	4 - 6 Oct 2010
WP1056	Cyber Security: Managing the Risks	18 - 20 Oct 2010
WP1048	Pakistan's Federally Administered Tribal Areas (FATA)	24 - 27 Oct 2010
WP1053	Financial Supervision	28 - 30 Oct 2010
WP1063	Japan: Increasing its global role?	1 - 4 Nov 2010
WP1055	Dialogue with China: Towards 'Harmonious Society' Governance, Participation & Social Cohesion	4 - 7 Nov 2010
WP1051	Political Change in the UK & Evolving Policies within the European Union	15 - 17 Nov 2010
WP1033	Future of the UN Development System	18 - 21 Nov 2010
WP1059	Urban Risks: Moving From Humanitarian Responses to Disaster Prevention	22 - 25 Nov 2010
WP1096	South Africa Institute of International Affairs Briefing (FCO, London)	25 Nov 2010
WP1060	Managing Conflict in the Middle East: The Role of Regional Actors	30 Nov - 3 Dec 2010
WP1087	Negotiating While Fighting: Conditions & Modalities	10 - 12 Dec 2010
WP1062	Nuclear Non-Proliferation: What Now After the 2010 Review?	13 - 17 Dec 2010
WP1074	Special Procedures of the Human Rights Council: Future Directions?	13 - 15 Jan 2011
WP1094	Commonwealth Dinner	17 - 18 Jan 2011



Conf ID	Conference Title	Dates
WP1097	China Central Party School - Dinner	19 - 20 Jan 2011
WP1082	Tackling online jihad: Understanding the issues and how to respond?	31 Jan - 2 Feb 2011
WP1089	Prospects for the EU Financial Perspective in an Age of Austerity	4 - 6 Feb 2011
WP1078	Somalia: Building stability, accepting reality	7 - 9 Feb 2011
WP1090	The art of the possible: Conflict diplomacy in an era of new global challenges	11 - 13 Feb 2011
WP1080	Power after Peace and Post-Conflict State-Building: The Policy Implications	17 - 19 Feb 2011
WP1091	Financing continued scale-up in HIV treatment	22 - 24 Feb 2011
WP1069	The Collapse of Growth: Threat or Opportunity for Sustainable Development? (BGEF)	24 - 26 Feb 2011
WP1073	Towards 2030 : Future Trends & Challenges	28 Feb - 2 Mar 2011
WP1104	e-Government: Better services, better democracy? (in Athens)	9 - 12 Mar 2011
WP1079	Chemical Weapons Disarmament & The Future of the Organisation for the Prohibition of Chemical Weapons (OPCW)	18 - 20 Mar 2011
WP1086	Wilton Park Dialogues with Russia - A new prosperity: Aspiration, innovation, participation	20 - 23 Mar 2011
WP1031	New Directions in Turkey's Foreign Policy (in Turkey)	24 - 27 Mar 2011
WP1075	Missile Defence & The Transatlantic Alliance	25 - 27 Mar 2011
WP1113	UNSC Meeting and Dinner	28 - 29 Mar 2011
WP1032	Civil Resistance: Popular movements challenging oppression: Policy issues for the international community	30 Mar - 1 Apr 2011

WP1094, WP1097 and WP1113 were Dinner and/or overnight events rather than full conferences and are therefore not included in the table below.

## Measuring the success of our conferences

We look at a variety of indicators to measure the success of each of our conferences, in thematic areas, and in the continuing overall impact of the full set of past and planned conferences. Of the variety of indicators, we pay close management attention to:

Overall Participation Trends

Participation by Profession

Participation by Nationality

Conference Ratings – the new Monitoring and Evaluation system particularly focuses on an Overall rating and ratings on Effectiveness, Quality, Design and Delivery and Impact.

## Overall Participation Trends

Comparative figures for the last three years are as follows:-

Financial Year	Total Number of Participants	Number of Conferences	Average Participation
2010/11	2,388	47	50.8
2009/10	3,038	51	59.6
2008/09	3,084	50	61.7



### Participation by Profession

	2010/11	% 2010/11	2009/10	% 2009/10	2008/09	% 2008/09
Foreign Ministry	567	24	645	21	676	22
Academic/Research Institutes	558	23	636	21	566	18
Business	295	12	288	10	391	13
Other Government Ministries	289	12	462	15	440	14
NGO	201	8	265	9	309	10
International Organisations	197	8	344	11	275	9
Defence Ministry/Military	133	7	207	7	237	8
Parliament/Political	87	4	119	4	132	4
Media	61	2	72	2	58	2
Total	2,388	100	3,038	100	3,084	100

### Participation by Nationality

	2010/11	% 2010/11	2009/10	% 2009/10	2008/09	% 2008/09
UK	835	35	1,122	37	1,123	36
EU Excluding UK	412	17	520	17	696	23
USA	289	12	395	13	329	11
Non EU Europe	227	10	281	9	203	7
Other OECD	146	6	150	5	165	5
Other Regions	123	5	194	6	149	5
South Asia	101	4	112	4	111	3
Middle East	46	2	63	2	128	4
Other	209	9	201	7	180	6
Total	2,388	100	3,038	100	3,084	100



## Conference Quality Ratings

We aim to provide high quality conferences and conference facilities. The new Monitoring and Evaluation system aims to provide more feedback on the impact and effectiveness of the conferences and provides ways in which we can improve the conferences. This new system has been used since 1<sup>st</sup> January this year so the ratings provided cover the nine months to 31<sup>st</sup> December 2010.

