



Wilton Park

2005/2006

Annual Report & Accounts







WILTON PARK
EXECUTIVE AGENCY

AN EXECUTIVE AGENCY OF THE
FOREIGN & COMMONWEALTH OFFICE

ANNUAL REPORT AND ACCOUNTS

2005/06

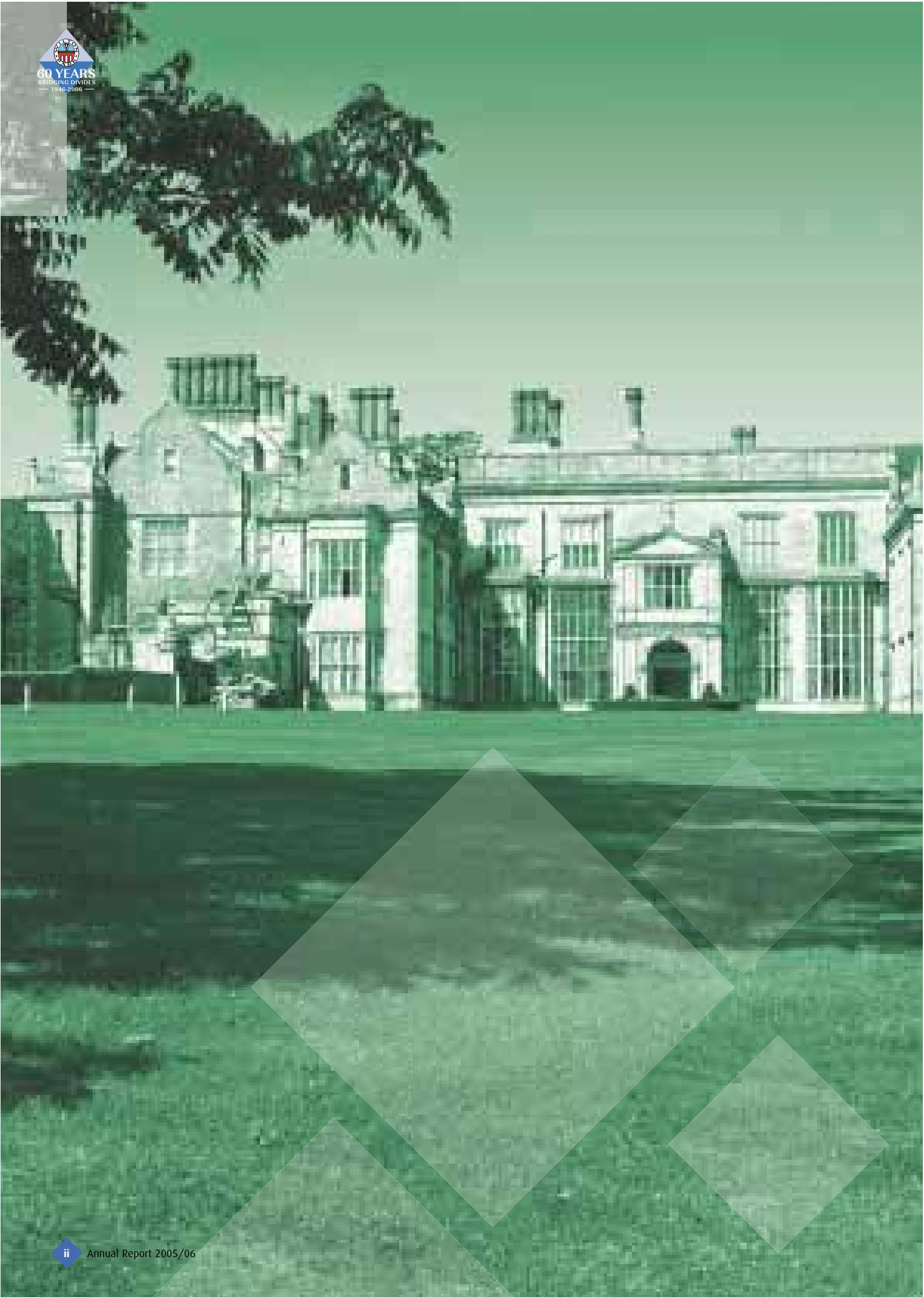
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LONDON: THE STATIONERY OFFICE

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Adam Noble

Chief Executive's Overview

Wilton Park celebrates its 60th anniversary in 2006. I am delighted to be taking over from Colin Jennings, who has played a significant role in reshaping and directing the work of Wilton Park. I look forward to building on the excellent work done by Colin, and his predecessors, as Chief Executive.

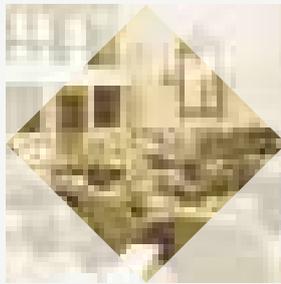
Wilton Park has developed significantly since its beginnings in 1946. Our initial focus was on help to re-establish peace and democracy in Europe in the years after World War Two. The work of Sir Heinz Koepler to 'bridge divides' in the post-war period has now evolved into a programme which provides a forum for taking forward debate on the key issues – security, sustainable development, trade, and governance – which face the whole global community.

The opportunity for off the record discussion which Wilton Park provides can make a real difference. Our work also reflects the UK's reputation for seeking to resolve international problems through dialogue and through building networks of political relationships and influence with overseas opinion formers. Wilton Park delivers first class conferences across the board. We have a strong track record both in bringing together those who find themselves on opposite sides of policy discussions, and those who face similar challenges, but have not had the opportunity to discuss their responses with others from different regions.

Our distinctive conference format and style promote clear analysis of latest developments, the chance to share different perspectives, and new ideas on the best ways forward. We also add an extra dimension by:

- engaging authoritative speakers in off the record and in-depth discussion of key policy needs
- attracting participants from government (in particular) and from business, politics, the media, non-governmental organisations, think tanks and universities involving a wide range of nationalities
- providing a calm, residential environment to stimulate thought and effective networking
- programming significant networking time into all its conferences
- facilitating continued contact among participants.

Wilton Park contributes to the UK government's international strategic priorities by delivering policy relevant conferences on key issues, including security and arms control, economic and social policy, conflict prevention, governance, globalisation, sustainable development and the environment.



Lord Triesman of Tottenham spoke at a special Anniversary Dinner to celebrate Wilton Park's 60th year. In his speech, Lord Triesman addressed the major challenges facing the globalised world. As well as international terrorism, which he described as the "greatest threat to international stability," Lord Triesman said: "we must also – equally urgently – do more to address the causes of the anger and despair which drive people towards violence and extremism".

"Those who feel themselves trapped in a vicious cycle of poverty and conflict are increasingly aware – through news and information accessible even in the poorest parts of the world – of the political and economic opportunities enjoyed by millions but often denied to them. That only increases their sense of injustice".



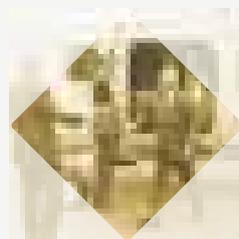
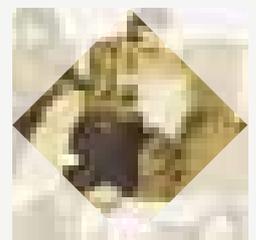
"For over 60 years Wilton Park has played a key role in encouraging and supporting the spread of democracy across Europe and in helping countries prepare for EU membership. In the mid 1980s, so before the fall of the Berlin Wall, Wilton Park hosted events on reform in Eastern Europe and, in the mid 1990s, on the Balkans. One such meeting, in late 1999, was formative in bringing together Serbian opposition parties, ahead of the fall of Milosevic the following year. Many of those who attended that meeting are now in power in Belgrade."

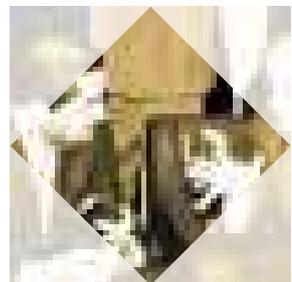
"Wilton Park has nurtured partnerships amongst the many tens of thousands of delegates who have attended conferences here and overseas. An increasingly open and global world will, I confidently predict, be an increasingly complex and – no doubt – turbulent world. The work of Wilton Park, bringing together an ever-wider field of high calibre and influential experts, reconciling rivals and even enemies, will remain as necessary as ever to the achievement of peace and stability around the world."



Lord Triesman spoke too of the role that Wilton Park has played in tackling these challenges:

The full text of Lord Triesman's speech can be found on the FCO website.







From top to bottom:
Adam Noble
Nicholas Hopkinson
Sheila Mackay
Robin Hart
Chris Langdon
Roger Williamson
Isobelle Jaques
Adela Gooch
Julia Purcell
Tim Willows
Shirley Ellis

(Wilton Park's Management
Board as at 31 March 2006)



Wilton Park's Management

Wilton Park's Management Board

The Wilton Park Management Board formulates the relevant financial and operating plans and policies required to meet the Agency's targets, including the active management of the potential risks facing the Agency.

Colin Jennings	Chief Executive	(Retired Jan 2006)
Richard Latter	Director	(Retired Oct 2005)
Nicholas Hopkinson	Director Planning & External Relations	
Sheila Mackay	Director Conferences	(Joined Sep 2005)
Robin Hart	Programme Director	
Chris Langdon	Programme Director	
Roger Williamson	Programme Director	
Isobelle Jaques	Programme Director	
Tim Willows	Associate Director (Finance & Management)	
Adela Gooch	Programme Director	
Julia Purcell	Programme Director	
Klaus Becher	Programme Director	(Joined May 2005; Resigned Feb 2006)
Shirley Ellis	Personnel Officer	
Jane Rawbone	PA to Chief Executive; Board Secretary	

Departmental Board

The Agency's work is overseen by a Departmental Board, comprising representatives of the FCO and two Non-Executive Directors. 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 2005/06 were as follows:

Anne Pringle (Chair)	Director of Strategy and Information, FCO
Alex Jablonowski (NED)	High Performance Leadership Limited
Simon Turl (NED)	Managing Director, Select Service Partner Air
Dr Farhan Nizami	Chair, Wilton Park Academic Council
Tim Livesey	Assistant Director, Head of Public Diplomacy Group, FCO
Iain Morgan	Head of Resource Accounting Department, FCO
Manchula Kuganesan	Resource Management Officer, Public Diplomacy Group, FCO
Nigel Schofield	Public Diplomacy Group, FCO
Bryony Whiting	Public Diplomacy Group, FCO

Wilton Park's Terms Of Reference

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 Wilton Park (www.wiltonpark.org.uk) and FCO (www.fco.gov.uk) websites.



Advisory Bodies

Wilton Park Academic Council

The Academic Council was established in 1949 to ensure Wilton Park's academic independence. Membership is drawn from the academic world, government, non-governmental organisations, media, business, trades unions and other organisations concerned with international relations.

The Academic Council's main responsibilities are to advise the Chief Executive and his senior staff, on the selection of conference

themes and speakers and participants, aiming to ensure a proper balance is maintained in the conference programme; and to ensure that Wilton Park's activities meet the highest academic standards and that it maintains its reputation as a centre of excellence.

The Academic Council is an Advisory Non-Departmental Public Body. Members of the Council are appointed by the Secretary of State for Foreign & Commonwealth Affairs.

