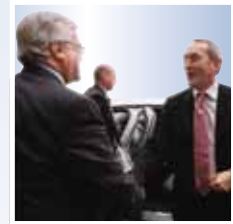




WILTON PARK

Annual Report & Accounts 2008/2009



INVESTOR IN PEOPLE

WILTON PARK

AN EXECUTIVE AGENCY OF THE
FOREIGN & COMMONWEALTH OFFICE

ANNUAL REPORT AND ACCOUNTS

2008/09

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

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Chief Executive Overview

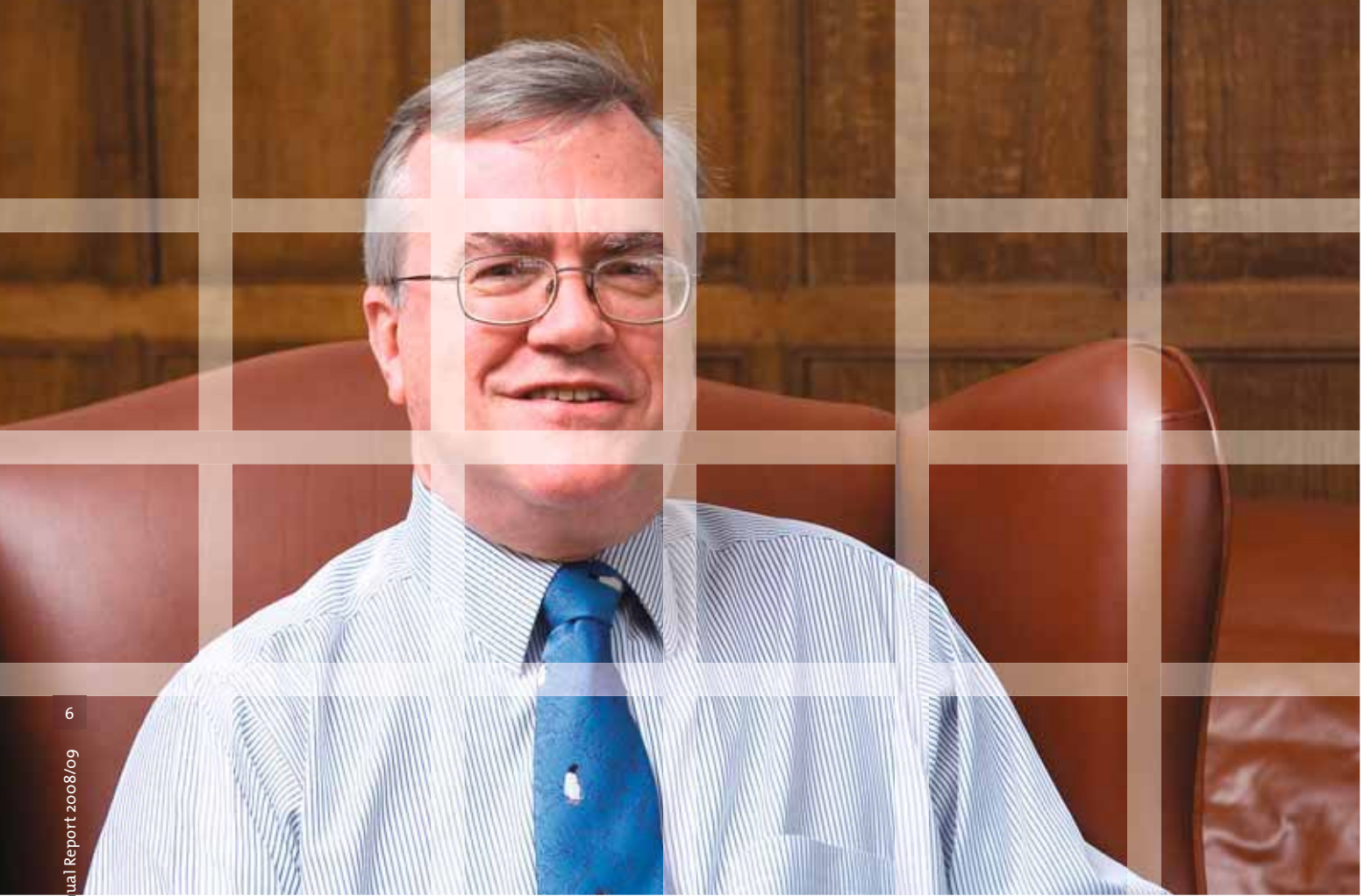
This Annual Report seeks to present a detailed picture of the operations of Wilton Park in the Financial Year 2008/09.

It was a year which I believe will be seen in retrospect as marking a turn-round in Wilton Park's fortunes from a low point in 2007/08. In particular, the conclusions which emerged in March 2009 from a Review conducted by the Foreign & Commonwealth Office (FCO) provide a new platform from which it is realistic to hope that Wilton Park can reach its full potential.

The headline figures show an Agency continuing to deliver conferences of high quality supported by first-rate administration and customer service. We organised 50 Conferences in the year, of which

four were held outside the UK: in Romania, Georgia, Denmark and Germany. Responses to questionnaires show 94.5% rating our Conferences as "excellent" or "above average". 98.8% gave these ratings to our administration and 93.6% to the quality of our food.

Compared to 2007/08, revenue from sponsorship of our conferences has increased in every category (UK FCO, other UK Government Departments, non-UK sources, and "other", including trusts, foundations and the corporate sector). Revenue from non-Conference activity also increased, exceeding £900k for the first time. All of this contributed to a substantial improvement in our financial performance in 2008/09 compared with 2007/08.



In my Annual Report for 2007/08, I warned that we needed to overcome the “hand-to-mouth funding that allows no margin, inhibits long-term planning, and causes so much stress”. There is no doubt that Wilton Park’s financial difficulties and unacceptable levels of stress on staff derived from the inappropriate financial model imposed on the organisation. I reported last year that we were in dialogue with the FCO in order to try to overcome the limitations of our current funding model. I am pleased to be able to report this year that we have succeeded.

Following a thorough review of Wilton Park, the FCO has come to some very positive conclusions about future arrangements for Wilton Park. Marking a crucial change in approach, the FCO has signalled an intention to commit appropriate funds to Wilton Park, to ensure the success of a strategy based on a refreshed vision for the Agency. Wilton Park will in future receive as core funding a sum intended to be roughly equivalent to what we have in the past received from the FCO in an ad hoc way, Conference by Conference. The new funding model will, of course, continue to require

us to raise money from elsewhere in the UK Government, from overseas, from trusts and foundations, and from the corporate sector. Developing and diversifying our funding will therefore remain a challenge, but we can now pursue that from a more stable financial platform.



Other conclusions of the Review have the potential to resolve weaknesses in Wilton Park's governance. The decision to appoint an independent, part-time, paid Chair is particularly welcome both as a confirmation of respect for the value of Wilton Park's intellectual independence, and as a signal of genuine ambition for Wilton Park's international role.

Under that new Chair will be a newly-recruited Chief Executive. All Wilton Park staff have been given the opportunity to comment on the skills and experience they look for in a person occupying that position. For my part, it seemed right that I should now step aside so that someone with the right skill set for these new circumstances should be able to take up the reins as Chief Executive.

The new incumbent will be the fourth Chief Executive staff have worked with in four years. Too much change at the top can be unsettling internally and worrying to those outside. The FCO Review provides, I believe, compelling evidence that Wilton Park has reached an important turning point and the decisions emerging from the Review give people who work here and Wilton Park's supporters around the world, a real prospect that the Agency can now aim to achieve its full potential.

Donald A Lamont
Chief Executive

Governance

Wilton Park's aims and terms of reference are laid down in a **Framework Document** approved by Ministers in February 2003. A copy of the Framework Document can be found on the FCO (www.fco.gov.uk) website.

The **Wilton Park Management Board** 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 Management Board during the year was as follows:-

Donald Lamont	Chief Executive
Nicholas Hopkinson	Director
Robin Hart	Senior Programme Director
Tim Willows (to Oct 08)	Finance Director
Lisa McIlrath (from Jan 09)	Finance Director
Shirley Ellis	Personnel Manager
Mark Bellone (from Oct 08)	General Manager

The **Departmental Board**, comprising representatives of the FCO and two Non-Executive Directors, is chaired by the FCO Head of Public Diplomacy and oversees the work of Wilton Park. Relevant members of the Departmental Board form the Agency's Audit Committee. The Departmental Board sets the Agency's annual financial and quality targets. Members during 2008/09 were:

Richard Morgan (from Sept 08)	Head of Public Diplomacy Group, FCO
Jolyon Welsh (to Sept 08)	Head of Public Diplomacy Group, FCO
Alex Jablonowski (NED)	High Performance Leadership Limited
Simon Turl (NED)	Chief Executive, Road Chef
Dr Farhan Nizami	Chair, Wilton Park Advisory Council
Iain Morgan	Head of Resource Accounting Department, FCO
Helen Orr	Strategic Finance Adviser Communication Directorate, FCO
Holly Tett	Public Diplomacy Group, FCO
Gary Truman (from May 08)	Public Diplomacy Group, FCO
Andrew Calvert (to May 08)	Public Diplomacy Group, FCO





The **Wilton Park Advisory Council** was established in 1949 to ensure Wilton Park's academic independence. 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;

to ensure that Wilton Park's conferences meet the highest academic standards and maintenance of its international reputation; and that Wilton Park continues to operate as a centre of excellence. The Advisory Council is an Advisory Non-Departmental Public Body. Advisory Council meetings are held twice a year. Minutes from these meetings, together with other information on the running and membership of the Advisory Council, are published on the Wilton Park website. Membership of the Advisory Council is as shown below:

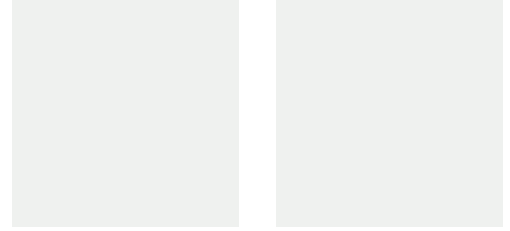
The role of the **Wilton Park International Council**, is to evaluate the international relevance of Wilton Park's planned conferences.