Programme	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
2010*	467	239	48	0	0	754
%	60	34	6	0	0	60
2009/10	1,015	598	75	5	0	1,693
%	60	35	5	0	0	55
2008/09	1,004	647	92	3	0	1,746
%	58	37	5	0	0	57
Discussion						
2010*	484	259	37	0	0	780
%	62	33	5	0	0	52
2009/10	976	634	82	7	0	1,699
%	57	37	5	1	0	56
2008/09	940	666	121	3	1	1,731
%	54	39	7	0	0	56

\* April to December 2010

Administration	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
2010*	674	77	8	0	0	759
%	89	10	1	0	0	50
2009/10	1,492	183	18	3	0	1,696
%	88	11	1	0	0	56
2008/09	1,520	208	22	0	0	1,750
%	87	12	1	0	0	57

\* April to December 2010

As part of the Wilton Park conference questionnaire, we also ask participants to rate our services and facilities for the events held at Wiston House. The following table shows the three measurements for quality of services.



Meals	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
2010*	447	206	32	1	0	686
%	65	30	5	0	0	
2009/10	1,061	439	82	4	0	1,586
%	67	28	5	0	0	
2008/09	1,006	555	99	9	0	1,669
%	60	33	6	1	0	
Service						
2010*	598	121	18	0	0	737
%	81	17	2	0	0	
2009/10	1,389	179	13	0	0	1,581
%	88	11	1	0	0	
2008/09	1,345	271	20	0	0	1,636
%	82	17	1	0	0	
Accommodation						
2010*	363	184	98	10	0	655
%	55	28	15	2	0	
2009/10	809	398	203	21	2	1,433
%	57	28	14	1	0	
2008/09	810	426	225	21	3	1,485
%	55	29	15	1	0	

\* April to December 2010

## Commercial Activities

When Wilton Park conferences are not being held, the facilities at Wiston House are used to generate income which provides a contribution towards our overheads. We generate interest internally from Government Departments and externally from the private sector to use the facilities for conference, training and banqueting events.

During 2010/11, income from Wiston House commercial activities was £660k (including bar and shop sales) representing an increase of £41k on the previous year (£619k). This income was generated from 76 commercial functions (68 in 2009/10), of which 28 were weddings (13 in 2009/10).

Selling available days around the Wilton Park conference programme is core to maximising this commercial income stream and diary management continues to be the key factor that leads to success in this area. The main Wilton Park website provides links to on-line information on hiring the facilities at Wiston House. Alternatively, these can be directly accessed from our commercial website [www.wistonhouse.co.uk](http://www.wistonhouse.co.uk).





## Financial Review

The financial target for Wilton Park as set out in the Framework document is as follows:-

**Target – Wilton Park should meet the costs of its operations through raising income from conferences and other commercial activities.**

**This target was not met.**

Informative comparison can be drawn from performance in the last three years as follows:-

	2010/11 £000	2009/10 £000	2008/09 £000
Wilton Park Conferences Gross Income *	3,450	4,121	3,287
Speaker Travel costs	(408)	(520)	(335)
<b>Net Wilton Park Conference Income</b>	<b>3,042</b>	<b>3,601</b>	<b>2,952</b>
Commercial/Bar/Shop Income	660	619	1,021
<b>Total</b>	<b>3,702</b>	<b>4,220</b>	<b>3,973</b>
Running Costs	1,280	1,490	1,752
Permanent Pay Costs	2,543	2,504	2,393
Casual/Agency/Other Pay	138	148	167
<b>Total</b>	<b>3,961</b>	<b>4,142</b>	<b>4,312</b>
Running Cost Surplus/(Deficit)	<b>(259)</b>	<b>78</b>	<b>(339)</b>
Non cash items	(235)	(191)	(208)
<b>Net Operating Cost</b>	<b>(494)</b>	<b>(113)</b>	<b>(547)</b>

\* includes income from sponsorship, participation fees and corporate membership fees.

## Sponsorship and Participation Fees

Wilton Park conferences raise income almost exclusively through sponsorship and participation fees.

Up until March 2009, sponsorship for conferences was secured on a conference-by-conference basis.

In March 2009, following the results of the FCO Review, the FCO committed to providing 'core' funding for our conferences commencing in 2009/10. In 2010/11 this core funding amounted to £1,100k (2009/10 £1,125k).



## **Support from the FCO**

As mentioned above, the FCO plays a key role in supporting the work of Wilton Park. The total core funding in 2010/11 was £1,100k (2009/10 £1,125k) plus conference specific sponsorship of £396K (2009/10 £296k). This amounts to 55% of total sponsorship funding (43% in 2009/10).

Additionally, the FCO provides Wilton Park with capital investment resources. During 2010/11 capital investments amounted to £355k (£248k in 2009/10). The total of non-cash resource costs amounted to £238k (£191k in 2009/10).

The total cost of Wilton Park to the FCO, as consolidated in the FCO Resource Accounts. The FCO accounts can be found on the FCO website [www.fco.gov.uk](http://www.fco.gov.uk).

## **Creditor Payment**

Our policy is to pay our creditors within the later of 30 days from the invoice date or receipt of the month-end statement, or within otherwise agreed trading terms. The aggregate number of days taken to pay suppliers was 59 (32 in 2009/10). The days taken to pay is higher this year as there were a number of large invoices which were received late and therefore outstanding at the year end which affected the calculation.

## **Wilton Park's Staff**

The Agency's success is founded on high quality staffing at all levels and high priority is given to the management and training of staff.

We recognise that making best use of the talents and skills of all our staff makes us more effective and productive; we aim to create and sustain a culture that values and actively supports and promotes diversity. We continue to seek every opportunity to develop the potential of all staff at Wilton Park. We continue to provide staff with the training necessary for improving their performance, closing any skill gaps and for their personal development.

This year, staffing levels decreased from 75 to 68, including 15 part-time staff (the equivalent of 63 full time staff at 31<sup>st</sup> March 2011, a decrease of 4 from the previous year).

Staff turnover increased to 18%, with 10 people leaving (8 in 2009/10). 4 people took Flexible Early Retirement, 3 retired, 3 resigned and 1 person was recruited. Following the recruitment freeze no external recruitment has been undertaken since May 2010. We have appointed an A Grade from the Justice Department and taken 1 grade A and 1 grade C on loan from HMRC during the year.