Dr Farhan Nizami	Director, Oxford Centre for Islamic Studies
Sir Rodric Braithwaite GCMG	Chairman of the Russia Programme of the Centre for European Reform
Ms Rachel Briggs	Head of International Programmes, Demos
Dr David Bryer	Chair of Oxfam International and Trustee of Save The Children
Professor Victor Bulmer-Thomas OBE	Director of Chatham House
Sir Patrick Cormack MP	Conservative Party parliamentary representative
Dr Ray Cunningham	Director, Anglo-German Foundation for the Study of Industrial Society
Mr Nik Gowing	Journalist and Broadcaster
Sir David Green KCMG	Director General, British Council
Mr David Heath CBE MP	Liberal Democrat parliamentary representative
Mr Janusz Heath	Director of Capital Dynamics
Ms Mary Jo Jacobi	Civil Service Commissioner
Mr Reijo Kemppinen	Head of the Representation in the UK, European Commission
Mr Michael Leigh	Director General, Enlargement, European Commission
Professor Anand Menon	Director, European Research Institute
Rt Hon Baroness Quin	former Minister of State at Home Office, FCO and MAFF
Sir Michael Quinlan GCB	former Director, The Ditchley Foundation
Mr Rupert H W Robson	Global Head, Financial Institutions
Professor Shamit Sagar	Professor of Political Science
Professor Philippe J Sands QC	Professor of Law, Director of Centre on International Courts
Lord Skidelsky	Professor of Political Economy, University of Warwick
Mr Andrew Vickerman	Head of Communication & Sustainable Development
Sir Stephen Wall GCMG LVO	Chairman (Public Affairs EMEA), Hill & Knowlton
Mr Myles Wickstead CBE	Former Head of Secretariat, Commission for Africa

Academic Council meetings are held twice a year. Minutes from these meetings, together with other information on the running and membership of the Academic Council, is published on the Wilton Park website.

Wilton Park International Advisory Council

The role of the International Advisory 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 of the member states of the Organisation for Economic Co-operation and Development:

Australia	Republic of Korea
Austria	Luxembourg
Belgium	Mexico
Canada	The Netherlands
Czech Republic	New Zealand
Denmark	Norway
Finland	Poland
France	Portugal
Germany	Slovakia
Greece	Spain
Hungary	Sweden
Iceland	Switzerland
Ireland	Turkey
Italy	United States of America
Japan	

The FCO is represented by the Assistant Director and Head, Public Diplomacy Group



Wilton Park Academic Council
 Back Row: Left to Right: David Bryer, Stephen Wall, Shamit Saggar, Michael Quinlan, Rupert Robson
 Middle Row: Left to Right: David Heath, Michael Leigh, Robert Skidelsky, Ray Cunningham, Janusz Heath
 Front Row: Left to Right: Philippe Sands, Mary Jo Jacobi, Adam Noble, Farhan Nizami, Rachel Briggs



Review of Performance

Wilton Park's Core Conference Work

Wilton Park conferences are our key business and contribute to the achievement of the UK government's international policy priorities.

The majority of our resources is devoted to planning, running and follow up to conferences, to ensure this. The Agency generates 75-80% of its annual income from the overall conference programme. Our quality targets reflect this.

A full schedule of Wilton Park's conference is included in this report, and there are highlights of a number of particularly influential conferences held during the year.

This report includes summary statistical information about Wilton Park conferences. More detailed statistical information, on a conference-by-conference basis, is available on request.

The Departmental Board targets for 2005/06 include:

Target 2 – The impact of Wilton Park conferences on policy and opinion should receive the positive endorsement of the Academic Council and the FCO. The target was successfully achieved.



Wilton Park Conference Participation

One further measure of the overall success of our conferences is the level of participation. As can be seen, the achievement for 2005/06 is on average remarkably similar to 2004/05. Demand for our conferences remains consistently strong.

Financial Year	Total Number of Participants	No of Conferences	Average Participation
2005/06	3,638	58	62.7
2004/05	3,704	59	62.8
2003/04	3,110	49	63.5
2002/03	3,158	47	67.2
2001/02	3,033	46	65.9

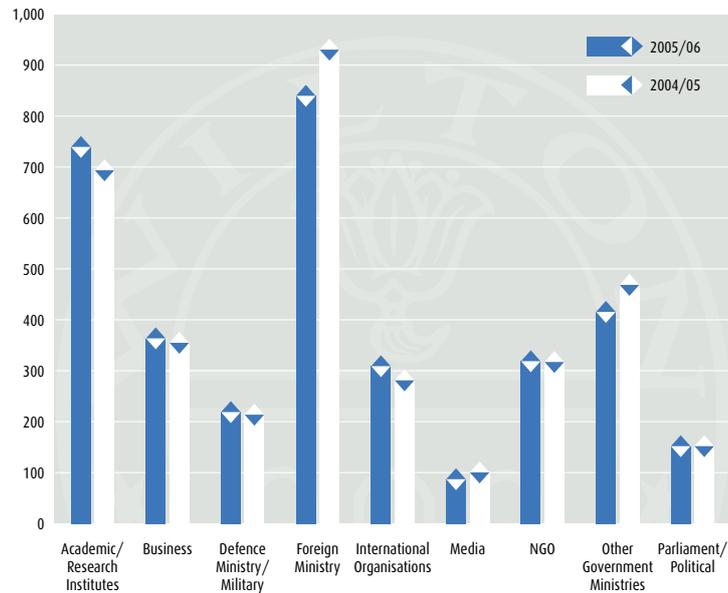
Interaction Between Policy Makers And Opinion Formers

In planning our conferences, our Programme Directors take great care to ensure that we have as good a mix as possible of professions, and where appropriate, nationalities to ensure that discussion is as wide-ranging and stimulating as possible. The following table illustrates the range of professions of Wilton Park conference participants during 2005/06.



Participation By Profession

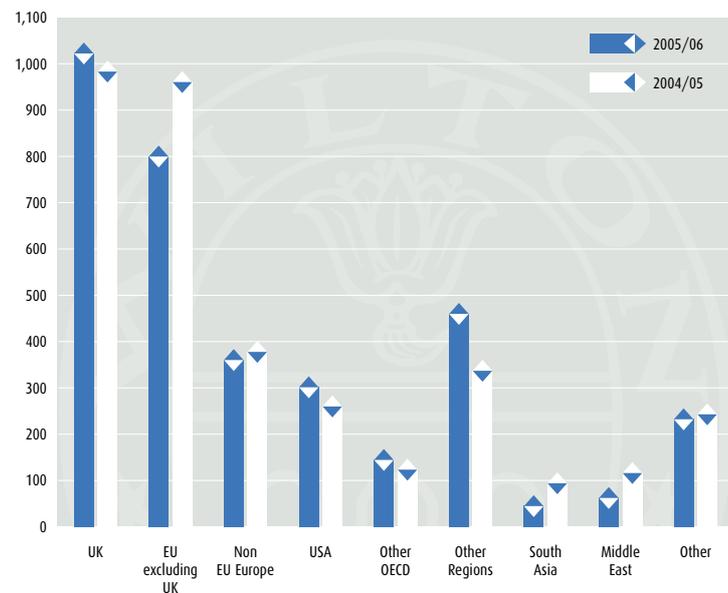
During 2005/06 we achieved the continuing strong mix of professional occupations of those participating, broadly similar to the composition in 2004/05. There was growth in the participation by professionals from Academic and Research organizations, and importantly from International Organisations.



Participation By Nationality

Wilton Park's conferences remain truly international. Over 70% of participants came from outside of the UK.

Our programme of events includes conferences on country or region-specific issues, and there are correspondingly increasing or decreasing numbers of participants from these areas year-on-year. However, our Programme Directors focus much of their work on ensuring that we have the broadest national participation possible.





Duration Of Conferences

One of the most significant changes that has occurred over the last five years, and which has shaped our conference programme, is the move to shorter conferences.

Financial Year	Total Number of Conference Days	Conferences (held at Wiston House)	Average Length	Overseas Conferences
2005/06	122.5	49	2.5	9
2004/05	123	49	2.5	10
2003/04	122	43	2.8	6
2002/03	120.5	42	2.9	5
2001/02	125.5	41	3.1	5

The length and structure of each conference is carefully judged to ensure the optimum balance between collective and individual discussion, attracting influential speakers and participants, and allowing enough time to develop personal contacts, which continues to be one of Wilton Park's strongest benefits.

The length of our conferences is an important aspect in judging the way that the Agency needs to set its participation charges. Our conference pricing policies, as agreed with the Departmental Board, were adjusted in 2005/06. On average, the financial contribution per conference held was above the planned target level.

Overseas Conferences

We held 9 overseas conferences in 2005/06, matching the planned level of activity in this area. Of these conferences, 8 were held in continental Europe (Spain, France, Finland, Poland, Serbia & Montenegro, Macedonia, and two in Austria). They have proved successful in generating frank discussion and have attracted high-level participation. We are grateful to the FCO, both in the UK and through the overseas network of posts, for their support in delivering these conferences.

Conference WP781 – Arab-West Policy Dialogue On Common Security And Confidence-Building – was held in Egypt in April 2005, continuing the working partnership developed with the Swedish Institute in Alexandria. The conference was also held with the Egyptian Council for Foreign Affairs, Cairo and Stockholm International Peace Research Institute, (Implementing Partners), and with the Centre for Arab Unity Studies, Beirut (Consultant Partner).

Some of these overseas conferences feature in the Highlights Section on page 24-39.





Schedule Of Wilton Park Conferences 2005/06

Conference	Conference Title	Dates	Participants	Conference	Conference Title	Dates	Participants
WP788	The UN's Relationship With Regional Organisations	21-23 Apr	54	WP799	Immigration & Integration: <i>(in Spain)</i>	26-28 Oct	57
WP781	Arab-West Policy Dialogue On Common Security And Confidence Building <i>(in Egypt)</i>	25-28 Apr	59	WP800	China's Economic Growth And Its Global Impact	30 Oct-2 Nov	85
WPS05/28	Afghanistan: Beyond Bonn	12-14 May	84	WPS05/20	The Future Role Of Hong Kong In The Region	3-5 Nov	78
WPS05/9	The Commission For Africa - Implementing The Findings	16-19 May	105	WPS05/17	Minority Education In Serbia And Montenegro <i>(in Serbia)</i>	7-9 Nov	73
WP782	Strengthening Transatlantic Cooperation On Missile Defence	23-25 May	66	WPS05/18	Financial Markets	11-12 Nov	62
WP783	Globalisation, Emerging Markets And The Role Of Trade Unions	1-3 Jun	46	WPS05/30	Children Affected By HIV/AIDS	14-16 Nov	64
WP784	Promoting Good Governance And Development In Conflict-Affected Countries	6-9 Jun	64	WP802	Russia: 2008 And Beyond	29 Nov-1 Dec	85
WPS05/12	New Directions, New Priorities: The Changing Landscape Of Transatlantic Relations	13-16 Jun	43	WPS05/29	Improving National And Regional Disaster-Response Capacities	2-5 Dec	63
WP785	What Works: Scaling Up Health Investments In Developing Countries	17-19 Jun	61	WPS05/31	What Are The Prospects For Security In The Gulf Region?	6-8 Dec	59
WP786	The Millennium Development Goals: Ensuring Achievability And Accountability	20-23 Jun	70	WPS05/34	Engagement Of Armed Groups In Peace Processes	9-11 Dec	55
WPS05/8	Second Wilton Park International Association Meeting	24-25 Jun	55	WP803	Nuclear Non-Proliferation: What Next After The NPT Review?	12-15 Dec	67
WP787	Next Generation Weapons Of Mass Destruction: Anticipating The Threat	27-29 Jun	38	WP804	NATO's Political & Military Transformation: Current Issues	9-12 Jan	79
WP789	The Enlarged EU: Political, Constitutional & Economic Challenges <i>(in Poland)</i>	4-7 Jul	68	WP805	How To Advance The Human Rights Agenda?	20-22 Jan	60
WP790	An Agenda For Europe's Common Foreign & Security Policy	7-10 Jul	61	WPS06/20	Future Trends (with MOD/DFID)	23-25 Jan	54
WP791	British-German Forum	11-14 Jul	79	WP807	International Drugs Policy: Setting the Agenda for UNGASS 2008	3-5 Feb	56
WP792	Is US Counter-Terrorism Policy Working?	15-17 Jul	40	WP808	How Can The Functioning Of The European Union Be Improved?	6-8 Feb	68
WP793	Prospects For Concluding The Doha Development Agenda Trade Negotiations	18-21 Jul	64	WPS06/2	Putting Decisions Into Practice: How Will The UN Peacebuilding Commission Fulfill Its Mandate?	9-10 Feb	64
WP794	Atlantic Youth Forum	1-4 Aug	63	WP809	Improving The Emergency Response In Europe	13-15 Feb	64
WPS05/32	Space: Key to Europe's security and defence capabilities?	7-9 Sep	38	WP810	Libya: Fulfilling Potential At Home And Abroad	16-18 Feb	69
WPS05/14	Contemporary Global Governance: <i>(in Finland)</i>	5-7 Sep	67	WPS06/19	International Collaboration On Planning For Pandemic	2-5 Mar	65
WPS05/10	Tomorrow's Global Company	12-14 Sep	43	WP801	Caspian And Central Asia: Economic, Social And Environmental Development	6-9 Mar	95
WPS05/13	Climate Change & Energy Security - International Dimensions	15-18 Sep	51	WPS06/21	Public Diplomacy	10-12 Mar	54
WP795	The European Neighbourhood & The Future Of Enlargement <i>(in Austria)</i>	19-22 Sep	86	WP806	Security in North East Asia	13-16 Mar	42
WP796	The Caribbean: Can Security & Prosperity Be Achieved?	23-25 Sep	76	WPS06/5	Towards A Community-Based Approach To Counter-Terrorism	20-22 Mar	62
WPS05/11	Preparing South East Europe For EU Accession <i>(in Macedonia)</i>	29-30 Sep	71	WP811	What Role for the European Union in Foreign & Security Policy	23-26 Mar	73
WP797	Chemical & Biological Weapons Proliferation: Developing New Responses	30 Sep-2 Oct	57	WP812	Higher Education for Development: Challenges, Strategies & Policies	27-30 Mar	72
WPS05/33	Business And Human Rights: Advancing The Agenda	10-12 Oct	54	WPS06/6	Strengthening Transatlantic Economic Relations <i>(in France)</i>	29-31 Mar	59
WP798	Becoming An Information Society	17-19 Oct	60	WPS06/1	Kosovo Workshop <i>(in Austria)</i>	30-31 Mar	27
WPS05/19	Combating The Financing Of International Terrorism	20-23 Oct	58		Total Conferences	Total 05/06	3,637
WPS05/25	The Future of the Transatlantic Security Link	24-26 Oct	45			Average	62.7
					Total Conferences	Total 04/05	3,704
						Average	62.8