The Council comprises the Ambassadors and High Commissioners to the Court of St James's of the member states of the Organisation for Economic Co-operation and Development.

Dr Farhan Nizami (Chair)	Director, Oxford Centre for Islamic Studies
Sir Rodric Braithwaite GCMG	Chairman, Russia Programme, Centre for European Reform
Ms Rachel Briggs	Director, Hostage UK and Senior Research Fellow, RUSI
Sir Patrick Cormack FSA MP *	Conservative Party parliamentary representative
Dr Ray Cunningham *	Director, Anglo-German Foundation for the Study of Industrial Society
Mr Nik Gowing	Journalist and Broadcaster
Mr David Heath CBE MP *	Liberal Democrat parliamentary representative
Mr Janusz Heath	Managing Director and Head of Asset Management at Capital Dynamics
Ms Mary Jo Jacobi	British Civil Service Commissioner and Chair of the Forensic Science Service's Independent Advisory Group
Mr Michael Leigh	Director-General Enlargement, European Commission
Professor Anand Menon	Director European Research Institute, University of Birmingham
Rt Hon Baroness Quin	Former Minister of State at Home Office, FCO and MAFF and Labour Party representative
Mr Rupert Robson	Chairman, Charles Taylor Consulting pic, Chairman Silkroute Financial Group Ltd, Non-Executive Director, Tullett Prebon plc and Non Executive Director Tenet Group Ltd
Professor Shamit Sagar	Professor of Political Science, University of Sussex
Professor Philippe Sands QC	Professor of Law, University College London
Lord Skidelsky	Professor of Political Economy, Warwick University
Sir Stephen Wall GCMG LVO	Chairman (Public Affairs EMEA), Hill & Knowlton
Professor Myles Wickstead CBE	Former Head of Secretariat, Commission for Africa

* Ex-Officio Members

The Advisory Council was able to benefit from the contribution of Sir Michael Quinlan CBE, former Permanent Secretary at the Ministry of Defence and Director of Ditchley Park, who served as a member of the Council until his death in early 2009.



Wilton Park Audit Committee

The Wilton Park Audit Committee was established by the Wilton Park Departmental Board in November 2006. Its purpose is to support them in their responsibilities for issues of risk, control and governance and associated assurance 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 Departmental Board (Alex Jablonowski, Chair and Simon Turl), the Chair of the Wilton Park Advisory Council (Dr Farhan Nizami) and Iain Morgan, independent member. The Chief Executive attends each meeting (as Agency Accounting Officer) but is not a member of the committee.

The Audit Committee meets three times a year before the Departmental Board and

considers 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 top 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 risk management, procurement, conferences, IT and data handling, in line with the agreed Audit Strategy. In addition, in their review of the Agency's risk register, Members focussed in particular on business continuity arrangements and sponsorship funding.

The Head of Internal Audit reported that the Wilton Park Executive Agency had a satisfactory system of internal control for 2008/09. 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.

Finally, the committee considered the draft Annual Report & Accounts at its June 2009 meeting, prior to submission to the Chief Executive for approval, and the outcome of the NAO audit. 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 will be looking ahead to new challenges in 2009/10 including:

- Faster closing: the FCO, with whom Wilton Park consolidates its accounts, may lay its accounts before Parliament at the end of May next year, rather than June
- Eliminating all weak conclusions in Internal Audit reports and closing all audit reports (i.e. actions complete) within 6 months of report issue
- Further dialogue with the FCO "group" Audit Committees.

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.

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) both of which report to the FCO.

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 over 55%.

Schedule of Wilton Park Conferences 2008/09

Conf ID	Conference Title	Dates
WP909	Public-Private Investment Partnerships in Health Systems Strengthening	9-11 Apr 2008
WP882	Partnerships for Development Forum	16-18 Apr 2008
WP911	Energy Security in the European Union: Green Linkages and the Black Sea Context	13-16 May 2008
WP912	Developing China's Global Role	12-15 May 2008
WP914	Women Targeted Or Affected By Armed Conflict: What Role For Military Peacekeepers?	27-29 May 2008
WP915	The European Union and the Black Sea Neighbourhood	2-5 Jun 2008
WPS08/2	Improving the Protection of Crowded Places from Terrorism: Implementing the Lord West Review	5-6 Jun 2008
WP917	Improving International Efforts to Combat Fraud	9-12 Jun 2008
WP913	Biological Nonproliferation and International Health Security: Promoting Cooperation	12-15 Jun 2008
WP906	Bangladesh: the Prospects and Means for Strengthening Democracy	23-25 Jun 2008
WP947	Aviation: Post Kyoto Control Structures	26-29 Jun 2008
WP921	British-German Forum 2008	7-10 Jul 2008
WP922	Implementing the Responsibility to Protect: The Role of Regional and Sub-Regional Partners	11-13 Jul 2008
WP923	Energy and Climate Security Post-Bali: From Recognition to Practice	14-16 Jul 2008
WP924	Libya 2020: Future Perspectives	17-19 Jul 2008
WP937	Nuclear Stability in Asia	21-23 Jul 2008
WP926	Atlantic Youth Forum 2008	4-8 Aug 2008
WP928	Counterproliferation of Biological Threat Agents	26-28 Sep 2008
WPS08-6	Addressing Grievances which Fuel Radicalisation and Violent Extremism: Learning from Development Strategies	1-3 Oct 2008
WP902	Public Diplomacy: Meeting New Challenges	6-8 Oct 2008
WP945	Climate Change and Foreign Policy: The Implications and Scope for Policy Integration	6-9 Oct 2008
WP949	Moldova: Moving Ahead	16-18 Oct 2008
WP932	Trade-Related Issues - Labour Standards and Environmental Agreements: The New Protectionism or do they Make Globalisation Palatable?	19-21 Oct 2008
WP933	Japan: Challenges and Opportunities in the Global Economy	22-25 Oct 2008
WP934	Enhancing the Effectiveness of Parliaments: Challenges and Opportunities	27-30 Oct 2008



Conf ID	Conference Title	Dates
WP925	Missile Defence and the Transatlantic Alliance	30 Oct – 2 Nov 2008
WP946	NATO Responses to CBRN Terrorism in Europe: Trans-Border Consequence Management	3-6 Nov 2008
WPS08-4	Pakistan's Federally Administered Tribal Areas: Options for a more Co-ordinated Policy Approach	6-9 Nov 2008
WP948	European Energy Security and Models of Market Organisation	10-12 Nov 2008
WP931	Working with Russia? Next Steps in Socio-Economic Dialogue	13-16 Nov 2008
WP939	Restoring Confidence in Global Financial Markets	21-22 Nov 2008
WP927	Feeding the World: Are new Global Agricultural Policies Needed?	24-26 Nov 2008
WP941	The Future of Migration	4-6 Dec 2008
WPS08-7	Pursuing Justice in Ongoing Conflict: Examining the Challenges	7-10 Dec 2008
WP950	Maternal, Newborn and Child Survival: Meeting the Millennium Development Goals	10-14 Dec 2008
WP944	Nuclear Non-Proliferation at the Crossroads	15-19 Dec 2008
WP951	International Future Challenges and Opportunities	12-14 Jan 2009
WP952	NATO at 60	15-17 Jan 2009
WP953	Maritime Security: Strengthening International and Inter-Agency Co-operation	19-22 Jan 2009
WP954	Contemporary and Future Rights Challenges	22-24 Jan 2009
WP940	Responding to Flooding	26-29 Jan 2009
WP957	Forum for Funders on Climate Change and International Development	9-11 Feb 2009
WP956	Common Foreign and Security Policy in the Obama Era	19-22 Feb 2009
WP960	Sovereign Wealth Funds: Ensuring A Balance Between Open Investment Regimes and Transparency	26-28 Feb 2009
WP955	DFID Policy Seminar: Best Practice in Fragile and Conflict Affected States	3-4 Mar 2009
WP965	Exit Strategies and Peace Consolidation in State-Building Operations	13-15 Mar 2009
WP966	Delivering Global Prosperity and Other Key Challenges	15-18 Mar 2009
WP964	Responses to the Global Economic Crisis	16-18 Mar 2009
WPS09-02	Common Security Challenges in the Maghreb and The Sahel	18-20 Mar 2009
WP963	China's International Security Role	23-26 Mar 2009



Overseas Conferences

The Wilton Park conference brand is closely associated with Wiston House. However, as part of wider brand recognition and promotion of our public diplomacy work, we organise a limited number of conferences overseas. In 2008/09, the following overseas conferences were held in partnership with us:

WP911	Energy Security in the European Union: Green Linkages and the Black Sea Context	13-16 May 2008 (Romania)
WP915	The European Union and the Black Sea Neighbourhood	2-5 June 2008 (Georgia)
WP945	Climate Change and Foreign Policy: The Implications and Scope for Policy Integration	6-9 October 2008 (Denmark)
WP964	Responses to the Global Economic Crisis	16-18 March 2009 (Germany)

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 – including Quality of Programme and Quality of Discussion

The overall thematic emphasis of conferences held affects the participation trends each year.