Recruitment is carried out in accordance with the Civil Service Commissioners' Guidance. The recruitment figures are shown in the table overleaf:

Grade/Level	Total Recruited	% Female	% Ethnic Minority	% Disabled
SMS	0	0	0	0
D	0	0	0	0
C	0	0	0	0
B	1	100	0	0
A	0	0	0	0

There were no exceptions to selection by fair and open competition.

Our job-shadowing scheme continues to be highly successful, as has our reward scheme, which recognises and rewards staff for outstanding achievements outside their work remit.

We have an active Health & Safety Committee, led by the Personnel Manager, which meets quarterly to discuss a range of matters affecting our staff and visitors. During the year 621 days were lost through sickness absence. This equates to 9.1 days per employee (480 total days lost, 6.4 per employee in 2009/10).

## **Sustainable Operations**

Wilton Park is committed to the Government's international policy for prioritisation of sustainable development.

As one of the world's leading centres for the discussion of key international policy challenges, Wilton Park contributes strongly to the sustainable development agenda by running conferences on this theme.

Understanding and recognising the global issues links directly with actively managing Wilton Park's own carbon footprint. In seeking to manage operations on a sustainable basis, Wilton Park has endeavoured over the last decade to minimise its impact on the environment in a number of ways and we are committed to continual improvement in our environmental performance, preventing pollution and minimising adverse environmental impacts.



We will fulfil these commitments through a range of measures that include:

- Complying with all relevant environmental laws and regulations
- Setting clear environmental objectives which are prioritised in line with the nature, scale and environmental impacts of our activities
- Actively monitoring performance against objectives and targets
- Implementing effective and efficient resource reduction and handling methods consistent with best practice
- Influencing and managing our suppliers and contractors to ensure that goods procured and services undertaken comply with our environmental policy and
- Ensuring that our environmental policy is understood, implemented and maintained at all levels in the organisation and is supported by suitable information and training

Other environmental practices undertaken at Wilton Park include:

- Food waste recycling through two waste compost machines – with the compost spread on the gardens
- Re-use of materials, waste compaction and compression, recycling of a wide range of materials (glass, plastics, cardboard, paper etc.), or considerate disposal – reducing waste to landfill to one 1100 litre bin collected twice per week
- Using in-house water filtration and bottling facilities – reducing transportation and materials for bottled water from external suppliers
- Investing in energy saving lighting and other energy efficiency measures – identified through Carbon Trust survey recommendations
- Reducing supplier delivery chains – through using locally-sourced products and services wherever practical
- Meeting customer demands and preferences for using environmentally-sensitive and Fair-trade products
- Encouraging shared transportation – co-ordinating conference and local travel

We recognise that the use of transport by our staff and conference speakers and participants uses energy and produces CO2 emissions. Air travel is however, largely unavoidable in the pursuit of our core business. We are actively trying to avoid or reduce emissions as much as possible and are currently in the process of formulating a Wilton Park Carbon Offsetting policy.

The policy will eventually form part of a holistic policy on reducing the carbon footprint of the organisation.

**Richard Burge**  
**Chief Executive**  
**30th June 2011**



## Remuneration Report

### Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Guidance.

Richard Burge was appointed as Chief Executive of Wilton Park on a three year contract commencing 7 September 2009. All other officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk).

### Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the senior officials of the Agency. The table below has been subject to audit.

Name, Title	Salary 2010/11 £000	Bonus 2010/11 £000	Salary 2009/10 £000	Bonus 2009/10 £000
Richard Burge Chief Executive (from Sep 09)	110-115	nil	65-70 (110-115 full year equivalent)	nil
Iain Ferguson Chairman	20-25	nil	20-25	nil
Alex Jablonowski NED (from Nov 09)	0-5	nil	0-5	nil
Simon Turl NED	nil	nil	nil	nil

Richard Burge and Alex Jablonowski are remunerated by Wilton Park. Iain Ferguson is remunerated by the FCO.

'Salary' includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation. The pay and conditions are set by the FCO and are normal Civil Services conditions.

This report is based on payments made by the Agency and thus recorded in these accounts. The members of the Wilton Park Board held no other posts during the year.

The Chief Executive was provided with a rent free cottage in the grounds of Wiston House. The cash benefit is calculated as £1,960 for the full year. The Agency has a PAYE Settlement Agreement in place with HM Revenue & Customs for the provision of accommodation which will be met by the Chief Executive.



## Pension Benefits

The table below has been subject to audit.

Name Title	Accrued pension at age 60 as at 31/3/11 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	CETV at 31/3/11 £000	CETV at 31/3/10 £000	Real increase in CETV £000
Richard Burge Chief Executive	0 – 5	2.5 - 5	48	16	27

Richard Burge is a member of the Nuvos scheme.

## Civil Service Pensions

Pension benefits are provided through the Civil Service Pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase legislation. Members who joined from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pension Increase legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or



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over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the member has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real Increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

**Richard Burge**  
**Chief Executive**  
**30th June 2011**



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## **Support for Wilton Park Conferences 2010-11** **British Government Departments**

Department for Business, Innovation and Skills  
Department for International Development  
Foreign & Commonwealth Office (and British Embassies and High Commissions)  
Ministry of Defence  
Home Office, Research, Information and Communications Unit (RICU)

## **Other UK Agencies/Organisations**

British Army Land Warfare Centre  
British German Environment Forum  
Chatham House  
The Future of the United Nations Development System (The FUNDS Project)  
The Great-Britain Sasakawa Foundation  
The Japan Foundation  
Libra Advisory Group  
Stabilisation Unit  
UK Counterinsurgency Centre  
UK Border Agency