Conference Quality

We aim to provide high quality conferences and conference facilities.

The Departmental Board targets for 2005/06 include:

Target 1 – Wilton Park conferences should achieve an average “excellent” rating for their programmes higher than the previous year’s rating of 54.5%.

The target was exceeded.

The following table shows the three measurements for quality of Wilton Park conferences, and comparable previous year figures. The 2005/06 results were helpfully based on a higher percentage of questionnaires completed by our conference participants.

The quality results for 2005/06 proved strong and consistent with the improving trends achieved by the Agency over the past five years. Taking into account the effect of recent senior staff changes, this year’s performance fully demonstrates the significant efforts of the conference teams.



CONFERENCE QUALITY STATISTICS

	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
PROGRAMME						
2005/06	1,115 55.5%	786 39.1%	92 4.6%	12 0.6%	2 0.1%	2,008 [55.2%]
2004/05	1,035 54.5%	755 39.7%	100 5.3%	8 0.4%	2 0.1%	1,900 [51.3%]
DISCUSSION						
2005/06	1,064 53.1%	815 40.7%	115 5.7%	10 0.5%	0 0.0%	2,004 [55.1%]
2004/05	1,898 53.2%	1,009 38.8%	736 7.3%	139 0.5%	9 0.3%	1,898 [51.2%]
ADMINISTRATION						
2005/06	1,693 87.0%	225 11.6%	28 1.4%	1 0.1%	0 0.0%	1,947 [53.5%]
2004/05	1,619 84.2%	276 14.4%	25 1.3%	2 0.1%	0 0.0%	1,922 [51.9%]



Feedback from visitors enables the Agency to identify opportunities for improvement, and to prioritise resources accordingly. As part of the Wilton Park conference questionnaire, we ask participants to rate our services and facilities for the events held at Wiston House. Results for 2005/06 are shown in the following table.

	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
MEALS						
2005/06	1,114 64.5%	489 28.3%	118 6.8%	5 0.3%	0 0.0%	1,726
2004/05	969 61.3%	482 30.5%	118 7.5%	11 0.7%	1 0.1%	1,581
SERVICE						
2005/06	1,451 83.7%	247 14.3%	33 1.9%	1 0.1%	1 0.1%	1,733
2004/05	1,302 81.5%	260 16.3%	31 1.9%	3 0.2%	1 0.1%	1,597
ACCOMMODATION						
2005/06	800 51.4%	463 29.7%	256 16.4%	36 2.3%	2 0.1%	1,557
2004/05	702 49.5%	440 31.0%	248 17.5%	28 2.0%	1 0.1%	1,419

All three of the excellent ratings figures improved from the previous year. Ratings for meals and service have reached new high points, and reflect the preparation, attention to detail and personal nature of the service delivery provided at Wilton Park. These same traits apply to management of the accommodation and facilities at Wiston House.

During the year, significant effort was put into the ongoing programme of bedroom and accommodation maintenance. This included the Agency's staff repainting the Elizabethan Great Hall and a range of decorative improvements to bedrooms. The resulting increase in customer accommodation excellence ratings recognizes the efforts made.



Promotion Of Wilton Park's Conferences

The majority of Wilton Park's conferences are planned some 12 to 18 months in advance, and are published in our annual Calendar of events.

The Calendar is distributed widely including to regular networks of contacts within government entities in the UK and overseas, to existing contacts within a wide range of international and UK organizations, and to previous conference participants.

Details of forthcoming conferences are 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 site shows our conferences in nine policy themes and provides clear information on the full scope of our policy 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 conferences activities, the site also provides a comprehensive range of reports on the discussions at past conferences.

Information is provided about the Wilton Park International Association and Corporate Membership schemes.

There is also on-line information available on hiring the facilities at Wiston House.

Commercial Activities

When Wilton Park conferences are not being held, the facilities at Wiston House are used by a large variety of entities for a wide range of activities. The Agency generates approximately 15% of its income through commercial use, predominantly through three different streams of business:

As a training and development venue
For conferencing and business meetings
Weddings and other celebrations

During 2005/06, we continued efforts to better promote this aspect of our business.

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

Support From The FCO

The FCO plays a key role in supporting the work of the Agency. During 2005/06, the FCO sponsored a range of Wilton Park conferences in support of achieving major strategic priorities.

The total for 2005/06 at £686,000 (£663,000 in 2004/05) represented 38% (42%) of the overall value of conference sponsorship. The FCO continued to provide strategic sponsorship of £123,000 in support of Wilton Park's public diplomacy aims.

Additionally, the FCO provides Wilton Park with capital investment resources. During 2005/06, capital investments amounted to £293,000 (£318,000 in 2004/05). The FCO also met the non-cash costs of the Agency, reflecting depreciation of assets, interest on capital and notional costs, which amounted to £686,000.



Financial Targets And Results

The Departmental Board annually set the primary financial target for the Agency.

Target 3 – Wilton Park should recover all its running costs from conference and commercial income. The Agency fell short of target by £202,000.

Total planned income (and running costs) was £4,191,000. We achieved income of £3,884,000.

Our Full Cost Recovery Target (reflecting full resource costs) was 86.8%. We achieved 81.4%.

The Agency is staffed at an appropriate level to meet its planned volume of conference and commercial activities. In order to achieve both this planned level of activity as well as the exacting quality standards, the Agency's recruitment policy has been to employ permanent staff in established roles, rather than to contract part-time resources for peaks of activity.

During 2005/06, the Agency saw an estimated increase of approximately £100,000 for pension contributions, arising from the increase in the Principal Civil Service Pension Scheme contribution rates. Our financial plans were designed to meet the recovery of these costs by anticipating an increase in the level of Wilton Park conference activity. The plans also envisaged generating the same level of commercial income despite the corresponding reduction in space available for commercial activity. This increased level of Wilton Park conference activity was factored around increasing the capacity of the Programme Director teams by two.

We planned to hold 62 conferences in the financial year 2005/06. We achieved 57 (excluding the Wilton Park International Association Annual Dinner included within our statistics, which has a separate income stream). At an average duration of 2.5 days per conference, the minimum anticipated income from these five events would have been in the region of £200,000.

Although we did not meet our intended target, we achieved a record level of income of £3,884,000 in 2005/06 (£3,683,000 in 2004/05). For the conferences held, income was strong, coming in above target and reflecting in part our revised policies, but also the efforts of everyone to focus on maximising revenues. The shortfall for the Wilton Park conference contribution to our overall finances was just over £50,000.

A number of staff changes combined with a full portfolio of scheduled and planned conferences within our annual calendar, placed additional strains on already stretched staff resources. We did not manage to convert potential collaborative projects with conference sponsors. We also saw the relatively short-notice cancellation or postponement of four planned conferences (due to a variety of political or operational priority changes with key partners), this decreased conference income potential and left little opportunity to deliver commercial alternatives.



Financial Targets & Results

A valuable comparison can be drawn from the Agency's performance in financial years 2005/06 and 2004/05:

	2005/06	2004/05	Increase
* Net WP Conferences	2,795	2,500	295
Commercial/Bar/Shop	628	665	-37
Miscellaneous	124	154	-30
Total	3,547	3,319	228
* Net Running Costs	1,513	1,489	24
Permanent Pay Costs	2,057	1,784	273
Casual & Agency and Other	179	148	31
Total	3,749	3,421	328
Movement	-202	-102	-100

* Reflects speaker and other travel costs paid by Wilton Park from conference sponsorship

Running cost increases were contained to a large extent, although there were some noticeable exceptions. Despite being as efficient as in previous years, our utility costs rose by £17,000, reflecting the general price rises in the UK gas and electricity markets. This was mirrored with an increase of £20,000 in the Agency's conference transportation costs.

Approximately £20,000 was spent on covering long-term staff absences in the Accounts Team, arising during the crucial phase of preparing our year-end accounts for 2004/05. We also saw increases in security costs as a result of moving to continuous operations in the wake of the general security environment.

The results are clearly disappointing, although the underlying factors are relatively clear. It is the Agency's clear priority to redress the declining trend in financial performance.

The extent of potential running cost savings are unlikely to prove the key to achieving our

targets. However, we continue to explore ways in which budgets can be better controlled and expenditure better targeted to meeting the Agency's objectives.

The Agency's ability to generate income is the key aspect to our financial success. In this respect, our conference planning processes have been reviewed, and our plans look as far forward as at any stage in the Agency's history. The planning process has also been sharpened to include sufficient space for commercial income generation, in order to provide an element of risk-free (or as close to it as one can get) income.

Creditor Payment

Our policy is to pay our creditors within 30 days of invoice date or receipt of month end statement whichever is later, or within otherwise agreed trading terms. Of the 4,537 payments made to creditors 4,395 were paid on time. Of the remaining 3.13%, 0.46% were in dispute but paid within 30 days of the dispute being settled.



Sustainable Development

The main contribution of Wilton Park to the Sustainable Development agenda is provided through Wilton Park conferences. One of Wilton Park's six core conference themes covers policies on the environment and sustainable development. Wilton Park is committed to the Government's prioritisation of sustainable development. The White Paper "Active Diplomacy for a Changing World", launched on 28 March 2006, highlights as Priority 6: "Promoting Sustainable Development and poverty reduction underpinned by human rights, democracy, good governance and protection of the environment".

This is the newest articulation of a growing commitment evidenced by the UK Strategy and the Framework for Sustainable Development launched by the Prime Minister in March 2005. Further, the Millennium Development Goals endorsed at the UN specify international targets on issues such as poverty eradication, health, education and environmental sustainability. The British Presidencies of the EU and the G8 coincided in 2005, providing an excellent opportunity to focus on Africa, development and climate change as international priorities. Three conferences took up these themes directly.