Overall Participation Trends

One measure of the overall success of our conferences, also influencing the Agency's financial performance, is attracting a strong level of participation. Comparative figures for the last three years are as follows.

We held 46 conferences at Wiston House in 2008/09, 42 in 2007/08 and 49 in 2006/07. There were 4 overseas conferences in 2008/09, 5 in 2007/08 and 4 in 2006/07. In general, attendance at overseas events tends to be higher than for conferences held at Wiston House.

Financial Year	Total Number of Participants	Number of Conferences	Average Participation
2008/09	3,084	50	61.7
2007/08	3,018	47	64.2
2006/07	3,502	52*	67.3

* 53 conferences were held in 2006/07. The total above excludes conference WPS06/12, for which feedback was not required.

Participation By Profession

During 2008/09, we achieved a continuing strong balance across different profession types. Percentages in 2008/09 are broadly similar to the composition in previous years.

	2008/09	% 2008/09	2007/08	% 2007/08	2006/07	% 2006/07
Academic/Research Institutes	566	18.4	575	19.1	681	19.4
Business	391	12.6	318	10.5	343	9.8
Defence Ministry/Military	237	7.7	220	7.3	180	5.1
Foreign Ministry	676	21.9	716	23.7	800	22.8
International Organisations	275	8.9	231	7.7	317	9.1
Media	58	1.9	91	3.0	104	3.0
NGO	309	10.0	227	7.5	421	12.0
Other Government Ministries	440	14.3	499	16.5	517	14.8
Parliament/Political	132	4.3	141	4.7	139	4.0
Total	3,084	100.0	3,018	100.0	3,502	100.0

Participation By Nationality

Wilton Park's conferences remain truly international.

	2008/09	% 2008/09	2007/08	% 2007/08	2006/07	% 2006/07
UK	1,123	36.4	1,008	33.4	1,070	30.6
EU excluding UK	696	22.6	645	21.4	859	24.5
Non EU Europe	203	6.6	437	14.5	309	8.8
USA	329	10.6	242	8.0	290	8.3
Other OECD	165	5.4	187	6.2	157	4.5
Other Regions	149	4.8	254	8.4	436	12.4
South Asia	111	3.6	80	2.7	84	2.4
Middle East	128	4.2	38	1.3	56	1.6
Other	180	5.8	127	4.2	241	6.9
Total	3,084	100.0	3,018	100.0	3,502	100.0

Conference Quality Ratings

We aim to provide high quality conferences and conference facilities. Feedback from visitors enables the Agency to directly identify opportunities for improvement, and to prioritise resources accordingly.

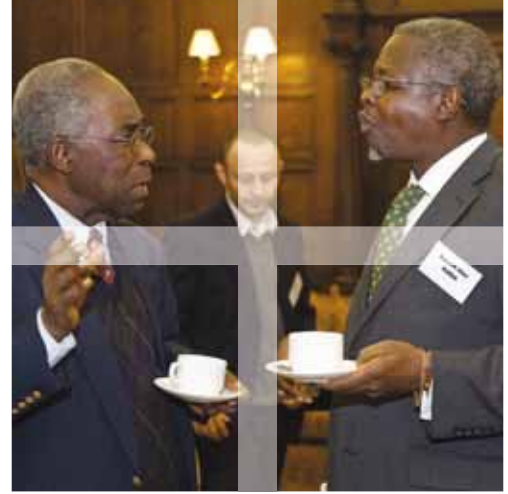
The following table shows the three measurements for quality of Wilton Park conferences, and the trends achieved over the last three years. The key quality measure is Programme Excellence. Wilton Park's framework targets include:-

Target – Improve the quality of conference programmes, as measured by the 'excellent' ratings of conference participants.

The Excellent rating for 2008/09 of 57.5%, although marginally down from a high point for the Agency of 59.4% in 2007/08, shows continued strong performance of Wilton Park in providing high quality conference programmes. The Wilton Park Programme Directors effectively apply their knowledge and experience both as a team, in conference planning committees, and individually to ensure that conferences address the most pressing issues at the right time. An impressive 94.5% of participants who responded to our questionnaires rated the conference programme Excellent or Above Average.

The 2008/09 rating for Excellent conference discussion of 54.3% similarly shows that participants continue to rate this aspect of our conferences very highly. 92.8% of participants who responded to our questionnaires rated the quality of discussion at Excellent or Above Average.

Programme Directors are assisted by a Conference Administration Manager and secretarial support team who take pride in effectively organising conferences and providing superb customer service to participants from the point of registration. Our Excellent rating of 86.9% for 2008/09 for Administration demonstrates this.



	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
PROGRAMME						
2008/09	1,004	647	92	3	0	1,747
%	57.5	37.0	5.3	0.2	0.0	[56.5%]
2007/08	996	621	58	2	0	1,677
%	59.4	37.0	3.5	0.1	0.0	[55.6%]
2006/07	1,201	731	89	3	0	2,024
%	59.3	36.1	4.4	0.2	0.0	[57.8%]
DISCUSSION						
2008/09	940	666	121	3	1	1,731
%	54.3	38.5	7.0	0.2	0.1	[55.9%]
2007/08	953	626	78	6	0	1,663
%	57.3	37.6	4.7	0.4	0.0	[55.1%]
2006/07	1,121	783	94	8	0	2,006
%	55.9	39.0	4.7	0.4	0.0	[57.3%]
ADMINISTRATION						
2008/09	1,520	208	22	0	0	1,750
%	86.9	11.9	1.3	0.0	0.0	[56.6%]
2007/08	1,482	199	12	1	0	1,694
%	87.5	11.7	0.7	0.1	0.0	[56.1%]
2006/07	1,805	207	16	1	0	2,029
%	89.0	10.2	0.8	0.0	0.0	[57.9%]





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:

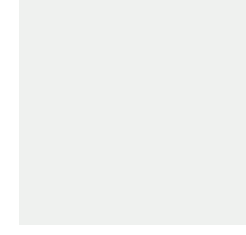
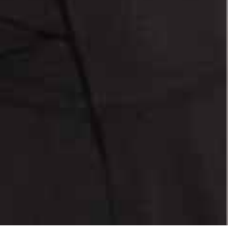
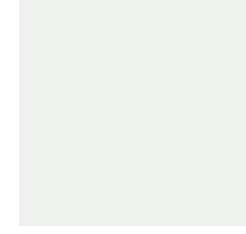
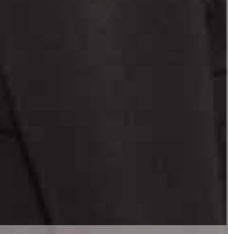
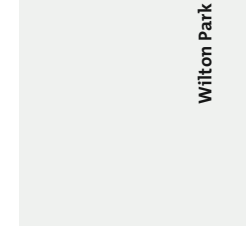
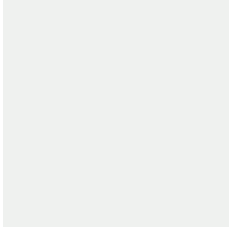
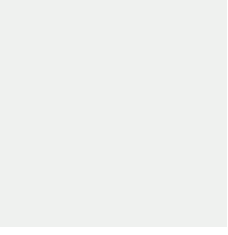
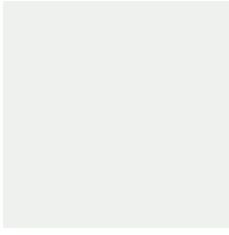
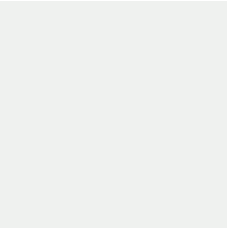
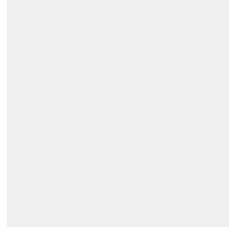
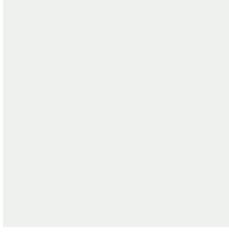
	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
MEALS						
2008/09	1,006	555	99	9	0	1,669
%	60.3	33.3	5.9	0.5	0.0	
2007/08	970	422	107	6	0	1,505
%	64.5	28.0	7.1	0.4	0.0	
2006/07	1,169	576	142	7	1	1,895
%	61.7	30.4	7.4	0.4	0.1	
SERVICE						
2008/09	1,345	271	20	0	0	1,644
%	81.8	16.5	1.2	0.0	0.0	
2007/08	1,218	217	22	0	0	1,457
%	83.6	14.9	1.5	0.0	0.0	
2006/07	1,606	247	37	1	0	1,891
%	84.9	13.0	2.0	0.1	0.0	
ACCOMMODATION						
2008/09	810	426	225	21	3	1,485
%	54.5	28.7	15.2	1.4	0.2	
2007/08	686	420	225	30	0	1,361
%	50.4	30.9	16.5	2.2	0.0	
2006/07	883	444	253	22	3	1,605
%	55.0	27.7	15.7	1.4	0.2	

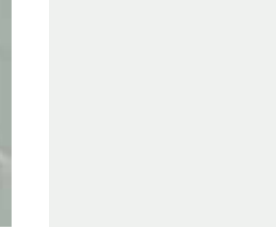
The provision of high quality meals is an important part of the Wilton Park experience. It also poses a challenge to our chefs who aim to cater for the dietary requirements of visitors from a wide variety of countries. Nevertheless we have more than adequately met this challenge by receiving a rating

of Excellent or Above Average from 93.6% of participants who responded to our questionnaires in 2008/09.

The combined ratings at 98.3% for Excellent and Above Average returns for the quality of service also says a great deal for the standards of service we offer.