## **International/Multinational Organisations**

Commonwealth Foundation  
Deutsches Aktieninstitut  
East-West Institute  
EU Joint Action in support of the BTWC  
European Commission  
European Financial Forum  
European Fund and Asset Management Forum  
European Union  
Ford Foundation  
International Confederation of Energy Regulators  
North Atlantic Treaty Organisation (NATO) (including NATO Defense College, Rome, and WMD Office, NATO HQ, Brussels)  
Paris Europlace  
The Red Cross  
Renewable Energy and Energy Efficiency Partnership  
Royal Society  
United Nations  
World Bank

## **Business Sponsors**

BP, Germany  
Bupa  
Deutsche Bank  
Eversheds LLP  
Gilead Sciences  
Gotham Erskine Naylor  
HSBC  
PricewaterhouseCoopers  
Rio Tinto  
Robeco  
RTT International  
Singular Logic  
T.RowePrice  
Vodafone

## **Other Governments and Overseas Agencies/Organisations**

Australia  
Asia Pacific Civil-Military Centre of Excellence, Canberra

Canada  
The North-South Institute

Germany  
The Federal Foreign Office, Berlin  
Ministry of Foreign Affairs

**Netherlands**  
Ministry of Foreign Affairs

Norway  
Ministry of Foreign Affairs

Sweden  
Ministry of Foreign Affairs

Switzerland  
Federal Department of Foreign Affairs, Berne

Thailand  
Asia Disaster Preparedness Centre, Bangkok





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Turkey

Ministry of Foreign Affairs

United States of America

Carnegie Corporation of New York

Center for Interfaith Action on Global Poverty (CIFA),  
Washington DC

Department of Defense (the Defense Threat  
Reduction Agency)

Department of State

The Global Health Group, UCSF

The Healthcare Redesign Group

International Center for Transitional Justice

International Center on Nonviolent Conflict

International Food and Agricultural Trade Policy  
Council, Washington DC

Lawrence Livermore National Laboratory

Los Alamos National Laboratory

National Intelligence Council

Open Society Institute

Sandia National Laboratory

Science Applications International Corporation (SAIC)

United States Institute of Peace



## **Statement on the Disclosure of Information to Auditors**

So far as the Accounting Officer is aware there is no relevant audit information of which Wilton Park's auditors are unaware.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that Wilton Park's auditors are aware of that information.

**Richard Burge**  
**Chief Executive**  
**30th June 2011**

## **Statement of Accounting Officer's Responsibilities**

Under the Government Resources and Accounts Act 2000, Wilton Park is required to prepare accounts for each financial year, in conformity with an HM Treasury Direction, detailing the resources acquired, held or disposed of during the year and the use of resources by Wilton Park during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Wilton Park and of its net resource outturn, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts and
- Prepare the accounts on a going concern basis

The Accounting Officer for the FCO has appointed the Chief Executive as the Accounting Officer for Wilton Park.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding Wilton Park's assets, are set out in the Accounting Officers' Memorandum, issued by HM Treasury and published in "Managing Public Money".



## **Statement on Internal Control**

### **Scope of responsibility**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Wilton Park's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I am personally responsible for the overall performance of Wilton Park against Ministerial and other operating targets and reporting on progress to the Wilton Park Board.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Wilton Park's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wilton Park for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury Guidance.

### **Capacity to handle risk**

Wilton Park is a small entity and, as such, a small number of individuals have direct responsibility for the management of risks. The majority of risks are either managed or controlled directly by the Wilton Park Senior Management Team, by Programme Directors, or through a number of groups that focus on particular areas such as Business Planning, ICT Strategy, Marketing, Conference Planning and Pricing.

### **The risk and control framework**

The Senior Management Team normally meets monthly to discuss the effective running of Wilton Park and much of the focus revolves around the Wilton Park conference programme, commercial activities and associated financial performance and forecasts. Particular attention is paid to managing risks faced in income generation and control of costs. There is regular feedback on the general economic environment and discussion and decision on how the Agency can best target its efforts towards the most promising opportunities for raising sufficient income to meet the costs of its operations.

The Wilton Park Risk Register is formulated from the major issues identified through Senior Management Team discussions from stakeholder, customer and staff feedback and from review by the Audit Committee. The identified risks are weighted in line with the collective experiences of the most senior Wilton Park staff based on past performance and trends, together with information about the current conference environment and prevailing operating and political priorities of main partners, and in particular those of the FCO. Wilton Park has approved a formal statement on risk appetite, enhanced its risk register reporting by adopting the FCO template and developed tailored guidance and training to help staff adopt best practice in risk management.

The following additional processes are in place:

- Six-monthly meetings of the Wilton Park Advisory Council and an annual meeting of the Wilton Park International Council that inform the Wilton Park conference programme in forthcoming calendar years
- Monthly review of performance against Wilton Park's key conference quality and participation targets



- Monthly review of performance against Wilton Park's key financial targets and capital prioritisation plans
- Regular reports from operational managers on steps they are taking to manage risks in their areas of delegated operational and financial responsibility including progress reports on key projects
- Ongoing liaison with external Health and Safety consultants to ensure our legal compliance in dealing with Health and Safety risks
- Ongoing liaison with the IT Security Advisors at the FCO to identify and deal with risks to information and obtain guidance on their management and control and
- An agreed programme of Internal Audit examinations, which is informed by an analysis of the extent to which Wilton Park is exposed to risk.

### **Review of effectiveness**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within Wilton Park who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the FCO Internal Audit Department and the Audit Committee, and a plan to ensure continuous improvement of the system is in place.

I report four times a year on Wilton Park's performance and plans to the Wilton Park Board. Certain members of the Wilton Park Board form the Wilton Park Audit Committee who scrutinise the Risk Register, in-year reports from the FCO Internal Audit Department and the annual National Audit Office Management Letter. The Audit Committee is chaired by a non-executive member of the Wilton Park Board.