The conference "The Commission for Africa: Implementing the Findings" (May 2005) was part of the international multiplier programme of the Commission Secretariat. It provided a chance to present the interlocking analysis and strategy to an audience of African and G8 policymakers. UN agencies and the New Partnership for Africa's Development (NEPAD) were represented among the speakers. Commissioner Bob Geldof addressed the conference on the opening day. John Githongo, former Presidential Adviser against Corruption, was among the notable speakers with an early appearance after leaving Kenya.

"The Millennium Development Goals: Ensuring Achievability and Accountability" (June 2005) assessed progress in advance of the September Millennium Review Conference. Africa as a continent has most to make up, requiring a sustained average growth rate of 7% per annum for Sub-Saharan Africa until 2015, considerable increases in aid commitments and debt cancellation (largely delivered at the Gleneagles G8 summit) and real progress on the WTO Doha "development round" – where progress has been disappointing.

The September conference "Climate Change – international dimensions" took a broad view, emphasizing the impacts of climate change on developing countries, in particular in Africa and small island states. Long-term options for and beyond Kyoto were assessed; the conference concluded that all the major emitters have to be drawn into the regime for limiting greenhouse gas emissions.

Other conferences with a sustainable development dimension included:

The third of a series of health conferences conducted with the Global Fund with financial support from the Gates Foundation looked at: "Improving the Effectiveness of Health Investments in Developing Countries" (June 2005). The conference recommended that performance-based funding should be applied carefully and in relevant ways, particularly in post-conflict situations. Consideration of the role of the Secretariat produced differing recommendations, some calling for the Secretariat to achieve greater involvement of the private sector, others stressing the need to strengthen health systems. In general, the link between financial incentives and performance was felt to be appropriate.



The conference on "Higher Education for Development" (March 2006), co-sponsored by the British Council, welcomed the move to redress the balance through increased support for higher education. Particularly in Asia, development has been achieved through investment in human capital. The World Bank and a number of Northern donor countries have led a reassessment which, while stressing the need for primary education, emphasise that a balanced approach to "education for all" and to development requires appropriate policies for tertiary education.

The digital divide was addressed in the October 2005 conference on "The Role of New Information Technologies in Development: Becoming an Information Society", just before the Tunis World Summit on the Information Society (WSIS). Emerging economies have to be able to take advantage of new technologies for their economic development, or the digital divide will deepen and they will be left further behind.

"Promoting Good Governance and Development in Conflict-affected Countries" was addressed in a conference in June 2005. This addressed such issues as post-conflict reconstruction, civilian oversight over the police and military and the role of regional bodies and neighbouring countries. Cases considered included Sri Lanka, Sierra Leone and the Great Lakes region of Africa.

Environmental and developmental themes were addressed in a number of conferences focusing on regional and national priorities, including those on the Caribbean (September 2005) and China's Economic Growth and its Global Impact (October-November 2005). The former addressed issues such as trade policy, EU agricultural subsidies and their impact and whether tourism is a viable and sustainable approach to development in the Caribbean. The China conference looked at the sustainability of China's rapid economic development, its thirst for raw materials and the environmental effects of growth.

During the year, Wilton Park continued its drive to reduce the environmental impact of its operations. We have an active working group looking at all of the Agency's operations to see where we can improve further on steps already taken, which include waste compaction, recycling of a range of waste materials, reducing consumption of resources such as bottled water, and encouraging shared transportation.

Further progress has been made in our joint project with our landlord to implement a wood fuel boiler system. The technical feasibility of the venture has been confirmed through external reviews, in particular with the active support of Forest Research. The project has been highlighted within the DEFRA response to the Biomass Task Force Report of October 2006.





The significant beneficial aspects of this project, primarily encompassing a significant reduction in our heating demand for carbon-emitting gas oil (and an associated large reduction in running costs given the high fuel market prices), have been widely recognized.

We have submitted for planning application in line with our original target of May 2006. We are working closely with Forest Research in drawing together the contract and tender specification.

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 continue to promote and reward team working and performance. Our job-shadowing scheme has proved highly successful, as has our reward scheme, which recognises and rewards staff for outstanding achievements outside their work remit. Awards were made to 21 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.

Staffing levels increased from 71 to 72, including 27 part-time staff (the equivalent of 63 full time staff compared to 62 full time staff in the previous year). We have also employed 3 additional people during part of the year to cover for maternity leave.

This was another busy year in terms of recruitment. Staff turnover decreased to 17%, with 12 people leaving (including 4 retirements) and 16 recruited as director, associate directors, accountant, kitchen assistants, waiting staff, secretarial/administrative support and House team support. Recruitment is carried out in accordance with the Civil Service Commissioners' guidance. It is important to recruit staff of the right quality, in keeping with the rules of fair and open competition and selection on merit.

The recruitment figures are shown in the table below:

	Total Recruited	% Female	% Ethnic Minority	% Disabled
D	3	66	0	0
C	1	0	0	0
B	1	100	0	0
A	11	82	0	1

Wilton Park recognises 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 will continue to seek every opportunity to develop the potential of all staff at Wilton Park.

The strengthening of management skills has continued this year along with the continued development of IT skill. A number of staff are undertaking the European Computer Driving Licence, and to date 5 have obtained the full licence.



Every opportunity is taken to provide staff with the training necessary for improving their performance, closing any skill gaps and for their personal development. Health and safety, customer care and stress awareness training has been undertaken.

We have an active Health & Safety Committee, lead by the Personnel Officer, which meets quarterly to discuss a range of matters affecting our staff and visitors.

Future Plans And Prospects

Wilton Park has a proud 60 year history of shaping debate on key international issues.

We are confident that we will continue to deliver a valuable service to policy makers and opinion formers over the next decade and beyond. Continuing to concentrate on the quality of our conferences is our key task.

We also need to turn round our financial fortunes so that financial deficit, albeit small in percentage terms, is turned into surplus.

In order to achieve these two aspects, we have:

- A full schedule of Wilton Park conferences through to March 2007 (and beyond);
- Successfully renegotiated key commercial contracts;

- A full calendar of commercial events to supplement our core conference work, and commercial income generation is strong;
- Renegotiated a number of key supplier contracts that provide increased value for money.

A brief review of financial performance in the first quarter of financial year 2006/07 shows positive early signs that our plans are on track to deliver successful outcomes. We continue to review our spending priorities in delivering such outcomes.

Finally, we anticipate that the process of renewing the lease on Wiston House, Wilton Park's home since 1951, will be successfully concluded in the coming few months, thereby providing a strong element of continuity to the work of Wilton Park.

Adam Noble
Chief Executive
June 2006



Remuneration Report

Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made. The officials covered by this report hold appointments which are open-ended until they reach the normal retiring age of 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Adam Noble was appointed as Chief Executive of Wilton Park on a five year contract commencing 8 May 2006.

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 2005/06 (£'000)	Salary 2004/05 (£'000)
Colin Jennings, Chief Executive (until 31 January 2006)	65-70 (75-80 full year equivalent)	75-80
Richard Latter, Director (until 7 October 2005)	35-40 (70-75 full year equivalent)	65-70
Nicholas Hopkinson, Director Planning	60-65	55-60
Sheila Mackay, Director Conferences (from 15 September 2005)	25-30 (55-60 full year equivalent)	N/A
Tim Willows FCCA, Director Finance	50-55	45-50

'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 is provided with a rent free furnished cottage in the grounds of Wiston House in order to contribute to the successful fulfillment of this role.



Pension Benefits

Name, Title	Accrued pension at age 60 as at 31/3/06 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	CETV at 31/3/06 £000	CETV at 31/3/05 £000	Real increase in CETV £000
Colin Jennings, Chief Executive (until 31 January 2006)	25-30 plus lump sum 80-85	0-2.5 plus lump sum 2.5-5	630	576	18
Richard Latter, Director (until 7 October 2005)	15-20 plus lump sum 45-50	0-2.5 plus lump sum 0-2.5	366	347	8
Nicholas Hopkinson, Director Planning	10-15 plus lump sum 30-35	0-2.5 plus lump sum 0-2.5	263	232	13
Sheila Mackay, Director Conferences (from 15 September 2005)	N/a	N/a	6	N/a	6
Tim Willows FCCA, Director Finance	10-15 Plus lump sum 40-45	0-2.5 Plus lump sum 2.5-5	206	174	20

Civil Service Pensions

Pension benefits are provided through the Civil Service Pension (CSP) arrangements. From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium, and classic plus). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder based arrangement 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 and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.



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. 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).

Further details about the CSP 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 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 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 CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement

which the individual has transferred to the CSP arrangements and for which the Civil Superannuation Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own costs. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Please note that the factors used to calculate the CETV were revised on 1 April 2005 on the advice of the Scheme Actuary. The CETV figure for 31 March 2005 has been restated using the new factors so that it is calculated on the same basis as the CETV figure for 31 March 2006.

Real Increase In CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of 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.

Adam Noble
Chief Executive
June 2006



Support for Wilton Park Conferences

Many prominent organisations provided invaluable financial and other support for Wilton Park conferences in 2005/06. Nearly all such financial support is used to fund the attendance of participants from developing countries or NGOs, or to host Wilton Park conferences outside the UK. In 2005/06 the following public and private institutions from around the world supported the conferences:

British Government Departments

British Council
Department for Environment, Food and Rural Affairs
Department for International Development
Department of Trade and Industry
Foreign & Commonwealth Office
Global Conflict Prevention Pool (joint initiative FCO/DFID/MOD)
Home Office
Ministry of Defence
UK Trade & Investment

Other Governments

Austrian Foreign Ministry
Canadian High Commission, London
Foreign Affairs Canada
The Government of Canada
Defense Threat Reduction Agency
Ministry for Foreign Affairs of Finland
The Government of The Republic of Macedonia
Royal Ministry of Foreign Affairs, Norway
Norwegian Agency for Development Cooperation
Serbian Ministry of Education and Sports
Swedish Ministry of Foreign Affairs
Swiss Agency for Development and Cooperation
The Swiss Federal Department of Foreign Affairs
US Department of State, Washington DC
US Embassy, London

International/Multinational Organisations

Commonwealth Parliamentary Association
Commission for Africa Secretariat
NATO
World Bank Institute
UN Global Compact Office, New York
United National University Comparative Regional Integration Studies, Bruges
The United Nations Children's Fund
UN Office for Co-ordination of Humanitarian Affairs

Business Sponsors

BP
F. Hoffmann-La Roche Ltd
The Hong Kong and Shanghai Banking Corporation Ltd
Hong Kong Electric Holdings Ltd
Jardine Matheson Ltd
RIPA International
Science Applications International Corporation
Standard Chartered Bank (Hong Kong) Ltd
Swire Pacific Limited
tomorrow's company
Virgin Atlantic

Corporate Members

BAE SYSTEMS
British Sugar
Diageo
The D Group
Rio Tinto
RWE Thames Water
Science Applications International Corporate
Shell
Standard & Poor's



Foundations

Bill & Melinda Gates Foundation
Carnegie Corporation of New York
Ford Foundation
Foundation Open Society Institute (Zug)
Hanns Seidel Foundation
The Sir Heinz Koeppler Trust
Rockefeller Foundation, New York

Other British Organisations

Association of Chief Police Officers
Arts and Humanities Research Council
Chatham House
China Policy Centre, University of Nottingham
GAP Activity Projects
Demos
Economic and Social Research Council
European Financial Forum
Institute for Public Policy Research
Trades Union Congress
ICT4D Collective, Royal Holloway, University of London

Other International Support

Belgrade Fund for Political Excellence
Diplomatic Academy of Vienna
Center of Strategic and International Studies, Washington DC
Centre for Arab Unity Studies, Beirut
China Centre for Comparative Politics and Economics, Beijing
Conciliation Resources
Committee for European Integration, Warsaw
Crisis Response Journal
Deutsches Aktieninstitut
Egyptian Council for Foreign Affairs, Cairo

Euroforum, El Escorial
European Centre, Natolin
European Stability Initiative
Europlace
Federation of European Securities Exchanges
The Finnish Institute of International Affairs
The Global Fund to fight AIDS, TB and Malaria, Geneva
Global Knowledge Partnership, Kuala Lumpur
Hong Kong Economic & Trade Office, London
Institute for Global Health, University of California, San Francisco
Institute for National Strategic Studies, National Defense University
International Development Research Centre, Ottawa
International Institute for Environment and Development, London
International Peace Academy, New York
North-South Institute, Ottawa
Parliamentary Centre, Ottawa
Swedish Programme for ICT in Developing Regions, Stockholm
Stockholm International Peace Research Institute
Swedish Institute in Alexandria
United States Agency for International Development
United States Institute for Peace



Conference Highlights



Ambassador Augustine Mahiga, Permanent Representative of Tanzania to the United Nations, New York (right) and Gerald Anderson, Director, Office of Peacekeeping, Sanctions and Counter-terrorism, US Department of State, Washington DC (left)

Assisting United Nations Reform

UN reform process has been a key part of our agenda. Our conference **Putting Decisions Into Practice: How Will the UN Peacebuilding Commission Fulfil its Mandate?** followed on from the agreement by the UN General Assembly and the Security Council to establish a new Peacebuilding Commission, to improve UN efforts in assisting countries emerging from conflict. The conference, held in February, 2006, considered how the Commission should work in practice, and under what circumstances it could support countries affected by conflict. Participants said that the Peacebuilding Commission's work would be best advised to focus on a limited range of tasks in a small number of countries during the first year.