On accommodation, we have increased the combined rating for Excellent and Above Average returns to 83.2%. This hopefully reflects an overall improvement in standards following modest refurbishment works undertaken in 2008/09.





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 2008/09, income from Wiston House commercial activities was £991k (including bar and shop sales) representing an improvement of £158k on the previous year. This income was generated from 89 commercial functions (80 in 2007/08), of which 24 were weddings (22 in 2007/08). The following demonstrates the mix of activities generating commercial income over the past two years. Income benefitted generally from good occupancy and average room rates.

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.

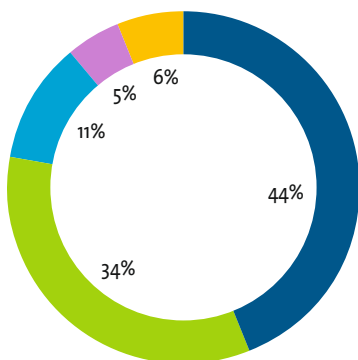
Although our commercial income increased in 2008/09 there was clear evidence of the current economic climate taking effect with demand for commercial conference space showing a dramatic slow down in the closing months of the year. This appears to have levelled off, with at least wedding and banqueting enquiries once again picking up in March 2009. However, the demand for advanced bookings is not at last year's levels and we have noticed that more enquiries are being made with shorter lead times.

Despite this, the biggest negative impact on our commercial income next year is undoubtedly going to arise from the loss of the contract we had with the FCO for use of our facilities as an Assessment and Development Centre (ADC). Ordinarily ADC activity would occupy 60 days in our annual calendar and generated 37% of our commercial income this year. Only 20 days of our calendar for next year are occupied by ADC activity which ceases in July 2009.

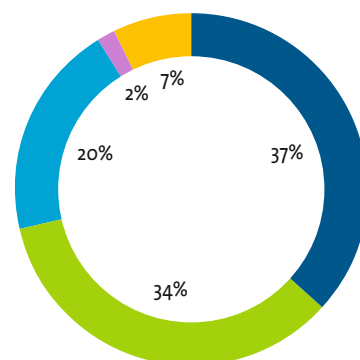
The main Wilton Park website provides links to on-line information on hiring the facilities at Wiston House. Alternatively, these can be directly accessed from our commercial website www.wiltonpark.co.uk

The Agency continues to play a proactive role within Conference Centres of Excellence (www.cceonline.co.uk), a UK consortium of leading conference and training venues. The consortium provides marketing opportunities, as well as a means of regular assessment of the quality standards offered by consortium members to their visitors.

Revenue By Event Type 2007/08



Revenue By Event Type 2008/09



- Assessment and Development Centre (ADC)
- Wedding
- Commercial Conferences & Meetings
- Other Government
- Banqueting



Financial Review

Wilton Park Conference Income

£3,203k

+21%

Commercial Income

£991k

+19%

Full Cost Recovery

87.8%

+5.2 points

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. The running cost deficit for the year is £339k.

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

	2008/09 £000	2007/08 £000	2006/07 £000
Wilton Park Conferences Gross Income *	3,203	2,651	3,141
Speaker travel costs	(335)	(261)	(293)
Net Wilton Park Conference Income	2,868	2,390	2,848
Commercial/Bar/Shop Income	991	833	847
Miscellaneous Income	114	100	103
Total	3,973	3,323	3,798
Running Costs	1,752	1,492	1,542
Permanent Pay Costs	2,393	2,210	2,080
Casual/Agency/Other Pay	167	141	146
Total	4,312	3,843	3,768
Running Cost Surplus/(Deficit)	(339)	(520)	30
Non cash items	(261)	(234)	(645)
Net Resource Outturn	(600)	(754)	(615)
Full cost recovery	87.8%	82.6%	86.9%

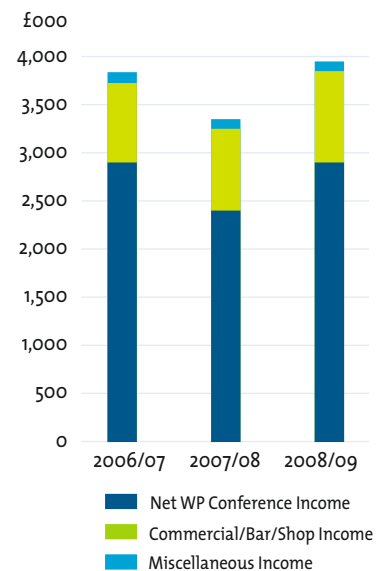
* includes income from sponsorship, participation fees and corporate membership fees.

The high running cost deficit of last year was improved by £181k. This was achieved by:-

- A significant improvement in gross income generated from Wilton Park conferences, representing an increase of 21% on 2007/08. This was due to:-
 - An additional 3 conferences being held this year
 - An increase in average gross income per conference from £56.4k in 2007/08 to £64.1k this year and

- A strong performance in generating income from commercial activities, representing an increase of 19%.

Income By Type





However, our successes in income generation were partially offset by:-

- An increase in running costs of 17%, although they remained at around 41% of gross income
- An increase in overall pay costs of 8.8% following from:-
 - An increase in average staffing levels from 66 to 69, including the recruitment of additional senior level staff this year
 - The financial impact of two Programme Directors recruited mid way through 2007/08 being felt in full and
 - Annual pay award increases.

As we look to the future we hope to achieve our target of meeting the costs of our operations by:-

- Building upon our successes in Wilton Park conference income generation with the stability of 'core' funding from the FCO
- Maintaining the income generated from commercial activities, following from the loss of the ADC business, by the recruitment of additional sales resource and

- Improving our procurement and management information systems and imposing stronger budgeting controls to manage our running costs more effectively.

We are, however, yet to feel the full effects of the currently depressed economic climate and can not predict the extent to which this could hamper our efforts.

Conference finances

The following tables show the pattern of our quarterly performance over the last three years. The strength of our income generation, as previously mentioned, is adequately demonstrated in both absolute and average terms, the average retained income from each conference exceeding our performance in our very successful 2006/07 year.

Quarterly Position – 2008/09

	Q1	Q2	Q3	Q4	Total
Results * (£000)	522	414	1,016	771	2,723
Conferences	11	7	18	14	50
Average (£000)	47.4	59.1	56.5	55.0	54.5

Quarterly Position – 2007/08

	Q1	Q2	Q3	Q4	Total
Results * (£000)	483	479	449	842	2,253
Conferences	10	11	10	16	47
Average (£000)	48.3	43.5	44.9	52.6	47.9

Quarterly Position – 2006/07

	Q1	Q2	Q3	Q4	Total
Results * (£000)	591	377	760	971	2,699
Conferences	11	8	15	18	52
Average (£000)	53.7	47.2	50.6	54.0	51.9

* represents conference sponsorship and participation fees net of speaker travel costs

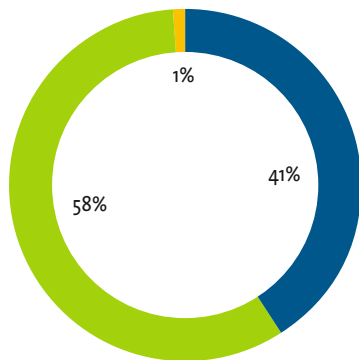




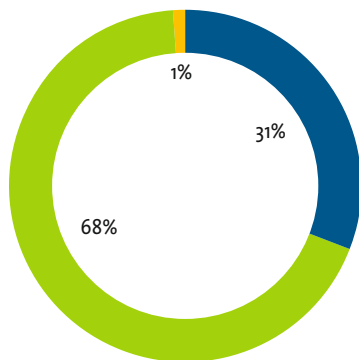
Sponsorship and Participation Fees

Wilton Park conferences raise income almost exclusively through sponsorship and participation fees as demonstrated below:-

Conference Income 2007/08



Conference Income 2008/09



- Participation
- Sponsorship
- Corporate Membership

To some extent this reflects a trend towards more conferences that are fully funded by sponsorship with participants attending by invitation only. 20 of the 50 conferences held this year were fully funded (10 in 2007/08) and only 6 were either exclusively or predominately funded by participation fees (5 in 2007/08). The remainder were funded by a combination.

Securing sponsorship for conferences is an exacting task. Months of outline and then detailed discussions with a range of potential sponsors informs our choices on whether certain conferences will be economically viable to run. Due to timing considerations, especially the need to be able to run conferences on emergent issues at short notice, it is not always possible to secure sponsorship agreements before having to commit to running a conference. There are also a number of

organisational and logistical factors that demand a fair degree of lead-in time, typically at least three to four months, in order to run a successful conference.

Up until March 2009, sponsorship for conferences was secured on a conference-by-conference basis. In last year's Annual Report we described the difficulties this poses for our financial operating model. Often financial support, which is legitimately predicted, does not materialise or decisions on support are delayed beyond the date on which commitment to running a conference needs to be made.

In March 2009, following the results of the FCO Review, the FCO committed to providing 'core' funding for our conferences commencing in 2009/10. The level of 'core' funding is akin to that



provided in total for 2008/09 predominately on a conference by conference basis and does not preclude seeking further support from other central FCO pooled funds. It is hoped that this will inject some stability into our financial operating model releasing Programme Director time to raise further sponsorship elsewhere.

The following graph demonstrates our mix of sponsorship sources. We improved our income generated from every source this year, most notably from other Government Departments (mainly DFID, MOD and Home Office) and other UK sources (including UK Corporates and charities).