FCO Internal Audit Department operates to Government Internal Audit Standards. Their work is informed by Wilton Park's analysis of the risk to which the agency is exposed, and the annual internal audit plans are endorsed by the Wilton Park Audit Committee and approved by myself. The Head of Internal Audit reports, at least annually, on internal audit activity and provides me with an independent opinion on the adequacy and effectiveness of Wilton Park systems of governance, risk management and internal control, together with recommendations for improvement.

Overall, for 2010-11 the Head of Internal Audit reported to me that Wilton Park had a satisfactory system of internal control and the National Audit Office (NAO) identified "no material weaknesses in internal controls" during their audit. During 2010/11 there were no personal data incidents.

Particular attention has also been given this year to implementing outstanding internal audit recommendations arising from reviews carried out in 2008-09 and 2009-10 and ensuring all audits are closed within a reasonable timeframe. At the beginning of the year there were weaknesses in Data Handling systems, particularly in relation to removable media and personal data access. However these have now been remedied and the Data Handling audit has been closed. Going forward, three of the audits carried out in 2010-11 have already closed and three self audits have also been completed.

**Richard Burge**  
Chief Executive and Accounting Officer for Wilton Park

**30th June 2011**



## **The Certificate and Report of the Comptroller and Auditor General to the House of Commons**

I certify that I have audited the financial statements of Wilton Park Executive Agency for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Chief Executive and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### **Opinion on Regularity**

In my opinion, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

### **Opinion on the financial statements**

In my opinion:

- The financial statements give a true and fair view, of the state of the Agency's affairs as at 31st March 2011, and of the net operating cost for the year then ended; and
- The financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder



### **Opinion on other matters**

In my opinion:

- The part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- The information given in the Chief Executive's Overview, Governance, the review of Performance and Future Prospects, for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept; or
- The financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit.
- The Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

### **Report**

I have no observations to make on these financial statements.

**Amyas C E Morse**  
**Comptroller and Auditor General**  
**National Audit Office**  
**157-197 Buckingham Palace Road**  
**Victoria**  
**London**  
**SW1W 9SP**

**4<sup>th</sup> July 2011**



**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
for year ended 31 March 2011**

	Note	<b>2010/11</b>				Restated <b>2009/10</b>
		£000	£000	£000	£000	£000
<b>Administration Costs</b>						
Staff Costs	3	2,681				2,652
Other Administration Costs	4		1,034			988
Net Programme Costs	5			889		1,213
Operating Income	6				(4,110)	(4,740)
<b>Totals</b>		<b>2,681</b>	<b>1,034</b>	<b>889</b>	<b>(4,110)</b>	<b>113</b>
<b>NET OPERATING COST</b>				<b>494</b>	<b>113</b>	

The notes on pages 32 to 41 form part of these accounts



**STATEMENT OF FINANCIAL POSITION**  
**as at 31 March 2011**

	Note	<b>31<sup>st</sup> March 2011</b>		<b>31<sup>st</sup> March 2010</b>	
		£000	£000	£000	£000
<b>Non-current assets</b>					
Property, plant and equipment	7		1,189		1,019
Intangible assets	8		30		39
			<u>1,219</u>		<u>1,058</u>
<b>Current Assets</b>					
Inventories	11	44		32	
Trade and other receivables	12	398		438	
Cash and cash equivalents	13	1,307		786	
<b>Total Current Assets</b>		<u>1,749</u>		<u>1,256</u>	
<b>Total Assets</b>			<u>2,968</u>		<u>2,314</u>
<b>Current liabilities</b>					
Trade and other payables	14		(788)		(579)
<b>Non-current assets plus net current assets</b>			<u>2,180</u>		<u>1,735</u>
<b>Non-current liabilities</b>					
Provisions			0		0
<b>ASSETS LESS LIABILITIES</b>			<u><u>2,180</u></u>		<u><u>1,735</u></u>
<b>Taxpayers' Equity</b>					
General Fund	SCTE		2,167		1,721
UK Government Grant Reserve	SCTE		13		14
<b>Total taxpayers' equity</b>			<u><u>2,180</u></u>		<u><u>1,735</u></u>

The notes on pages 32 to 41 form part of these accounts

**Signed Chief Executive**  
**Date**





**STATEMENT OF CASH FLOWS**  
**for year ended 31 March 2011**

	Note	2010/11	Restated
		£000	2009/10
			£000
<b>Cash flows from operating activities</b>			
Net Operating Cost		(494)	(113)
Adjustments for non-cash transactions	4	235	191
Increase/(decrease) in trade payables	9	209	(4)
(Increase)/decrease in inventories	9	(12)	1
(Increase)/decrease in trade and other receivables	9	40	151
<b>Net cash outflow from operating activities</b>		<b>(22)</b>	<b>226</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment	7 & 8	(355)	(201)
<b>Net cash outflow from investing activities</b>		<b>(355)</b>	<b>(201)</b>
<b>Cash flows from financing activities</b>			
Net FCO Funding	SCTE	898	(9)
<b>Net financing</b>		<b>898</b>	<b>(9)</b>
Net increase/(decrease) in cash and cash equivalents in the period		521	16
Cash and cash equivalents at the beginning of the period	13	786	770
<b>Cash and cash equivalents at the end of the period</b>		<b>1,307</b>	<b>786</b>