The UN's role in peacebuilding was also examined at our conference in April 2005, on **The UN's Relationship with Regional Organisations: How Should it be Developed to Mutual Advantage in Peacekeeping and Peacebuilding?** It discussed the comparative advantages of regional organisations which can intervene in situations where there are political constraints on UN action. Regional organisations can also often react much more quickly; they are more flexible and able to improvise and they have greater familiarity with issues on the ground. And yet, the UN is still regarded as the source of legitimacy. Considerably more information sharing between the UN and regional organisations is needed and much greater cooperation

between regional organisations themselves, which tend to guard their own 'territory' zealously.

UN human rights reform was discussed in January, 2006 at our conference **How to Advance the Human Rights Agenda?** It followed the UN World Summit's decision to support the creation of the Human Rights Council, and to double the regular budget of the Office of the High Commissioner for Human Rights (OHCHR). The conference considered how to launch and develop the Human Rights Council and options for reform of human rights treaty monitoring bodies, as well as how to strengthen the field presence of OHCHR in supporting better implementation of human rights at national and local levels.



Robert C. Orr, Assistant Secretary-General for Policy Planning, Executive Office of the UN Secretary General, New York (right) and Ambassador Carmen Gallardo Hernandez, Permanent Representative of El Salvador to the UN, New York



Nicholas Howen, Secretary General, International Commission of Jurists, Geneva (left) Bennett Freeman, Managing Director for Corporate Responsibility, Burson-Marsteller, Washington DC (right)

Sergio Cerda, Minister, Permanent Mission of Argentina to the United Nations, Geneva (left) and Ursula Wynhoven, Human Rights Adviser, Global Compact Office, United Nations, New York (right)

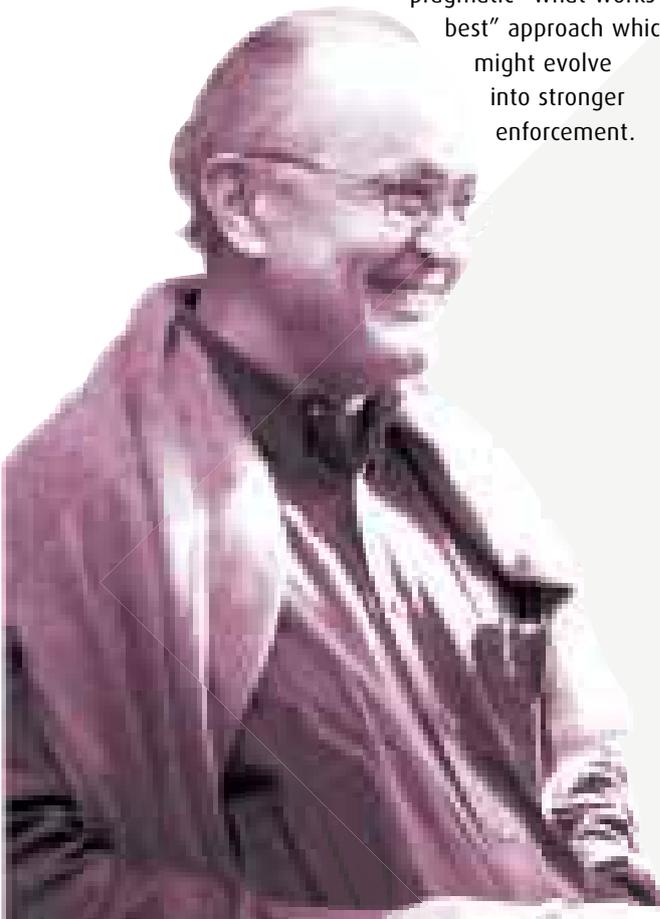
Our conference on **Human Rights and Business**, in October 2005, aimed to support the new impetus given to the UN's work on these issues through the appointment by the Secretary-General of a Special Representative on the issue of human rights and transnational corporations and other business enterprises. Debate has been log-jammed in recent years. There are deep divisions in the corporate sector and among non-governmental organisations over whether business conduct should be governed by voluntary, or binding, standards. The conference discussions emphasised the need for a pragmatic "what works best" approach which might evolve into stronger enforcement.

The European Union

The rejection of the European Union's (EU) Constitutional Treaty in the French and Dutch referenda in May and June 2005, and the debates on the consequences for the EU's future, its foreign policy ambitions, and the future of enlargement, formed the backdrop for an intense programme of European conferences.

The next steps for the EU in resolving the constitutional crisis were discussed at our conference on **The Future of the European Union** in February 2006. Citizens, it was noted, often vote for reasons that bear little relation to the question posed in referenda, for example to express dissatisfaction with their governments. Furthermore, many citizens in economies

suffering from slow growth have come to regard the EU as a threat associated with globalisation and immigration. Little political and legislative effort is likely to be spent on the Constitutional Treaty until after the May 2007 French Presidential election. Thereafter, member states will have to decide a range of options, which include; 'cherry picking' parts of the Constitutional Treaty, or declaring it 'dead', and continuing to operate within the existing Nice Treaty. It was uncertain, however, whether the enlarged EU can function effectively under the Nice provisions. The need to secure public support is also critical.



John Ruggie, Special Representative of the UNSG on human rights and business (left) and Lene Wendland, Human Rights Officer, Office of the High Commissioner for Human Rights, UNOG-OHCHR, Geneva (right)



Noel Treacy, Minister of State for European Affairs, Dublin (left) and Jaroslaw Pietras, Secretary of State for European Affairs, Warsaw

The implications of the referenda rejections for EU enlargement were addressed in our conference, **The Enlarged EU One Year On**, held outside Warsaw in July 2005. It assessed the success of the enlargement of the EU since May 2004, with eight of the new members coming from Central Europe. While the new members were regarded as having played a positive role in the EU, and have injected new enthusiasm, they had not yet made a dramatic impact on the enlarged EU of 25 member states. Some argued, however, that enlargement may have made a major contribution to the “no” votes in the French and Dutch referenda. Although this view was strongly challenged, it was recognised that there may have been some conflation of enlargement anxieties with fear of economic competition, social and cultural change, feelings of disempowerment and failure in the political process. It is important therefore that EU leaders communicate fully the nature and actual impact of EU enlargement to their publics.

The implications for enlargement were further discussed in two events held in September 2005. Our conference on the **EU’s Eastern Neighbours and the**

Future of Enlargement, in Vienna, considered how the Eastern enlargement of the EU increases the importance of the EU’s relations with its new Eastern neighbours. The new member states in Central Europe believe that enlargement has shifted the emphasis on EU neighbourhood policy from Southern to Eastern neighbours, and created a European Union perspective for the Ukraine after the presidential elections there. Some believe, however, there is a risk of compartmentalising EU neighbourhood policy into Southern and Eastern segments.

Macedonia’s candidacy was seen as a test case of the EU’s appetite for further enlargement. Our conference on **Preparing South East Europe for EU Accession**, held at the National Assembly in Skopje, also in September 2005, addressed EU enlargement to South East Europe. It also examined the consequences of “enlargement fatigue” for the South East European applicant

states. If the prospect of membership is removed from South East Europe, it was feared that the whole EU stabilisation effort in the region could be in jeopardy. It was also clear that states in South East Europe could help to counter doubts about enlargement by making substantive reforms.

The precise ways in which key countries in the Western Balkans might reach European standards was addressed at our conference **Preparing for Europe: Education for National Minorities in Serbia**, held in Belgrade, in association with the Belgrade Fund for Political Excellence (BFPE), in November, 2005. Addressing the needs of national minorities, who make up 17% of Serbia’s population, is an essential part of the whole European reform process. In countries such as Serbia, where resources are limited, it is an intensely political issue. Ministers, advisers and officials from the Serbian Ministry of Education and Sports discussed education



(foreground) Sonja Licht, President, Belgrade Fund for Political Excellence, and Slobodan Vuksanovic, Minister of Education, Belgrade



...people left the conference feeling that something serious had been accomplished. It had a real follow-up unlike many similar events; people from several Government administrations met there, and are continuing to co-operate.

Sonja Licht, President of the Belgrade Fund for Political Excellence



reforms for Serbia's minorities, together with their counterparts from the previous Government. "This is the first time the old government and the new government education experts have ever met for a constructive dialogue," said a former Minister at the start of the conference. Also taking part were Serbian MPs and education experts from Serbia and abroad. Leading representatives of Serbia's national minorities were also heavily engaged in the discussions. Throughout the conference, the importance of policy continuity was emphasized. The underlying issue, it was agreed, is the promotion of values of tolerance and of multiculturalism in the whole country. To complement national media coverage and to make sure the discussions reached minority communities, a video report was sent to broadcasters serving minority audiences. An action plan, and two reports in English and Serbian, were produced. Discussions engaging education experts, policy-makers and legislators have continued since the conference.

The broad thrust of EU foreign policy was discussed in two conferences. The first, in July, 2005, **Europe's Common Foreign and Security Policy:**

The Art of the Possible? coincided not only with the aftermath of the rejection by several countries of the proposed EU Constitutional Treaty but also with the day of the London bombings. Both events prompted a reiteration of the importance of achieving coordinated and coherent EU policies in key areas such as migration, counter terrorism and in new initiatives launched to integrate Muslim communities. Relations with the US had improved considerably, following the crisis caused by the Iraq conflict, and it would be a real pity to lose the impetus on progress made in foreign policy co-ordination – especially as this was one area where polls indicated that voters were conclusively in favour of more joint action.

Our conference **What Role for the European Union in Foreign and Security Policy?** in March 2006 debated how some of the developments in foreign policy co-ordination,

frozen by the Constitutional crisis, could be consolidated. There is still a need to find better ways of streamlining assets, objectives and ambitions. On critical issues and at critical times the EU had showed it could speak with one voice. Neighbouring countries and other regional organisations considered the EU a model to aspire to. Realistic objectives, in key strategic areas and over key issues, could yield better results than excessive global ambition. Figures, such as the High Representatives and Special Representatives, played an important part in consolidating achievements and in giving the EU a voice when it really needed to be heard. The conduct of the Belarus Presidential elections prompted a swift united condemnation by conference participants and the conference provided an opportunity for specific responses to be generated that have been subsequently implemented by the EU.