Support From The FCO

As mentioned above, the FCO plays a key role in supporting the work of Wilton Park. The total for sponsorship of conferences in 2008/09 was £710k (£574k in 2007/08) to which an additional amount of £123k is added as strategic sponsorship. This amounts to 39% of total sponsorship funding including the strategic amount (45% in 2007/08).

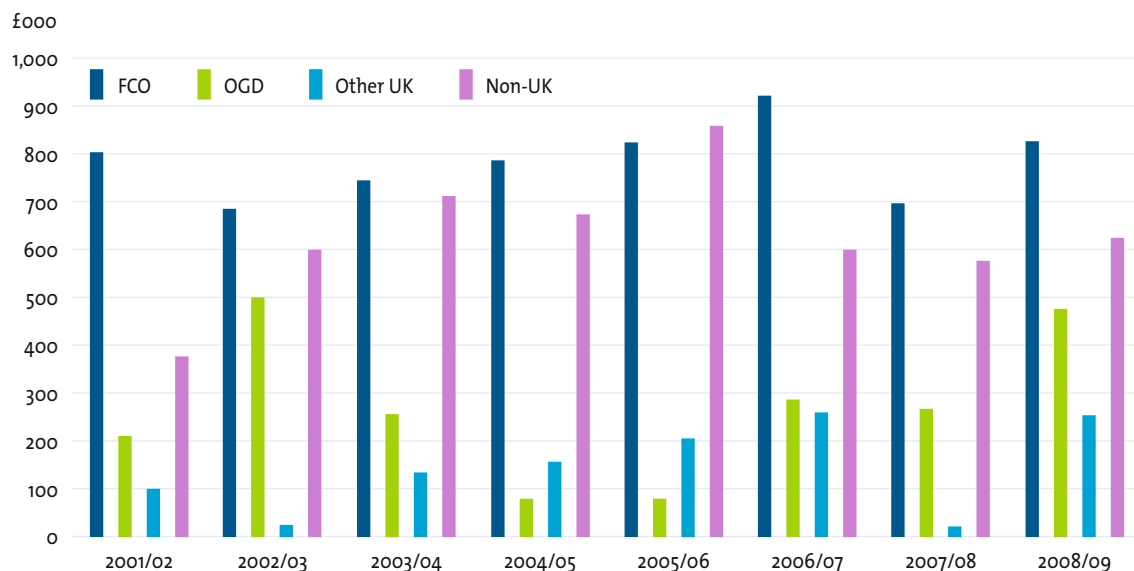
Additionally, the FCO provides Wilton Park with capital investment resources. During 2007/08 capital investments amounted to a net £276k (293k in 2007/08). The total of non-cash resource costs amounted to £261k (£235k in 2007/08).

The total cost of Wilton Park to the FCO, as consolidated in the FCO Resource Accounts, is £600k for 2008/09 (£754k in 2007/08).

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. Of the 4,982 payments made to creditors (4,388 in 2007/08) 4,877 were paid on time (4,317 in 2007/08). Of the remaining 2.11% (1.62% in 2007/08), 0.28% were in dispute and all but one of these, which still remains in dispute, were paid within 30 days of the dispute being settled (0.39% in 2007/08).

Sponsor Type by Year





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 recognize 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. During the year our Investors in People accreditation was confirmed.

This year, staffing levels increased from 74 to 77, including 23 part-time staff (the equivalent of 69 full time staff, an increase of 3 from the previous year). Staff turnover increased to 15.9%, with 12 people leaving (7 in 2007/08) and 11 recruited.

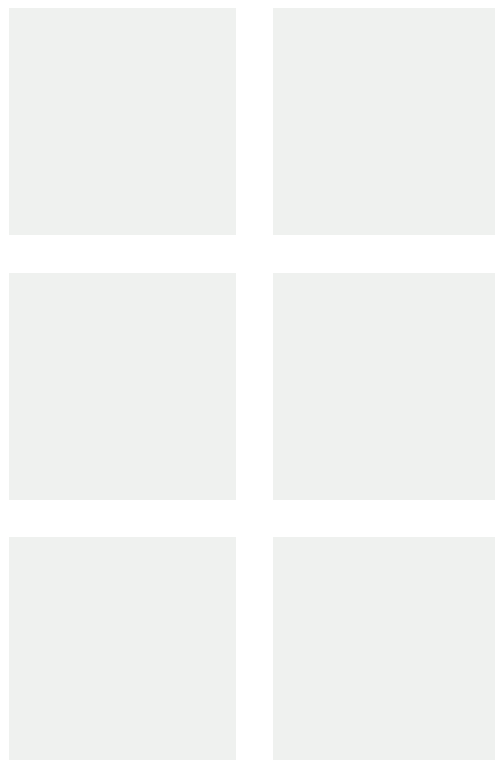
Recruitment is carried out in accordance with the Civil Service Commissioners' Guidance. The recruitment figures are shown in the table below:

Grade/Level	Total Recruited	% Female	% Ethnic Minority	% Disabled
D	2	50	0	0
C	1	0	0	0
B	1	100	0	0
A	7	71	0	0

These figures do not include 4 exceptions to selection by fair and open competition. During the year, one Band D, one Band B and two Band A staff were offered fixed term contracts for less than one year to cover staff shortages and to help meet operational demands.

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. Awards were made to 16 members of staff, whether as individual nominations or working as part of a successful team effort. Most awards were made in recognition of staff members taking personal responsibility for the delivery of excellent customer services in difficult situations.

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.





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 and ran 9 in 2008/09.

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.

The major recent contribution to our environmental operations is the successful installation of our *biomass heating system* installed in July 2007. The primary aim of the system is to reduce Wilton Park's carbon emissions by up to 165 tonnes of carbon dioxide per annum and to contribute to the UK government's wider carbon emission reduction targets.

The system provides heating and hot water for Wiston House, with fall-back provided by existing systems.





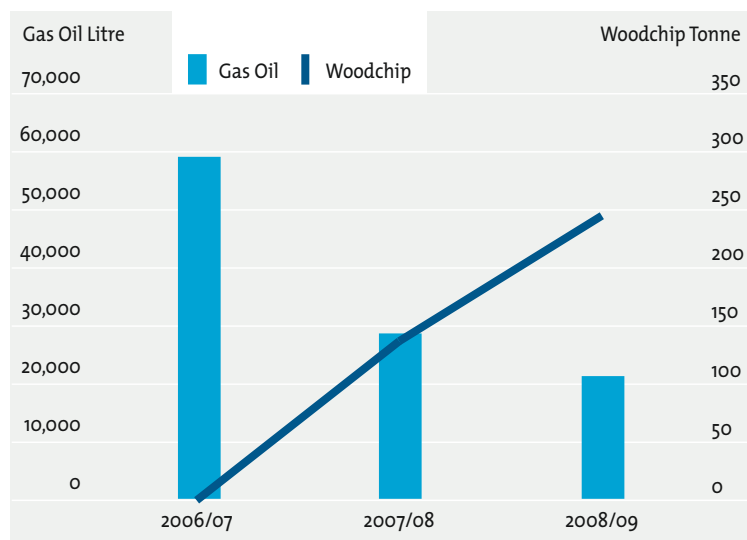
The following analysis shows our environmental and financial performance on this project as well as giving an indication of our overall financial investment into sustainable operations:-

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

Biomass Fuel Consumption



Operating Costs	2006/07 £000	2007/08 £000	2008/09 £000
-----------------	-----------------	-----------------	-----------------

Gas Oil	25	15	14
Woodchip	0	8	19
Sustainability	14	2	12

Fixed Assets	2006/07 £000	2007/08 £000	2008/09 £000
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Sustainability	95	105	9
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Sustainability expenditure within operating costs predominately relates to recycling charges, consultancy on ISO14001 and various professional fees and repair work in relation to the biomass boiler. Fixed asset expenditure on sustainability relates to the biomass boiler, a waste compactor and two composters.

- 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 and

- Working towards ISO14001 accreditation which we hope to achieve within the next year.



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.

Future Plans And Prospects

I shall be making way for a new Chief Executive. A new Chair will have his or her own view of Wilton Park's priorities, to be debated in a new Board and with input from a refreshed Advisory Council. Wilton Park has developed a shared vision and a three-year Business Plan. But these will need to be re-visited as part of the development of a new strategy. I must not therefore be too prescriptive about Wilton Park's future plans. What is sure is that the outcome of the FCO Review provides a sound platform for addressing the challenges set out in this and previous Annual Reports.

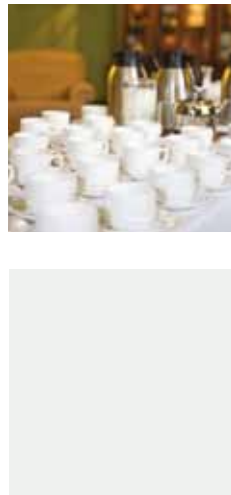
A specific setback to revenue looking forward was the FCO's recent decision to award elsewhere the contract to run its Assessment and Development Centres. That contract accounted for around 37% of our annual non-Conference income.

Predictability of FCO funding meanwhile provides a base on which to develop more durable arrangements elsewhere. Two charitable entities – the Sir Heinz Koeppler Trust and the Wilton Park USA Foundation – exist to support us: how can Wilton Park assist them in that function without detriment to either's independence? In our Conference activity we seek to reflect the shift of economic and political power in the world. How should Wilton Park best develop links with China, India, the Middle East?

The essence of Wilton Park is to encourage people to meet, to exchange views frankly in a safe environment that respects differences, and to sustain the relationships formed here. Development of IT has been a victim of our inadequate funding model. The new leadership will want to address how to build on Wilton Park's offering through the use of modern technology which can break down barriers of distance and exclusivity. How to add new value without losing established advantages?