The notes on pages 32 to 41 form part of these accounts



**STATEMENT OF CHANGES IN TAX PAYERS' EQUITY**  
**for the year ended 31 March 2011**

	<b>General Fund</b>	<b>UK Government Grant Reserve</b>	<b>Total Reserves</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 31st March 2009</b>	1,795	15	1,810
<b>Changes in accounting policy (note 17)</b>	-	-	-
<b>Restated balance at 1st April 2009</b>	1,795	15	1,810
<b>Changes in taxpayers' equity for 2009-10</b>			
Net gain/(loss) on revaluation of property plant and equipment	-	-	-
Receipt in year	-	-	-
Non-cash charges:			
External Auditor's Fees	23	-	23
Internal Auditor's Fees	19	-	19
Pay Section Costs	5	-	5
Transfers between reserves	1	(1)	-
Net operating cost for the year	(113)	-	(113)
Total recognised income and expense for 2009-10	1,730	14	1,744
Net FCO Funding	(9)	-	(9)
<b>Balance at 1 April 2010</b>	<b>1,721</b>	<b>14</b>	<b>1,735</b>
<b>Changes in taxpayers' equity for 2010-11</b>			
Net gain/(loss) on revaluation of property plant and equipment	-	-	-
Non-cash charges:			
External Auditor's Fees	20	-	20
Internal Auditor's Fees	16	-	16
Pay Section Costs	5	-	5
Transfers between reserves	1	(1)	-
Net operating cost for the year	(494)	-	(494)
Total recognised income and expense for 2010-11	1,269	13	1,282
Net FCO Funding	898	-	898
<b>Balance at 31 March 2011</b>	<b>2,167</b>	<b>13</b>	<b>2,180</b>

The notes on pages 32 to 41 form part of these accounts



## **1 Statement of Accounting Policies**

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The financial statements have been prepared in accordance with the 2010–11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Wilton Park Executive Agency for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

### ***Accounting Convention***

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, and inventories where material, at their value to the business by reference to their current costs.

### ***Property, Plant and Equipment***

Plant and equipment in excess of £500 are stated at current value. Individual assets purchased for less than this amount are written off. Depreciated cost is used as a suitable proxy for current value where non property assets have a short useful economic life or are of low value. Consequently Wilton Park does not revalue assets.

### ***Depreciation***

Property, plant and equipment are depreciated at rates calculated to write them down to their estimated residual values on a straight-line basis over their estimated useful lives. Asset lives have been set in the following ranges :

	Estimated useful life in years
Plant and Machinery	5 to 20
Fixtures and Fittings	5 to 10
Building Enhancement	Remaining period of current lease or 10 years
Computers and Equipment	3 to 10
Motor Vehicles	4 to 10

In-year capital acquisitions and disposals are depreciated on a monthly pro-rata basis.

### ***Intangible Assets***

Website costs in excess of £500 are stated at current value. Amortised cost is used as a suitable proxy for current value where intangible assets have a short useful economic life or are of low value. As a result, indices published by the Office of National Statistics are no longer applied to such assets. The websites costs are amortised at rates calculated to write them down to their estimated residual values on a straight-line basis over their estimated useful lives. The asset life for the website has been set at 3 years. In year acquisitions and disposals are amortised on a monthly pro-rata basis.

### ***UK Government Grant***

The UK Government Grant relates to the Bio Energy Capital Grant received for the Biomass Heating system installed at Wilton Park in July 2007. Annually, an amount is transferred from the Government Grant Reserve to operating income over the same life of the asset used for calculating depreciation.

### ***Inventories***

Inventories are valued at the lower of cost (or current replacement cost if materially different), and net realisable value.



### **Operating Income**

Operating income is income that relates directly to the operating activities of the Agency. It principally comprises fees and charges for services provided, on a full cost basis, to external customers and other government bodies, but also includes other income from other assets.

### **Administration and Programme Expenditure**

The Operating Cost Statement is analysed between administration and programme costs. Administration costs reflect the costs of running the Agency as defined under the administration cost control regime, together with associated operating income. Income is analysed in the notes between that which, under the regime, is allowed to be offset against gross administrative costs in determining the outturn against the administration cost limit, and that operating income which is not. Programme costs reflect non-administration costs, including payments of grants and other disbursements by the Agency.

### **Capital Charge**

A charge, reflecting the cost of capital utilised by the Agency, is no longer included in operating costs. Previously the charge was calculated at the Government's standard rate of 3.5% in real terms on all assets less liabilities. The Statement of Changes in Taxpayers Equity has been restated for previous years to reflect this change in accounting policy.

### **Foreign Exchange**

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used. Balances held at the year end are translated at the rate prevailing on 31 March.

### **Pensions**

Present and past employees are covered by the provisions of the Principal Civil Service Pension Schemes which are described at Note 3. The defined benefit elements of the schemes are un-funded and are non-contributory except in respect of dependants benefits. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the Agency recognises the contribution payable for the year.

### **Operating Leases**

Payments made under operating leases are charged to expenditure in equal amounts in accordance with the terms of the lease.

### **VAT Policy**

Output VAT is charged as appropriate on activities that fall within the scope of VAT. In broad terms, Wilton Park conference income is exempt from VAT whereas commercial income is standard rated. Input VAT is subject to partial exemption and to the extent it is irrecoverable is included in expenditure as shown in these accounts.

## **2 Financial Targets**

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	Target	Achieved
Gross Income (£000)	5,033	4,110
Recovery Percentage	96%	89%



### 3 Staff Numbers and Costs

	2010/11			2009/10
	Permanently Employed Staff	Others	Total	Total
	£000	£000	£000	£000
The payroll costs of the employees were as follows:				
Salaries and wages	2,084	-	2,084	2,017
Social Security	158	-	158	149
Others - Superannuation	349	-	349	381
- Employee Related Costs	90	-	90	105
<b>Total net costs</b>	<b>2,681</b>	<b>-</b>	<b>2,681</b>	<b>2,652</b>

There were no recoveries in respect of outward secondments

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. Wilton Park is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31st March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk))

For 2010-11 employer's contributions of £349k were payable to the PCSPS (2009-10 £381k) at one of the four rates in the range 17.1 to 25.5 per cent (the rates in 2009-10 were between 17.1% and 25.5%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The salary bands and contribution rates will remain unchanged until 2011-12. The contribution rates reflect benefits as they are accrued not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No Employees have opted to open a partnership pension account.