Radmila Šekerinska, Deputy Prime Minister of Macedonia opening the Wilton Park conference in Skopje



Dr Massouda Jalal, Minister of Women's Affairs, Kabul, with Nick Grono, Director of Advocacy and Research, International Crisis Group, Brussels

“
The conference in Wilton Park helped us to bring new focus on some of the priority areas.
”
Dr Abudullah Abdullah, former Afghan Foreign Minister

Key Regions And Countries

Afghanistan

Our conference on **Afghanistan: Beyond Bonn**, in May 2005, provided the opportunity for members of the Afghan Government, the UN, NATO, senior policy makers from donor states and representatives of non-governmental organisations to discuss informally the future framework for international assistance to Afghanistan, taking over from the Bonn Agreement negotiated in December 2001. The conference played a key role in beginning to build the consensus that resulted in the Afghanistan Compact adopted at the London Conference in January 2006. The then Afghan Foreign Minister Dr Abdullah Abdullah publicly stated; “The conference in Wilton

Park helped us to bring new focus on some of the priority areas”. Priority tasks identified were: state-building, including judicial reform, provincial and local government reform, tackling corruption and steps towards fiscal sustainability; reconstruction and development, including managerial capacity building, promoting a private sector, countering narcotics, providing sustainable alternative livelihoods with the regional dimension to economic development being taken into account; security, including strengthening the Afghan National Army and the police, tackling illegal armed groups and ensuring NATO can meet the challenge of expanding the International Security Assistance Force's (ISAF) effective presence throughout Afghanistan.

The Middle East and the Gulf

Post conflict instability in Iraq, state weakness and transnational terrorism in the Arabian peninsular and developments in Iran, including Iran's nuclear ambitions following the Presidential elections, were examined in December 2005 at our conference on **What are the Prospects for Security in the Gulf?** The conference sought to encourage regional cooperation and to contribute towards the development of policy options for regional or sub-regional security arrangements. US-Iranian relations were described as being at the heart of security issues and participants from the two countries maximised the opportunity the conference provided to exchange views informally. There was a strong sense,



Afghanistan's National Security Adviser, Dr Zalmay Rassoul (centre) with Zahir Tanin, Editor, Afghanistan, BBC World Service, London and Dr Rangin Dadfar Spanta, Foreign Policy Adviser to President Karzai, Kabul, now Minister of Foreign Affairs of Afghanistan



that while Iran would not concede on its nuclear aspirations, it is looking to open a dialogue with the US on a range of issues, not only confined to Iraq. With neighbouring countries concerned at Iran's growing influence in the region, some suggest the Gulf Cooperation Council (GCC) could be bolder and more creative in establishing relations with Iran and Iraq. However, it was felt that without a signal from the US, any GCC initiative to engage Iran was unlikely.

Libya

The conference, **Libya: Fulfilling Potential at Home and Abroad**, held in March 2006, discussed progress, to date, in normalising relations between Libya and the international community. Libya's 2003 decision to renounce weapons of mass destruction has transformed its standing and afforded the country better international relations and trade. Libya set a good model for other countries in this. But there is a need to press ahead with reform. Immediate efforts should be directed towards the public service sector.

Respect for the rule of law is crucial. The continued existence of discretionary administrative decisions dents confidence badly and discourages investors.

Libyans may not feel that they been sufficiently compensated for their efforts by the international community but need to understand that Britain in particular has gone to great lengths to help Libya's re-integration and to assist with Libya's development. The conference followed one held in 2003 and a decision was made to hold a further event in 2007 as part of an on-going Wilton Park Libya Process. A senior US businessman said he had "changed the company's entire strategy on Libya" as a result of attending the conference.

Russia, Caspian and Central Asia:

Our conference on **Russia: The G8 Chairmanship and Beyond, in March 2006**, analysed perspectives for Russia's leadership of the G8 in the context of what some see as a new crisis in relations with the West

prompted by concerns over issues such as the governments's interference in elections in neighbouring countries; in business administration and in energy supplies. The discussions provided a platform for G8 member countries to express their concerns and priorities to Russia and thus help shape the agenda for the coming year.

Russia needed to do better on the democratic/civil society front and to be more transparent. The law to limit NGOs had proved particularly contentious. Real progress could be made in areas such as HIV/Aids and human and drug trafficking. Russian participants stressed that positive engagement, based on realistic expectations, was required from the West. For all its grand standing, in critical areas such as security and energy, Russia probably needed the West more than the other way around. The G8 provided an opportunity for real progress on issues of substance and should be approached in that way rather than as an opportunity for grand standing by the Russian Presidency.



I enjoyed the conference and benefited from its exchanges as well as discussions in its margins.... I look forward to another opportunity to participate at your events and wish you success.

Jan Kubis, Special Representative for Central Asia, Council of the European Union, Brussels



Our conference on **Caspian And Central Asia: Regional Stability, Political And Economic Change** was addressed by the Foreign Minister of Kazakhstan. Caspian and Central Asian energy resources can be the motor, not just for the transformation of the countries with these resources, but also for the external markets of China and the European Union. Russia's role is crucial. Alternative scenarios can be constructed in which leaders and governments fail to allow democratic transformation, where the accumulation of wealth is concentrated in few hands and quality of life remains inadequate for the majority and where the rule of law is not applied in ways that protect people and property. Energy is the key sector for economic transformation. The completion of the Baku-Tbilisi-Ceyhan (BTC) pipeline underlines the challenges of

bringing more oil and gas from the Caspian region to the global markets. Russia has stressed that energy security will be a key theme for the G8 presidency, but the recent experiences of the Ukraine and Georgia prompted the question *'energy security for whom?'* Democratic values and good governance are the basis for real long-term stability in the region. Political reform is hard to achieve, but this makes it all the more necessary to concentrate on, given the security threats in the region. Provision for peaceful transition, as some of the highly personalised, highly centralised regimes reach the end of their time, is essential. Kazakhstan has achieved considerable economic diversification, but other countries in the region still need to address the agenda.

China and Hong Kong

The annual China conference brought together over 20 Chinese experts to assess **China's Economic Growth And Its Global Impact** at the end of October 2005. This was deemed to be very beneficial for both China's own development prospects and for the global economy, developed and developing countries alike. There are, however, serious challenges that China and the rest of the world need to address. If China moves further up the "value-chain" in its production of manufactured goods, trade friction with the USA and EU may reduce in the short term. Africa will remain a source of much needed resources and provide increased trade opportunities; the degree to which China will support Africa in return through providing help to



Kassymzhomart Tokaev, the Foreign Minister of Kazakhstan addresses the conference on Caspian and Central Asia: Regional Stability, Political and Economic Change



The China/HK conferences were most enjoyable and stimulating. The China participants this year were particularly frank and forthright... and I appreciate very much the extra efforts they have made to communicate with colleagues from other countries/disciplines/ideologies.

Willy Lam, Professor of China and Global Studies,
Akita International University, Japan



alleviate poverty will be critical. Although China's preference is to focus, initially, on regional issues, it is likely to be drawn more and more into global debates such as the WTO Doha Round and donorship issues to meet the Millennium Development Goals (MDG); key objectives on poverty eradication and related issues agreed at the UN Millennium Summit in 2000. Much, however, will need to be done in the coming years by international policy makers to encourage openness, weave China into the international fabric of global economic life and, thus, ensure China's economic growth is a "win-win" development for all.

The China economy conference was immediately followed by a meeting on **The Future Role of Hong Kong In The Region**. It was opened by Donald Tsang, Chief Executive of the Hong Kong Special Administrative Region (SAR)

Government. Although concerns revolved around the apparent decline of Hong Kong as a business destination for the UK and Europe, much optimism was voiced about the unique role Hong Kong has to play in the region, not least as a key global financial services centre. It was suggested that action was needed to strengthen its external role, for example by membership of the OECD (Organisation for Economic Co-operation and Development); by seeking to implement a competition law and by strengthening intellectual property controls. Debate around the best route to democracy in Hong Kong was divided; one view emphasised the need for improved dialogue with Beijing, while others argued that political development stretched beyond universal suffrage and that good governance and accountability should be the goals.

The Caribbean

Can the Caribbean countries overcome the major challenges they face and work together more effectively? These were among key questions at the conference **The Caribbean: Can Security And Prosperity Be Achieved?** Thirty participants represented the Caribbean at the conference held in September 2005. The most immediate challenge facing the region is economic as the production of traditional commodities such as bananas and sugar is hit both by cheaper producers elsewhere and by reduced preferences to European markets. While Caribbean representatives called for continued trade preferences, representatives from the EU argued that, as many Caribbean countries were 'middle income' countries, they should diversify their economies away from



Colin Jennings, former Chief Executive, Wilton Park, introducing Donald Tsang who opened the conference on The Future Role of Hong Kong in the Regions



Glenys Kinnock, MEP, Co-President, ACP-EU Joint Parliamentary Assembly, Brussels, addressing the conference on Achieving Security and Prosperity in the Caribbean – a European perspective

reliance on single agricultural crops. Development of service industries was widely discussed as an alternative but it was argued that farm workers cannot transfer directly to work in the financial services or tourism industries. Tourism can play a more significant economic role in future but the industry needs further investment. The impact of cocaine being transited through the Caribbean is another major challenge for the region. Money spent on security measures to counter drugs becomes unavailable for social and economic measures to encourage entrepreneurial economic development. It is generally recognised that the region itself must work together, strengthening its regional institutions and ceding some national powers if necessary, if it is to avoid becoming "another Africa" in 20 years time. An International Donors Conference on the Caribbean was proposed to help the region move forward.

Kosovo

Post conflict security, political and economic, in the most potentially dangerous European "hotspot," Kosovo, was addressed at our conference on the divided town of Mitrovica in March 2006. **Mitrovica's Future**, held in Vienna at the suggestion of the UN team negotiating Kosovo's future status, examined measures to address Mitrovica's socio-economic crisis, including options for a new donor-funded non-profit university. Ways of addressing the immediate concerns of the Kosovo Serb minority community, by creating a separate North Mitrovica municipality, while ruling out partition, were also mooted. The ideas were then discussed with the leading members of Kosovo's political leadership as they developed their negotiating positions for the UN-led talks.

Sustainable Development

The British Presidencies of the EU and the G8 in 2005 provided an excellent opportunity to focus on Africa, on development and on climate change as international priorities. The Prime Minister's Commission for Africa chose to stage one of its events for bringing its analysis and recommendations to an international audience at Wilton Park, **The Commission For Africa – Implementing the Findings**, May 2005. The conference drew over 100 participants and was held in the run-up to the G8 meeting in Gleneagles with Bob Geldof, one of the Commissioners for Africa, among the speakers. A number of encouraging signs in Africa were discussed. The African Union and NEPAD (The New Partnership for Africa's Development) are becoming increasingly authoritative



(left) Gilbert Scott, Permanent Secretary, and Peter Phillips, Minister, Ministry of National Security, Kingston with Debbie Ransome, Head, BBC Caribbean Service, London



(left) Kwasi Aswante, Economic Officer, Ministry of Regional Co-operation and NEPAD, Accra, (centre) Myles Wickstead, Member of the Wilton Park Academic Council and former Head of Secretariat to the Commission for Africa, (right) Eric Ndaysimiye, Project Co-ordinator, Right to Play, Kigali

institutions. Many countries now have poverty reduction strategies. The Commission for Africa had recommended a doubling of aid from \$25 billion to \$50 billion per annum – which was accepted at the Gleneagles G8 Summit. What is needed now is an effective coalition between Africa and the rest of the international community to ensure that the coherent package of recommendations is fully implemented. For Africa to attain a sustained average growth rate of 7% per annum until 2015, the level of growth required to realise the Millennium Development Goals, the private sector has a crucial role. Business action is increasing pressure on governments.

Africa's needs were also considered at our conference on **The Millennium Development Goals: Ensuring Achievability and Accountability.**

It assessed progress in advance of the September 2005 Millennium Review Conference to assess progress on key objectives on poverty eradication and related issues agreed at the UN Millennium Summit in 2000. Sub Saharan Africa requires considerable increases in aid commitments, and debt cancellation, which were largely delivered at the Gleneagles G8 summit, and real progress on the World Trade Organisation (WTO) Doha "development round," where progress has been less encouraging.