Sir Heinz Koeppler favoured change. Wilton Park has already changed significantly over the sixty-plus years of its existence. The Foreign Secretary's decision to support Wilton Park in pursuing a rigorous "Refresh Strategy" offers the Agency an exciting opportunity to adapt existing skills to the challenges of a shifting global balance and to acquire new capabilities.

Donald Lamont
Chief Executive
15 June 2009



Remuneration Report

Service Contracts

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

Donald Lamont was appointed as Chief Executive of Wilton Park on a five year contract commencing 17 January 2007. 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.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the senior officials of the Agency.

Name, Title	Salary 2008/09 £000	Salary 2007/08 £000
Donald Lamont Chief Executive	75-80	75-80
Nicholas Hopkinson Director	65-70	65-70
Tim Willows FCCA Finance Director (to Oct 08)	30-35 (50-55 full year equivalent)	50-55
Lisa McIlrath ACA Finance Director (from Jan 09)	5-10 (25-30 full year equivalent)	N/A
Robin Hart Senior Programme Director	55-60	50-55
Shirley Ellis Personnel Manager	30-35	25-30
Mark Bellone General Manager (from Nov 08)	15-20 (40-45 full year equivalent)	N/A

'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. This report is based on payments made by the Agency and thus recorded in these accounts.

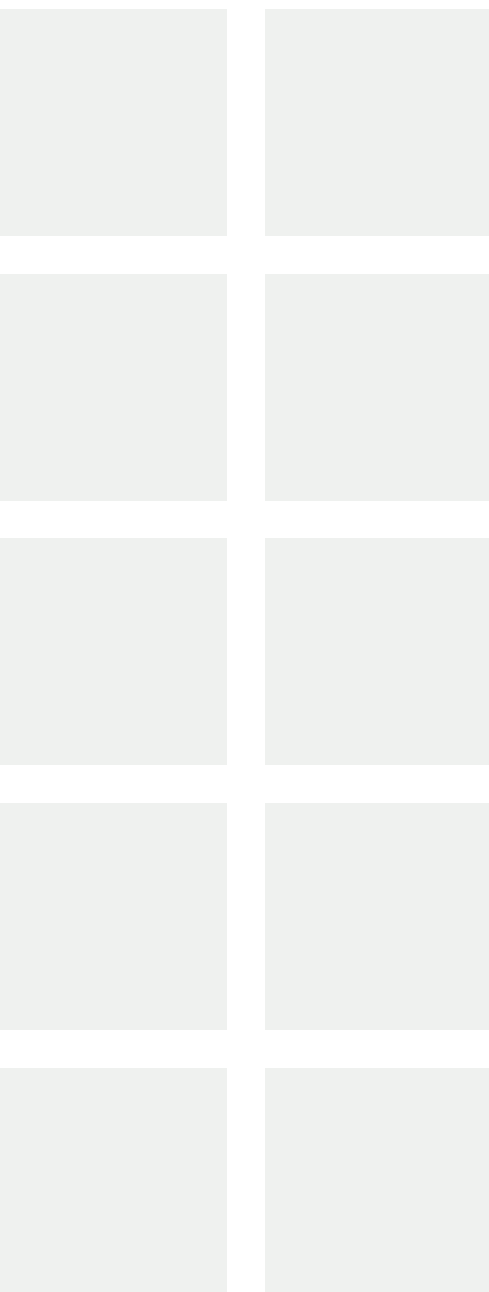


The Chief Executive was provided with a rent free furnished cottage in the grounds of Wiston House up until 23 February 2009 when he decided to relocate locally. The Agency has a PAYE Settlement Agreement in place with HM Revenue & Customs for the provision of accommodation and meets the liability to Income Tax and National Insurance contributions arising from this Benefit in Kind. The liability provided for in these accounts for 2008/09 is £1,506.

Pension Benefits

Name Title	Accrued pension at age 60 as at 31/3/09 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	CETV at 31/3/09 £000	CETV at 31/3/08 £000	Real increase in CETV £000
Donald Lamont Chief Executive	–	–	–	–	–
Nicholas Hopkinson Director	15 – 20 plus lump sum 35 – 40	0 – 2.5 plus lump sum 0 – 2.5	336	293	16
Tim Willows FCCA Finance Director	15 – 20 plus lump sum 50 – 55	0 – 2.5 plus lump sum 0 – 2.5	256	230	5
Lisa McIlrath ACA Finance Director	0 – 5 plus lump sum 0 – 5	0 – 2.5 plus lump sum 0 – 2.5	–	N/A	N/A
Robin Hart Senior Programme Director	10 – 15 plus lump sum 40 – 45	0 – 2.5 plus lump sum 0 – 2.5	215	187	10
Shirley Ellis Personnel Manager	5 – 10 plus lump sum 25 – 30	0 – 2.5 plus lump sum 5-7.5	186	134	35
Mark Bellone General Manager	0 – 5 plus lump sum 0 – 5	0 – 2.5 plus lump sum 0 – 2.5	16	–	16

Under the Chief Executive's current terms of employment, he receives no benefit by means of employer pension contributions.



Civil Service Pensions

Pension benefits are provided through the Civil Service Pension (CSP) 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**). The 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 changes in the Retail Prices Index (RPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality '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' 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 RPI. 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 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.

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.

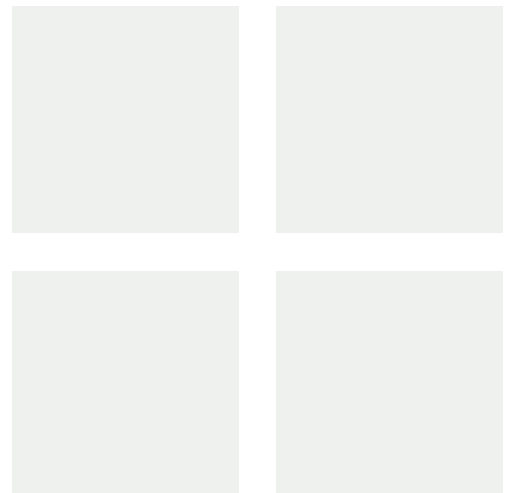
The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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 calculated in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 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 drawn.

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.

Donald Lamont
Chief Executive
15 June 2008



Support for Wilton Park Conferences

British Government Departments

Foreign & Commonwealth Office
Cabinet Office
Department for Business, Enterprise and Regulatory Reform (BERR)
Ministry of Defence
Department of Energy and Climate Change
Department for Environment, Food and Rural Affairs
Home Office
Department for Innovation, Universities and Skills
Department for International Development
Department for Transport
UK Border Agency

Other UK Agencies/Organisations

Aegis Research and Intelligence
Baring Foundation
British Council
Centre for International Studies, Oxford University
Commonwealth Parliamentary Association
Crown Agents
European Financial Forum
Institute for Public Policy Research
John Fell OUP Research Fund, Oxford University
New Philanthropy Capital
Nuffield Foundation
Omega Partnership
Royal United Services Institute for Defence and Security Studies
Save the Children UK
Tesco Charity Trust
The Sir Heinz Koeppler Trust
Trade Union Congress
Wellcome Trust
Westminster Foundation for Democracy
White Ribbon Alliance

International/Multinational Organisations

Carnegie Corporation of New York
European Foundation Centre
EU Risc
European Fund & Asset Management Association (EFAMA)
Folke Bernadotte Academy
The German Marshall Fund of the US
International Peace Institute (IPI), New York
Japan Foundation
North Atlantic Treaty Organisation (NATO)
Open Society Institute
Paris Europlace
Renewable Energy and Energy Efficiency Partnership
Rockefeller Foundation
The Great Britain Sasakawa Foundation
Syngenta Foundation
The Foundation Open Society Institute, Zug
World Bank Institute
UN Office for Co-ordination of Humanitarian Affairs (OCHA)
UN Department of Peacekeeping Operations (DPKO), New York
United Nations Development Fund for Women (UNIFEM)

Business Sponsors and Corporate Members

Allianz
Associated British Foods Ltd
BUPA
Centrica
Clifford Chance
D-Group
Deutsche Bank
Eversheds
Healthcare Redesign Group Inc
HSBC
Johnson and Johnson
Ovations Healthcare
Shell
Thales
Tibotec Inc Partnerships for Global Health
Virgin Atlantic Airways Ltd

Other Governments and Overseas Agencies/Organisations

Canada
Department of Foreign Affairs and International Trade, Ottawa
Parliamentary Centre

Denmark
Ministry of Foreign Affairs

Georgia
Ministry of Foreign Affairs
Office of the State Minister on European Euro-Atlantic Integration

Libya
Economic Development Board

Lithuania
Ministry of Foreign Affairs

Germany
Deutsche Bundesbank
Deutsche Aktieninstitut

Mozambique
Ministry of Health

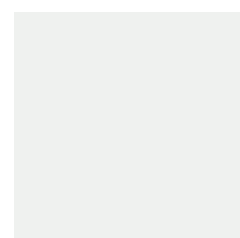
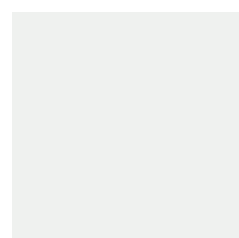
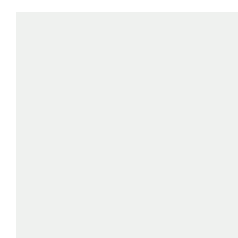
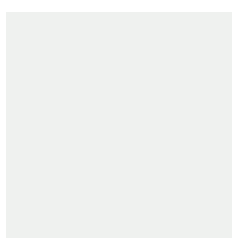
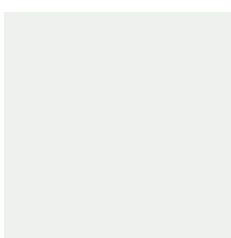
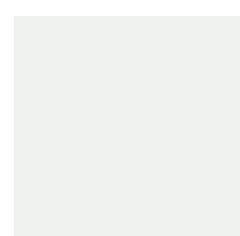
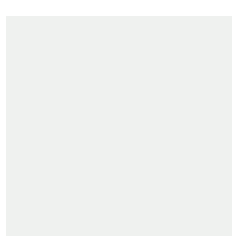
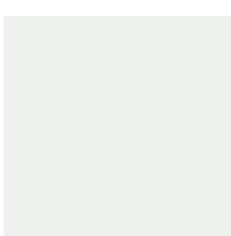
Norway
Royal Ministry of Foreign Affairs
Norwegian Peacebuilding Centre, Oslo

Romania
Ministry of Foreign Affairs

Sweden
Ministry of Foreign Affairs

Switzerland
Federal Department of Foreign Affairs
Swiss Agency for Development and Co-operation

United States of America
Center for Naval Analyses, Virginia
Director of National Intelligence
Global Health Group, UCSF Global Health Sciences, San Francisco
Sandia National Laboratories
Science Applications International Corporation
US Defense Threat Reduction Agency
US Mission to NATO



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.