The Chief Executive was provided with a rent free cottage in the grounds of Wiston House (see remuneration report).

Casual workers costs are included in Salaries and Wages whilst Agency costs are included within Employee Related Costs.

#### Average number of persons employed

The average number of whole-time equivalent persons employed during the period, including directors, was made up as follows:

	Permanently Employed Staff	Others	2010/11	2009/10
			Total	Total
Directly Employed	66	-	66	68

There were no staff engaged on capital projects. It is not practicable to calculate full time equivalents as casual staff and agency staff are employed by Wilton Park irregularly and therefore they are not included in staff numbers.



4	Other Administration Costs	Note	2010/11		Restated 2009/10	
			£000	£000	£000	£000
	Rentals under operating leases					
	Hire of Office Equipment		32		40	
	Property Rentals		173		167	
				<u>205</u>	<u>207</u>	
	Non cash items					
	Depreciation	7 & 8	194		144	
	External Auditor's Fees		20		23	
	Internal Auditor's Fees		16		19	
	Pay Section Charge		5		5	
				<u>235</u>	<u>191</u>	
	Other expenditure					
	Rates		53		46	
	Maintenance, Cleaning, Heating & Lighting		299		258	
	Administrative Expenses		225		270	
	Net (gain)/loss on Foreign Exchange		17		16	
				<u>594</u>	<u>590</u>	
			<b>1,034</b>		<b>988</b>	

5	Net Programme Costs	2010/11		2009/10	
		£000	£000	£000	£000
	Other current expenditure				
	Purchases		255		285
	Housekeeping		226		226
	Conference Costs		408		702
			<u>889</u>		<u>1,213</u>



## 6 Operating Income

	2010/11	2009/10
	£000	£000
Operating income is analysed as follows:		
Rent received from external tenants	-	1
Bank Interest received	2	2
Other fees and charges	4,108	4,737
	<b>4,110</b>	<b>4,740</b>
Other fees and charges is analysed as follows:		
WP Conferences	2,302	2,939
FCO allocation funding for conferences	800	800
FCO transitional funding	300	325
Commercial Operations	541	531
Bar Sales	92	68
Shop Sales	2	1
Miscellaneous	71	73
	<b>4,108</b>	<b>4,737</b>

The FCO support Wilton Park conferences with a base allocation of £800k. Additionally Wilton Park has been granted an additional funding to aid with the transition period of 3 years due to the appointment of a new Chief Executive. Initially this was £325k, this year it amounted to £300k, 2011/12 will be £150k and then reduce to zero in 2012/13.

## 7 Property, Plant and Equipment

	Building Enh'ment	ICT	Fixture & Fittings	Motor Vehicles	Plant & Machinery	Office Equipment	<b>TOTAL</b>
	£000	£000	£000	£000	£000	£000	<b>£000</b>
Cost or Valuation at 1/4/2010	190	280	783	21	505	41	<b>1,820</b>
Additions	34	64	143	29	30	51	<b>351</b>
Disposals	-	-	-	(10)	-	-	<b>(10)</b>
Re-classification	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
<b>Cost at 31/3/2011</b>	<b>224</b>	<b>344</b>	<b>926</b>	<b>40</b>	<b>535</b>	<b>92</b>	<b>2,161</b>
Depreciation at 1/4/2010	21	234	330	15	178	23	<b>801</b>
Charge in year	19	21	81	1	52	7	<b>181</b>
Disposal	-	-	-	(10)	-	-	<b>(10)</b>
Re-classification	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
<b>Depreciation at 31/3/2011</b>	<b>40</b>	<b>255</b>	<b>411</b>	<b>6</b>	<b>230</b>	<b>30</b>	<b>972</b>
<b>Net Book Value at 31/3/2011</b>	<b>184</b>	<b>89</b>	<b>515</b>	<b>34</b>	<b>305</b>	<b>62</b>	<b>1,189</b>
at 31/3/2010	169	46	453	6	327	18	1,019

Indices are no longer used and the accrued changes in value due to prior indices revaluations have been removed. Refer to Note 1.



## 8 Intangible Assets

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Intangible assets comprise the cost of building the website

	<b>TOTAL Website £000</b>
Cost or Valuation at 1/4/2010	<b>39</b>
Additions	<b>4</b>
Disposals	-
Re-classification	-
Revaluation	-
<b>Cost at 31/3/2011</b>	<b>43</b>
Amortisation at 1/4/2010	-
Charge in year	<b>13</b>
Disposal	-
Re-classification	-
Revaluation	-
<b>Amortisation at 31/3/2011</b>	<b>13</b>
<b>Net Book Value at 31/3/2011</b>	<b>30</b>
at 31/3/2010	39

## 9 Movements in Working Capital other than Cash

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		<b>2010/11</b>	<b>2009/10</b>
	Note	£000	£000
Decrease/(Increase) in Inventories	11	(12)	1
Decrease/(Increase) in Receivables	12	40	151
(Decrease)/Increase in Payables	14	209	(4)
		<b>237</b>	<b>148</b>





## 10 Financial Instruments

International Financial Reporting Standard 7 (IFRS 7), Financial Instruments: Disclosures, requires disclosures in the financial statements that enable users to evaluate the significance of financial instruments to the financial position and performance, and the nature and extent of risks arising from financial instruments to which the Agency is exposed during the year and at the financial year end, and how those risks are being managed.

Due to the largely non trading nature of its activities and the way in which government agencies are financed, the Agency is not exposed to the degree of financial risk faced by many private sector business entities.

Financial assets and liabilities generated by day-to-day operational activities are not held to change the risks facing the Agency in undertaking its activities, or for trading.

Interest Rate Risk - Wilton Park has two interest bearing bank accounts on which the interest disclosed in Note 6 was earned. It has no other financial assets and liabilities on which interest is earned or paid, and is not considered to be exposed to significant interest rate risk.