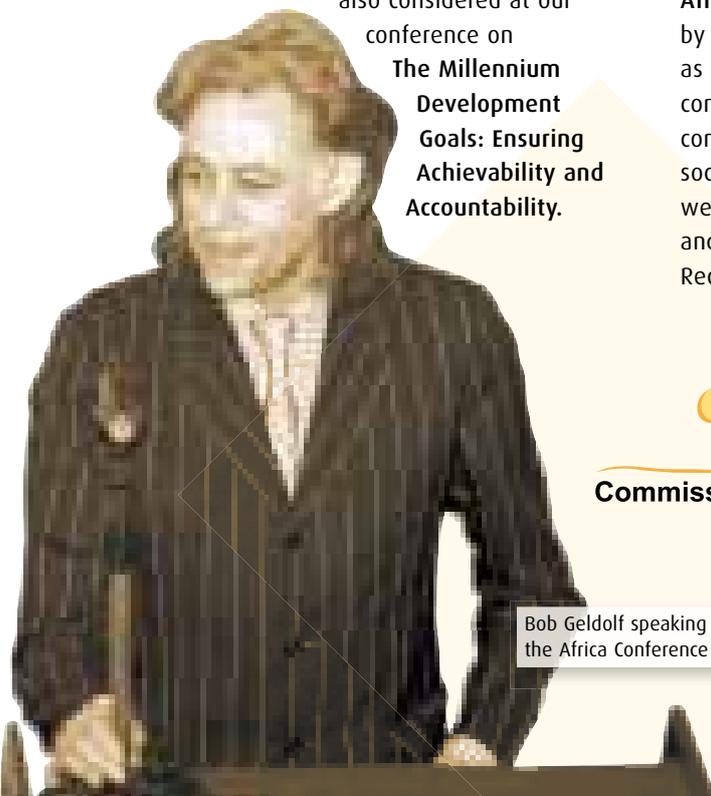
Africa was also the focus of our conference in November, 2005 on **Strengthening National Responses to Children Affected by HIV/AIDS: What Is The Role of the State and Social Welfare in Africa?** This event, sponsored by UNICEF, was developed as a high-level policy consultation to consider contrasting approaches to social protection and social welfare on a global level and within African states. Recommendations from the

conference were taken up by the African Union, which was represented by Commissioner Bience Gawanas.

The conference focused on the impact of the HIV/AIDS pandemic on low-income countries, particularly on poorer communities. UNICEF statistics show that children under 15 account for one in six of global AIDS-related deaths, and worse case projections indicate that as many as 27 million children in Africa could be orphaned by AIDS between now and 2025. Participants from UN agencies, NGOs, governments and academia discussed the obligations of states, support for low capacity countries and long-term strategies to tackle the impact of the AIDS pandemic. To date, policy responses have been predominantly health centred; political focus is now shifting, however, and the increase in funding, coupled with a greater awareness of the wider social implications, provides an opportunity to tackle the challenges in different ways.



Bob Geldolf speaking at the Africa Conference





“...one of the best conferences I have been to in many years. The agenda really moved things along for me as it provided the macro level on a range of very critical issues for our work here.

Jane Wilson, UNAIDS Country Coordinator, Joint United Nations Development Programme on HIV/AIDS (UNAIDS), Jakarta

“...the Conference was a great success – it provides an excellent venue for exchange of information and insights about climate change and energy and the opportunity to establish contacts with people of similar interest.

Juan M. Pulhin, Associate Professor, Department of Social Forestry and Forest Governance, College of Forestry and Natural Resources, University of the Philippines Los Banos

The impact of climate change on developing countries in Africa, and in other parts of the world, including small island states, were discussed at our conference, **Climate Change & Energy Security – International Dimensions** in September, 2005. It considered the long-term options under the Kyoto Protocol to the United Nations Framework Convention on Climate Change, and beyond. The conference concluded that all the major emitters have to be drawn into the regime for limiting greenhouse gas emissions. The emphasis has moved from Kyoto ratification to post-Kyoto architecture. It was said that a wider group than the Kyoto signatories, including the USA, and major emitters among the transition states and developing countries, must be engaged in the next stage. Energy security and energy alternatives play an increasingly central role in discussions. There is also much greater awareness of the need to integrate climate change and disaster

prevention/relief into the development agendas such as the Millennium Development Goals and Poverty Reduction Strategy Papers.

Our conferences with a sustainable development dimension included the third of a series of health conferences conducted with the Global Fund (GF) for Aids, TB and Malaria with financial support from the Gates Foundation. This looked at **Improving The Effectiveness of Health Investments In Developing Countries: How is Performance-Based Funding Working?** The conference, held in June, 2005 recommended that performance-based funding should be applied carefully and in relevant ways, particularly in post-conflict situations. Key issues included: designing effective targets and indicators at the outset of proposals; encouraging widespread partnerships to ensure local ownership of funding (civil society and private sector organisations have proved to be the most successful in

scaling up healthcare with GF money); ensuring transparency throughout the process and effective monitoring and feedback. It is essential to address poor performance. Early warnings from the countries themselves are an important means to achieve this.

Higher Education for Development was discussed in March 2006 at a conference co-sponsored by the British Council. Participants welcomed the move to redress the balance through increased support for higher education. Development, particularly in Asia, has been achieved through investment in human capital. The World Bank and a number of Northern donor countries have led a reassessment which, while stressing the need for primary education, emphasizes that a balanced approach to “education for all” and to development, requires appropriate policies for tertiary education.



(on left) Carol Medlin, Assistant Adjunct Professor, Institute for Global Health, University of California, Andrew Kitua, Director General, National Institute for Medical Research, Dar Es Salaam, Faruque Ahmed, Director, Health Programme, BRAC, Dhaka, and Corinne Capuano, Country Liaison Officer, WHO, Port Vila



I enjoyed the stay in Wilton Park: a wonderful place, a perfect organization, an interesting topic ... and a group of "experts" from very different areas which made the discussions very interesting and thought provoking.

Patrick de Rousiers, Major General, Head, Euro-Atlantic Division, French Joint Staff, Paris



The role of information technology, and the digital divide, was addressed in October 2005 at our conference on **The Role of New Information Technologies in Development: Becoming an Information Society**, held just before a World Summit in Tunis on the Information Society. Emerging economies have to be able to take advantage of new technologies for their economic development, or the digital divide will deepen and they will be left further behind.

Promoting Good Governance and Development in Conflict-affected Countries was addressed in our conference in June 2005, which examined issues such as post-conflict reconstruction, civilian oversight over the police and military, and the role of regional bodies and neighbouring countries.

The conference on **Concluding the Doha Development Agenda Trade Negotiations: Prospects for the Hong Kong Ministerial and Beyond** in July 2005 looked forward to the Hong Kong meeting, and focused on the need for progress.

Defence And Security

The international security and defence programme covered new and traditional security topics. They included the **Next Generation Weapons of Mass Destruction (WMD): Anticipating The Threat** in June 2005. The conference, organised at the suggestion of the US Government's Defence Threat Reduction Agency, brought together academics, analysts and officials and science fiction writers, to explore potential technological developments

in Weapons of Mass Destruction (WMD) over the next 50 years and their implications. Issues discussed included currently emerging WMD technologies and a prediction of scientific and technological capabilities in 2050; the nature of the likely WMD threat and how best to deal with it; the nuclear and space dimensions; environmental considerations; and possible preventative arms control initiatives.

Our first conference on the use of space technology in defence and security operations' **Space: Key to Europe's Security And Defence Capabilities?** brought together European defence officials together with top-level involvement from the US National Security Space Office and also industry representatives. It was held in September 2005. Four messages emerged from the discussions: network-enabled





operations will require more attention to space in Europe; the ability to operate with the USA will suffer unless the USA is prepared to share technology more liberally; responsibility for generating space assets and services in Europe will rest with the major nations, not primarily on the Community or Alliance level; resources for space will remain very limited in Europe and a good prioritisation of requirements will thus be essential.

Wilton Park continued its discussions on **Chemical & Biological Weapons (CBW) Proliferation: Developing New Responses** in September, 2005. Experts from US government agencies, British and French officials, and analysts from Russia and China discussed how to combat the latent weaponisation and terrorist use of CBW, and the extent to which the Biological and Toxin Weapons Convention review process can contribute. Among the other issues

addressed were; the need for broader government intervention to combat the CBW threat in industry, the effectiveness of export controls, and the Organisation for the Prohibition of Chemical Weapons' future priorities in the shorter term.

There were diverging views of the relevance of the Nuclear Non-Proliferation (NPT) Treaty Process at the annual December 2005 meeting on **Nuclear Non-Proliferation: What Next After the NPT Review?** The perceived 'failure' of the 2005 NPT Review Conference is considered by critics of the review process as an indication of the limitations and futility of the process. In contrast, many hold that the NPT remains the integral normative and legal basis for the nuclear non-proliferation regime and that the emphasis on branding it, (and the review process) as a failure is counter-productive and may even doom it to become a self-fulfilling prophecy.

NATO's Political And Military Transformation was discussed in January 2006. The conference focused on NATO's future role in the Western Balkans, in the greater Middle East and in Central Asia. In addition to debating how deeply NATO should be involved in these regions, there was rich discussion about NATO's growing involvement in newer areas of operation as diverse as counter-terrorism, disaster relief, and helping to prevent the proliferation of weapons of mass destruction. It was felt that addressing these issues successfully would



Ambassador Victoria Nuland, US Permanent Representative to the North Atlantic Council, Brussels



Huseyin Bagci, Professor, Department of International Relations, Middle East Technical University, Ankara (left) with Rolf Nikel, Director, Global Issues and UN Affairs Group, Federal Chancellery, Berlin (right)

occur only if the transatlantic link is reinvigorated, and if past temporary divisions, such as over Iraq, do not obscure the ongoing need for continued cooperation.

The transatlantic security relationship as a whole was the focus of our conference on **the Future of The Transatlantic Security Link** held in October 2005, in cooperation with the German Hanns Seidel Foundation. The Transatlantic security community was still alive, in spite of much recent confrontational language, although differences of perception and political

approach persist. Participants were concerned, however, that the relationship, and the international system it helped to shape, may be more fragile under stress than many believe. The conference identified four main issues that need attention: maintaining political support at home for the close-knit trade and investment network that helps to bind Europe and North America together; acting together against nuclear proliferation; engaging the Middle East and Muslim populations at home constructively; and the impact of China's rise as a global actor.

Countering Terrorism

Wilton Park has continued its series on counter-terrorism with three conferences during the year. The first, **Is US Counter-Terrorism Policy Working?** was held in the immediate aftermath of the July 2005 bombings in London. Opened by the US State Department's Coordinator for Counter-Terrorism, it addressed the US Government's assessment of the



(left) Helga Haftendorn, Professor, Free University of Berlin, (centre) James Warlick, Director, Office of European Security and Political, US Department of State, Washington DC and (right) Alexandros Papaioannou, Policy Planning Adviser, Office of the Secretary General, NATO, Brussels



“Wilton Park provided a uniquely effective forum to develop practical policies incorporating views of Muslim community representatives, police and security services. As a direct result Demos has pushed forward two key issues; the role of Muslim women and education in countering terrorism. We anticipate integrating these into Europe-wide policy making at the 2007 meeting.

Rachel Briggs, Head, International Strategy, Demos

effectiveness of its policies; the impact of developments in Iraq on the level of the terrorist threat; what needs to be done by the EU collectively on threat assessments; the perspective of the Muslim world; ways of dealing with the perceived threat from weapons of mass destruction; harnessing advances in technology to combat the threat; international legal aspects of the equation and future priorities for American and Western policies.

Our second conference focused on **Combating The Financing Of International Terrorism** in October 2005 and examined the evolution of terror financing, the relationship with organised crime, the inter-face between the public and the private sector, ways of bringing successful prosecutions and the tensions between information exchange and confidentiality. The need to engage the public and the informal banking sector, particularly within the Muslim community, and an exchange of ideas about more effective regulation of charities and charitable donations were discussed. It was agreed that there needs to be more effective and transparent

information sharing both nationally and internationally and a proposal for a global intelligence model to address the issues of prevention, pursuit, protection and preparation.