Statement of Accounting Officer's Responsibilities

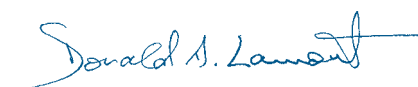
Under the Government Resources and Accounts Act 2000, Wilton Park is required to prepare accounts for each financial year, in conformity with an HM Treasury Direction, detailing the resources acquired, held or disposed of during the year and the use of resources by Wilton Park during the year. The accounts 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*".



Donald Lamont
Chief Executive and Accounting Officer for Wilton Park

15 June 2009

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 Departmental 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 2009 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 Management

Board, 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 Management Board 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 Management Board 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.

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 three times a year on Wilton Park's performance and plans to the Departmental Board. Certain members of the Departmental 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 Departmental Board.

During 2008/09, the internal audits conducted by the FCO have highlighted a number of internal control issues that we need to address. Of significance are the weaknesses identified in our procurement system and IT environment. We will be drafting new procurement procedures

soon, taking guidance from those used within the FCO. These specifically need to lay down new rules on letting and re-letting of contracts and selection of suppliers to ensure value for money is being achieved.

Our IT environment requires wide ranging improvements from strategic planning to management and security of our network and will require generally updating the policies and procedures that we operate to. We now benefit from additional support from FCO IT security advisers.

This month we were subject to a review by FCO Internal Audit of our compliance with the Data Handling and Information

Risk requirements as introduced by the Cabinet Office. There are a number of requirements stipulated in the Information Assurance Maturity Model applicable to Wilton Park. We have received a progress report which highlights that the majority of requirements remain outstanding.

To date very limited progress has been made owing to changes in relevant personnel at Wilton Park and delays in the issue of Cabinet Office data handling training. We await confirmation of training available for Information Asset Owners so that we have the knowledge to understand and implement the improvements required.



Donald Lamont
**Chief Executive and Accounting
 Officer for Wilton Park**

15 June 2009

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 2009 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement 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 Agency, the Chief Executive and auditor

The Agency and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I report to you whether, in my opinion, the information, which comprises the Chief Executive's Overview, Governance, the Review of Performance and Future Prospects, the Management Commentary and the Financial Targets and Results included in the Annual Report, is consistent with the financial statements. I also report whether 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.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chief Executive's Overview, Governance, the Review of Performance and Future Prospects, the Management Commentary and the Financial Targets and Results. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury, of the state of the Agency's affairs as at 31 March 2009, and of the net operating cost, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and

- information, which comprises the Chief Executive's Overview, Governance, the Review of Performance and Future Prospects, the Management Commentary and the Financial Targets and Results included within the Annual Report, is consistent with the financial statements.

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.

Report

I have no observations to make on these financial statements.

Amyas CE Morse
Comptroller and Auditor General
 18 June 2009

National Audit Office
 151 Buckingham Palace Road
 Victoria
 London SW1W 9SS

Financial Statements

Operating Cost Statement for year ended 31 March 2009

	Note	2008/09		2007/08	
		£000	£000	£000	£000
Administration Costs					
Staff Costs	3	2,591		2,373	
Other Administration Costs	4	1,193		1,040	
Gross Administration Costs			3,784		3,413
Net Programme Costs	5		1,124		925
Gross Operating Costs			4,908		4,338
Operating Income	6		(4,308)		(3,584)
NET RESOURCE OUTTURN			600		754

The Net Resource Outturn represents the Net Operating Cost of the Agency and the Outturn against Resource Budget.

Statement Of Recognised Gains And Losses for the year ended 31 March 2009

	Note	2008/09	2007/08
		£000	£000
Net Operating Cost for the year		600	754
Unrealised gains / (losses) on revaluation of tangible fixed assets during the year	13	24	(19)
		624	735

Balance Sheet

as at 31 March 2009

	Note	2008/09		2007/08	
		£000	£000	£000	£000
Fixed Assets					
Tangible Assets	7	954		864	
			954		864
Current Assets					
Stocks	9	33		56	
Debtors	10	589		603	
Cash at bank and in hand	11	770		308	
		1,392		967	
Creditors (due within one year)	12	(488)		(486)	
Net Current Assets			904		481
Total Assets less Current Liabilities			1,858		1,345
Provisions for liabilities and charges			-		-
NET ASSETS			1,858		1,345
Taxpayers' Equity					
General Fund	15		1,843		1,287
Revaluation Reserve	13		-		42
Government Grant Reserve	13		15		16
			1,858		1,345



Donald Lamont
Chief Executive
15 June 2009

Cash Flow Statement

for year ended 31 March 2009

	Note	2008/09 £000	2007/08 £000
Net cash outflow from operating activities		(302)	(579)
Capital expenditure	7	(276)	(293)
Net Parliamentary Funding	19	1,040	908
Increase/(Decrease) in cash in the period	11	462	36
Notes to the Cash Flow Statement			
Reconciliation of operating cost to operating cash flow			
Net Operating cost		(600)	(754)
Adjust for non-cash costs	4	261	235
Adjust for movements in working capital other than cash	8	37	(60)
Net cash outflow from operating activities		(302)	(579)
Analysis of capital expenditure			
Purchases of fixed assets	7	(276)	(309)
Government Grant	13	-	16
Net cash outflow from capital expenditure		(276)	(293)
Analysis of financing			
Net Parliamentary Funding	19	1,040	908
Decrease/(Increase) in cash	11	(462)	(36)
Net cash requirement		578	872

Notes to the Financial Statements

1 Statement of Accounting Policies

The financial statements have been prepared in accordance with the *Financial Reporting Manual* issued by HM Treasury. The particular accounting policies adopted by the Agency 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 fixed assets, and stocks where material, at their value to the business by reference to their current costs.

Tangible Fixed Assets

Tangible fixed assets in excess of £500 are capitalised at their cost of acquisition. 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. As a result, indices published by the Office of National Statistics are no longer applied to such assets and the accrued changes in value due to prior indices based revaluations have been removed.

Depreciation

Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other tangible fixed assets by equal instalments over their estimated useful lives. Lives are normally in the following ranges:

	Estimated useful life in years
Plant and Machinery	5 to 20
Fixtures and Fittings	5 to 10
Building Enhancement	10 years or to end of remaining period of current lease
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.

Website development costs are capitalised over a three year estimated life and are included within the Computers and Equipment category of fixed assets.

The Government Grant (see Note 13) 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.

Stocks

Stocks 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.

1 Statement of Accounting Policies

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 included in operating costs. The charge is calculated at the Government's standard rate of 3.5% in real terms on all assets less liabilities. Charges are calculated monthly for cash balances and annually for all other assets less liabilities.

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

	Target	Achieved
Gross Income (£000)	4,404	4,308
Recovery Percentage	93.6%	87.8%

3 Staff Numbers and Costs

	2008/09	2007/08
The average number of employees during the period, including directors, was made up as follows:		
Programme Directors	10	9
Administrative	39	36
House Team	20	21
	69	66
	£000	£000
The payroll costs of these employees were as follows:		
Salaries and wages	1,982	1,820
Social Security	145	134
Others - Superannuation	328	302
- Employee Related Costs	136	117
	2,591	2,373

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.

The scheme Actuary valued the scheme as at 31 March 2003. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2008/09 employer's contributions of £328k were payable to the PCSPS (2007/08 £302k) at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands (the rates in 2007/08 were between 17.1% and 25.5%).

The scheme Actuary reviews employer contributions every four years following a full scheme valuation.

The contribution rates are set to meet the cost of benefits accruing during 2008/09 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

The Chief Executive was provided with a rent free furnished cottage in the grounds of Wiston House up until 23 February 2009 when he decided to relocate locally.