Currency Risk – Wilton Park Conference income includes sponsorships that are denominated in foreign currency. The Agency is exposed to foreign exchange risk to the extent that the relevant foreign exchange rate fluctuates between the date the sponsorship debtor is recognized and when it is paid. Wilton Park has not had a policy for managing this risk. As at 31 March 2011, Wilton Park has negligible assets or liabilities in foreign currency.

Liquidity Risk - Wilton Park is not exposed to significant liquidity risk, as the liquidity requirements are met by financing from the Foreign and Commonwealth Office, and it has no borrowing facilities. Foreign and Commonwealth Office resource requirements are voted annually by Parliament.

## 11 Inventories

	2010/11	2009/10
	£000	£000
Liquor and Food	24	16
Shop	11	3
Wilton Park Conference Folders	2	2
Commercial & Wedding Brochures	7	11
	<b>44</b>	<b>32</b>

## 12 Trade receivables and other current assets

	2010/11	2009/10
	£000	£000
Amounts falling due within one year		
Trade Receivables	361	366
Other Receivables	4	1
Prepayments and Accrued Income	33	71
	<b>398</b>	<b>438</b>
An analysis of debtors is as follows:		
Balances with other central government bodies	111	186
Balances with bodies external to government	287	252
	<b>398</b>	<b>438</b>



**13 Cash and cash equivalents**

	<b>2010/11</b>	<b>2009/10</b>
	£000	£000
Balance at 1 April	786	770
Net change in cash and cash equivalent balances	521	16
Balance at 31 March	<b>1,307</b>	<b>786</b>

**14 Trade payables and other current liabilities**

	<b>2010/11</b>	<b>2009/10</b>
	£000	£000
Trade Payables	329	184
Payments Received on Account	237	165
Other Payables	4	9
Accruals and Deferred Income	144	188
Tax payable (Income tax on Benefit in Kind)	-	1
VAT	74	32
	<b>788</b>	<b>579</b>
An analysis of creditors is as follows:		
Balances with other central government bodies	194	192
Balances with bodies external to government	594	387
	<b>788</b>	<b>579</b>

**15 Commitments under Operating Leases**

	<b>2010/11</b>	<b>2009/10</b>
	£000	£000
At 31 March 2011 Wilton Park minimum commitment under non-cancellable operating leases which expire was:		
<b>Land and Buildings</b>		
Not later than 1 year	176	165
Later than 1 year and not later than 5 years	704	165
Later than 5 years	176	-

The lease on Wiston House extends to the year 2027 with 5 yearly break clauses. The rent commitment has increased due to the increase in the VAT rate during the year. The break clause had to be exercised by 24<sup>th</sup> March 2010 for it to come into effect. Hence the commitment at 31<sup>st</sup> March 2010 was for one year. As notice was not given the commitment is now to March 2017.

**Other Operating Leases**

Not later than 1 year	-	5
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-



**Wilton Park**

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## 16 Related Party Transactions

Wilton Park is an Executive Agency of the Foreign and Commonwealth Office. The Foreign and Commonwealth Office is regarded as a related party. During the year, Wilton Park has had a significant number of transactions with the Foreign and Commonwealth Office. The Gross income from the FCO amount to £1,100k plus £396k for conference specific funding plus £355k for capital expenditure.

In addition, Wilton Park has had various transactions with other government departments. Most of these transactions have been with the Ministry of Defence (MOD), and the Home Office. None of the Management Board members or their related parties have undertaken any material transactions with Wilton Park during the year.

## 17 Change of Accounting Policy: Interest on Capital Employed

A charge, reflecting the cost of capital utilised by the Agency, is no longer included in operating costs. Previously the charge was calculated at the Government's standard rate of 3.5% in real terms on all assets less liabilities. Statement of Changes in Taxpayers Equity has been restated for previous years to reflect this change in accounting policy.

The effect on previous years is as follows:-

	Original	Cost of capital	Restated
Statement of Comprehensive Net Expenditure			
Other Administration costs	1,041	(53)	988
Net Operating costs	166	(53)	113
Statement of Cash flows			
Net Operating costs	166	(53)	113
Adjustments for non-cash transactions	244	(53)	191
Statement of Changes in Tax Payers' Equity			
Net Operating costs	166	(53)	113
Non Cash Charges - cost of capital	53	(53)	-

As the Cost of Capital was a notional charge the net effect on the Tax Payers' equity is nil.

## 18 Segmental Reporting

	Wilton Park Conference Activities	Commercial Activities	Total
	£000	£000	£000
Income	3,450	660	4,110
Expenditure	4,019	585	4,604
(Deficit)/surplus	(569)	75	(494)
% Cost Recovery	86%	113%	89.9%
% Cost Recovery Target			96%
Surplus/(deficit) on the disposal of fixed assets	-	-	-
Interest receivable and similar income	2	-	2
Interest payable and similar charges	-	-	-
Total Assets	2,214	753	2,967



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**19 Capital Commitments**

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	<b>2010/11</b>	<b>2009/10</b>
	£000	£000
Contracted capital commitments at 31 March 2011 for which no provision has been made	-	-

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**20 Contingent Liabilities**

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There are no contingent liabilities for 2010/11 (2009/10 £nil)

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**21 Funding from FCO**

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The funding arrangement is based on the principle that Wilton Park has sufficient cash to manage its finances, but does not accumulate a surplus. FCO provide Wilton Park with a funding allocation each year together with an allocation for capital expenditure. Wilton Park's staff are paid by FCO and FCO recharge Wilton Park for this amount. To enable Wilton Park to maintain an even cash flow throughout its operating cycle, Wilton Park returns to FCO any accumulated cash balances as and when they are not required for short term cash flow management. The Net FCO funding, as disclosed in the Statement of Cash Flows, represents the net cash-flow position in the year.



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