4 Other Administration Costs

	Note	2008/09		2007/08	
		£000	£000	£000	£000
Rentals under operating leases					
Hire of Office Equipment		42		38	
Property Rentals		174		165	
			216		203
Non cash items					
Depreciation	7	145		139	
Impairment		-		1	
Loss on Disposal of Fixed Assets		18		9	
Interest on Capital Employed	17	53		45	
External Auditor's Fees		23		20	
Internal Auditor's Fees		17		17	
Pay Section Charge		5		4	
			261		235
Other expenditure					
Rates		43		42	
Maintenance, Cleaning, Heating & Lighting		337		240	
Administrative Expenses		336		320	
			716		602
			1,193		1,040

5 Net Programme Costs

	2008/09	2007/08
	£000	£000
Other current expenditure		
Purchases	354	284
Housekeeping	248	208
Conference Costs	522	433
	1,124	925

6 Operating Income

	2008/09 £000	2007/08 £000
Operating income is analysed as follows:		
Rent received from external tenants	2	3
Bank Interest received	12	16
Transfer from Government Grant Reserve	1	1
Other fees and charges	4,293	3,564
	4,308	3,584
An analysis of income from services provided to external and public sector customers is as follows:		
WP Conferences	3,203	2,651
Commercial Operations	892	745
Bar Sales	98	85
Shop Sales	1	3
Miscellaneous	99	80
	4,293	3,564

7 Tangible Fixed Assets

	Building Enhancement £000	ICT £000	Fixture & Fittings £000	Motor Vehicles £000	Plant & Machinery £000	Office Equipment £000	TOTAL £000
Cost or Valuation							
at 1/4/2008	34	246	576	22	512	-	1,390
Additions	87	13	143	-	28	5	276
Re-classification	-	(31)	-	-	1	30	-
Disposals	-	(10)	(29)	-	(26)	-	(65)
Revaluation	-	40	(4)	(1)	(26)	1	10
Cost at 31/3/2009	121	258	686	21	489	36	1,611
Depreciation							
at 1/4/2008	1	173	203	13	136	-	526
Re-classification	-	(18)	-	-	1	17	-
Provided in year	9	31	63	1	38	3	145
Eliminated in respect of Disposals	-	(10)	(15)	-	(22)	-	(47)
Revaluation	-	38	9	-	(14)	-	33
Depreciation at 31/3/2009	10	214	260	14	139	20	657
Net Book Value							
at 31/3/2009	111	44	426	7	350	16	954
at 31/3/2008	33	73	373	9	376	-	864

Up until 31 March 2008 indices produced by the Office of National Statistics were used to approximate modified historic cost accounting. Indices are no longer used and the accrued changes in value due to prior indices revaluations have been removed. Refer to Note 1.

8 Movements in Working Capital Other than Cash

	2008/09 £000	2007/08 £000
(Decrease)/Increase in Stocks	(23)	(5)
(Decrease)/Increase in Debtors	(13)	27
Decrease/(Increase) in Creditors	(1)	38
	(37)	60

9 Stocks

	2008/09 £000	2007/08 £000
Liquor and Food	14	19
Shop	4	5
Wilton Park Books	-	11
Wilton Park Conference Folders	1	6
Commercial & Wedding Brochures	14	14
Secure stationery	-	1
	33	56

10 Debtors

	2008/09 £000	2007/08 £000
Amounts falling due within one year		
Trade Debtors	516	530
Other Debtors	1	21
Prepayments and Accrued Income	72	52
	589	603
An analysis of debtors is as follows:		
Balances with other central government bodies	292	403
Balances with bodies external to government	297	200
	589	603

11 Cash at Bank and in Hand

	2008/09 £000	2007/08 £000
Balance at 1 April 2008	308	272
Net (Outflow)/Inflow	462	36
Balance at 31 March 2009	770	308

12 Creditors: Amounts Falling Due Within One Year

	2008/09 £000	2007/08 £000
Trade Creditors	239	171
Payments Received on Account	115	127
Other Creditors	15	1
Accruals and Deferred Income	67	151
VAT	52	36
	488	486
An analysis of creditors is as follows:		
Balances with other central government bodies	56	41
Balances with bodies external to government	432	445
	488	486

13 Reserves

	2008/09 £000
Revaluation Reserve	
Balance at 1 April 2008	42
Arising on revaluation during the year (net)	(24)
In respect of the impact of revaluations accounted for through the General Fund	(18)
Balance at 31 March 2009	-
Government Grant Reserve	
Balance at 1 April 2008	16
Transferred to Operating Income In Year	(1)
Balance at 31 March 2009	15

14 Commitments under Operating Leases

	2008/09 £000	2007/08 £000
At 31 March 2009 Wilton Park had annual commitments under non-cancellable operating leases which expire:		
Land and Buildings		
Within one year	-	-
Within two to five years	168	171
More than five years	-	-
The lease on Wiston House extends to the year 2027 with 5 yearly break clauses.		
Other Operating Leases		
Within one year	-	-
Within two to five years	27	27
More than five years	-	-

15 Reconciliation of Net Operating Cost to Changes in General Fund

	2008/09 £000	2007/08 £000
Net Operating Cost for the year	(600)	(754)
Net Parliamentary Funding	1,040	908
In respect of the impact of revaluations accounted for through the General Fund	18	1
Non-cash charges:		
Cost of Capital	53	45
External Auditor's Fees	23	20
Internal Auditor's Fees	17	17
Pay Section Costs	5	4
Net Increase/(Decrease) in General Fund	556	241
General Fund at 1 April 2008	1,287	1,046
General Fund at 31 March 2009	1,843	1,287

16 Related Party Transactions

Wilton Park is an Executive Agency of the Foreign & Commonwealth Office. The Foreign & Commonwealth Office is regarded as a related party. During the year, Wilton Park has had a significant number of transactions with the Foreign & Commonwealth Office. In addition, Wilton Park has had various transactions with other government departments. Most of these transactions have been with the Department for International Development (DFID), Ministry of Defence (MOD), Department for Business, Enterprise and Regulatory Reform (DBERR) 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 Interest on Capital Employed

	2008/09 £000	2007/08 £000
Interest is charged at 3.5% per annum on the annual average capital employed as follows:		
Fixed Assets	954	864
Current Assets (excluding cash)	622	658
Current Liabilities	(488)	(486)
	1,088	1,036
Interest on average annual working capital employed excluding cash	37	32
Interest on average monthly capital employed for cash assets	16	13
Interest on Capital Employed	53	45

18 Segmental Reporting

	Wilton Park Conference Activities £000	Commercial Activities £000	Total £000
Expenditure	3,623	1,285	4,908
Income	3,287	1,021	4,308
Deficit	336	264	600
% Cost Recovery	90.7%	79.5%	87.8%
% Cost Recovery Target			93.6%

The information above relates to the Fees and Charges Guide issued by H M Treasury and is not disclosed for the purposes of SSAP25

19 Reconciliation to Foreign & Commonwealth Office

	2008/09 £000	2007/08 £000
Net expenditure shown in the Foreign & Commonwealth Office Resource Account is £1,040,225.16		
This reconciles as follows:		
FCO Expenditure	1,040	908
Net Parliamentary Funding	1,040	908

20 Capital Commitments

	2008/09 £000	2007/08 £000
Contracted capital commitments at 31 March 2009 for which no provision has been made	0	89

21 Financial Instruments

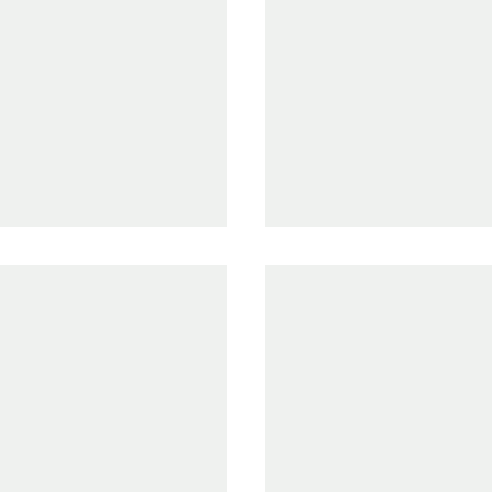
FRS29, Derivative and other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking activities. Due to the largely non trading nature of its activities and the way in which government 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, other than notional interest on capital, is earned or paid, and is not considered to be exposed to significant interest rate risk.

Currency Risk – WP Conference income includes sponsorships that are denominated in foreign currency. We are exposed to foreign exchange risk to the extent that the relevant foreign exchange rate fluctuates between the date the sponsorship debtor is recognised and when it is paid. We have not had a policy for managing this risk but have requested support from the FCO on appropriate processes we can put into place. As at 31 March 2009, 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 & Commonwealth Office, and it has no borrowing facilities. FCO resource requirements are voted annually by Parliament.



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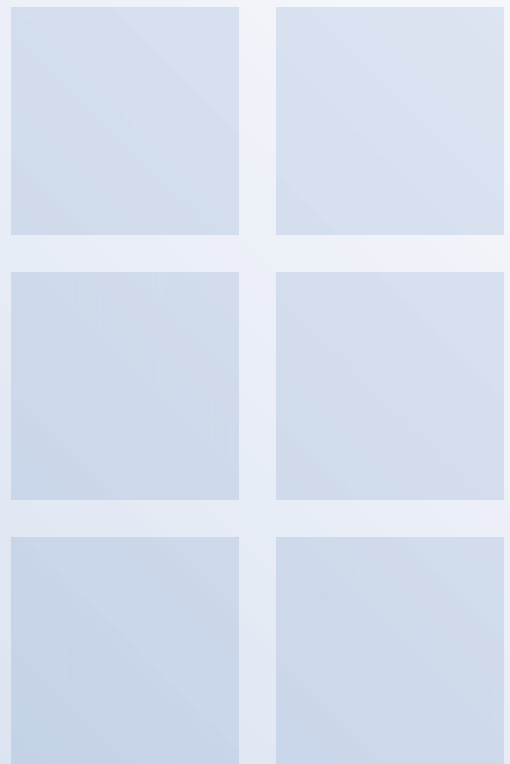
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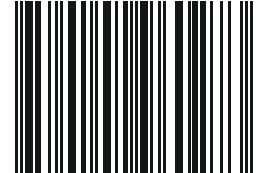
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