Developing a **Community-Based Approach to Counter-Terrorism** was addressed at a conference co-organised with the London-based think-tank Demos in March 2006. The conference, a key part of a UK government-funded project on this issue, brought together representatives from Muslim communities across the UK with police, security and government experts. De-radicalisation programmes of individuals, on a one to one basis, in institutions such as prisons and universities were deemed useful examples of situations where extremists could be challenged directly by Muslim community members using theological and political arguments. Strategies are also needed, at an earlier stage, to prevent the radicalisation of youngsters and to reduce wider tacit support for terrorism. The potential for Muslim women and the wider family to counter extremism within their societies was an area which could be developed greatly.

Preparing For And Responding To Disasters And Pandemics

Wilton Park has continued its discussions on disaster preparedness. **Improving National and Regional Disaster Response Capacity** in the most disaster prone developing countries was the focus of our conference in December, 2005. It was held in co-operation with the Office for the Co-ordination of Humanitarian Affairs (OCHA) and the Swiss Agency for Development and Co-operation. Representatives from thirty countries, many from disaster-prone developing countries, such as Nepal, Mongolia, East Timor and Bolivia took part. Experience was shared from the Asian Tsunami and South Asian earthquake. Of particular interest were neighbourhood disaster volunteer groups set up in Turkey. This concept is to be replicated elsewhere as a direct result of the conference. The conference also visited Chichester to meet local emergency planners and first responders and discuss emergency response in action. It was clear that political will and expertise at a local level are the critical factors in effective preparations for response.



Improving The Emergency Response In Europe was the focus of our second conference, held in February, 2006. It brought together experts to discuss possible improvements and to learn from recent experiences such as the Madrid and London bombings, Buncefield Oil Depot fire, Beslan siege, Asian Tsunami and Hurricane Katrina. Working in new partnerships with NGOs, the private sector and the media, at local, national and European level, will be important in future large-scale disasters. At European level, more could be done to ensure greater co-operation across national borders. The conference findings were fed into a report being prepared by former European Commissioner Michel Barnier on the EU's crisis response.

In response to the international concern over a potential influenza pandemic and the need to marshal international co-operation, Wilton Park organised a meeting on **International Collaboration In Planning For Pandemics** in March 2006. It followed the international donors meeting in Beijing and focused on the ways in which countries can put in place strategies to prepare for a potential pandemic. Methods for international co-operation were discussed including: vaccination for animals; compensation for loss of poultry; antivirals for humans; and vaccination for humans.

Corporate Governance

This conference, **Tomorrow's Global Company: Challenges and Choices**, held in partnership with business think tank "Tomorrow's Company", in September 2005, was designed to

capture the ideas and share the experience of leading practitioners on the nature of the global company of the future. John Manzoni, Chief Executive, Refining and Marketing, BP, and Mervyn King, Senior Counsel of the Supreme Counsel of South Africa, and a leading advocate of ethical business standards, led discussions aimed at shaping a new and forward-looking agenda. Major challenges faced by business were deemed to be the lack of global regulation or frameworks in many areas, the spectre of climate change as the dominating environmental factor and the question of how far businesses should go in combating poverty and promoting development. Responses included the need for a values-driven, decentralised approach overseen by "directors of integrity" and implemented by diverse and inclusive workforces. One optimistic conclusion was the potential for a virtuous circle whereby better global companies prospered, helping to create a better society which then became a better operating environment with a better informed customer base.



(left) Ray Cunningham, Member of the Wilton Park Academic Council and Director of Anglo-German Foundation for the Study of Industrial Society with (right) Mark Goyder, Director, Tomorrow's Company, London



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 steps that he ought to have taken to make himself aware of any relevant audit information, and to establish that the entity's auditors are aware of this information.

Statement of Agency's and Chief Executive's Responsibilities

Under the Government Resources and Accounts Act 2000, Wilton Park is required to prepare accounts for each financial year, in conformity with a 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 the Agency, the net resource outturn, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Agency is required to comply with the *Resource Accounting Manual* prepared by HM Treasury, 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 *Resource Accounting Manual*, have been followed, and disclose and explain any material departures in the financial statements;

prepare the financial statements on a going concern basis.

The Accounting Officer for the Foreign & Commonwealth Office has appointed the Chief Executive of the Wilton Park Executive Agency as the Accounting Officer for the Agency.

His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records and for safeguarding the Agency's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in "Government Accounting".

Adam Noble

Chief Executive and Agency Accounting Officer

4 July 2006



Statement on the System of 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 Government Accounting. I am personally responsible for overall Agency performance against Ministerial and other operating targets, reporting on progress to the Assistant Director of the Foreign & Commonwealth Office Public Diplomacy Group.

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 2006 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 identified by the Wilton Park Management Board. The nature and scale of risks facing the Agency are by and large relatively free from the complexities often faced by larger entities

caused by either scale of operations or service deliverables that require working with other departments, agencies or external contractors. The majority of Wilton Park risks are managed or controlled directly by the Chief Executive or by the Associate Director Finance & Management.

On retirement of the outgoing Chief Executive, the Director for Planning & External Relations effectively combined roles as Acting Chief Executive, supported by the Associate Director Finance & Planning, thereby providing continuity of operations pending the take up of post by the new Chief Executive.

The risk and control framework

The Wilton Park Management Board normally meets monthly to discuss the effective running of the Agency and much of the focus revolves around the Wilton Park conference programme and associated financial performance and forecasts. Due to the financial environment in which the Agency operates, particular attention is paid to managing risks faced in income generation (particularly generation of external sponsorship). 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 securing sponsorship from new or existing contacts.

The Agency Risk Register is formulated from the major issues identified through Management Board discussions, and also from customer and staff feedback on the conference and bedroom facilities. The identified risks are weighted in line with both the collective experiences of the most senior Agency staff from past performance and trends, together with information about the current conference environment and prevailing operating and political priorities of main partners, and in particular of the Foreign & Commonwealth Office.



The most significant risk management priority for the Agency is successfully to renegotiate the lease on Wiston House, which expires in March 2007. Lease negotiations have commenced. The following additional processes are in place:

- Six-monthly meetings of the Wilton Park Academic Council and an annual meeting of the Wilton Park International Academic Council that inform the Wilton Park conference programme in forthcoming calendar years;
- Monthly review of performance against the Agency's key conference quality and participation targets;
- Monthly review of performance against the Agency'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;
- An agreed programme of Internal Audit examinations, which is informed by an analysis to which the Agency 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 the Agency 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 am advised on the

effectiveness of the system of internal control by the Foreign & Commonwealth Office Internal Audit Department, and a plan to ensure continuous improvement of the system is in place.

I report twice yearly on Wilton Park's performance and plans to the Foreign & Commonwealth Office Departmental Board. Certain members of the Departmental Board form the Wilton Park Audit Committee who scrutinise the Agency risk register, in-year reports from the FCO Internal Audit Department and the annual National Audit Office Management Letter. Members of the Audit Committee include the Departmental Board Chair and the two serving Non-Executive Directors who provide relevant expertise in their respective commercial environments.

In the light of experience in the 2004/05 financial year a number of steps have been taken to increase the potential for the Agency to meet its primary financial target. The Agency's pricing policy for conference charges has been revised from April 2005 in response to the trend for a greater number of shorter duration conferences. Additionally, a conference cancellation policy was introduced in April 2005 for conference sponsorship.

Adam Noble
Chief Executive and Agency Accounting Officer
4 July 2006



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

Wilton Park Executive Agency

I certify that I have audited the financial statements of Wilton Park Executive Agency for the year ended 31 March 2006 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 Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Agency, the Chief Executive and auditor

The Agency and Chief Executive are responsible for preparing the Annual 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 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 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. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, 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 relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 41 and 42 reflects the Agency's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover 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 only the Chief Executive's Overview, the unaudited part of the Remuneration Report, and the Management Commentary. 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 opinion

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 2006 and of the net resource outturn, total recognised gains and losses and cashflows 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

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.

I have no observations to make on these financial statements.

John Bourn
Comptroller and Auditor General
7 July 2006

National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP



Financial Statements & Notes To Financial Statements

OPERATING COST STATEMENT

for year ended 31 March 2006

	Note	2005/06		2004/05	
		£000	£000	£000	£000
Administration Cost					
Staff Costs	3	2,236		1,932	
Other Administration Costs	4	1,455		1,400	
Gross Administration Costs			3,691		3,332
Net Programme Costs	5		1,081		1,027
Gross Operating Costs			4,772		4,359
Operating Income	6		(3,884)		(3,683)
Net Resource Outturn			888		676

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 2006

		2005/06	2004/05
Net Cost		888	676
Net change on revaluation of tangible fixed assets	13	(10)	(12)
		878	664



BALANCE SHEET

as at 31 March 2006

	Note	2005/06		2004/05	
		£000	£000	£000	£000
Fixed Assets					
Tangible Assets	7	890		1,167	
			890		1,167
Current Assets					
Stocks	9	62		59	
Debtors	10	732		573	
Cash at bank and in hand	11	313		231	
		1,107		863	
Creditors (due within one year)	12	(387)		(360)	
Net Current Assets			720		503
Total Assets less Current Liabilities			1,610		1,670
Provisions for liabilities and charges			-		-
NET ASSETS			1,610		1,670
Taxpayers' Equity					
General Fund	15		1,575		1,628
Revaluation Reserve	13		35		42
			1,610		1,670

Adam Noble
Chief Executive
4 July 2006



CASH FLOW STATEMENT

for the year ended 31 March 2006

	Note	2005/06 £000	2004/05 £000
Net cash outflow from operating activities		(337)	(384)
Capital expenditure		(294)	(320)
Financing from the Consolidated Fund (net)		713	569
Increase/(Decrease) in cash in the period		82	(135)
Notes to the Cash Flow Statement			
Reconciliation of operating cost to operating cash flow			
Net operating cost		(888)	(676)
Adjust for non-cash transactions	4	686	574
Adjust for movements in working capital other than cash	8	(135)	(282)
Net cash outflow from operating activities		(337)	(384)
Analysis of capital expenditure			
Purchases of fixed assets	7	(295)	(323)
Proceeds from disposal of fixed assets		1	3
Net cash outflow from capital expenditure		(294)	(320)
Analysis of financing			
From Consolidated Fund (net)	19	713	569
Decrease/(Increase) in cash	11	(82)	135
Net cash requirement		631	704



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.

Tangible assets have been stated at current costs using appropriate indices published by the Office for National Statistics.

Depreciation

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

	Estimated useful life in years
Plant and Machinery	10
Fixtures and Fittings	10
Building Enhancement	Remaining Lease
Computers and Equipment	3
Motor Vehicles	4

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.

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 commercial activities. Input VAT in relation to academic activities, and irrecoverable input VAT on commercial activities, is included in expenditure as shown in the financial statements.

2 FINANCIAL TARGETS

	Budget	Achieved
Gross Income (£k)	4,191	3,884
Recovery Percentage	86.8%	81.4%



3 STAFF NUMBERS AND COSTS

	2005/06	2004/05
The average number of employees during the period, including directors, was made up as follows:		
Academic	10	8
Administrative	36	33
House Team	21	20
	67	61
The payroll costs of these employees were as follows:	£000	£000
Salaries and wages	1,695	1,527
Social Security	131	115
Others – Superannuation	277	189
– Employee Related Costs	133	101
	2,236	1,932

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 (Hewitt Bacon Woodrow) 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 2005/06 employer's contributions of £277k were payable to the PCSPS (2004/05 £189k) at one of four rates in the range 16.2 to 24.6 per cent of pensionable pay, based on salary bands (the rates in 2004/05 were between 12% and 18.5%).

The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. From 2006/07, the salary bands will be revised and the rates will be in a range between 17.1% and 25.5%.

The contribution rates are set to meet the cost of benefits accruing during 2005/06 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

The Chief Executive is provided with a rent free furnished cottage in the grounds of Wiston House in order to contribute to the successful fulfilment of this role.



4 OTHER ADMINISTRATION COSTS

	2005/06		2004/05	
	£000	£000	£000	£000
Rentals under operating leases				
Hire of Office Equipment	40		38	
Property Rentals	95		92	
		135		130
Non cash items				
Depreciation	565		474	
Impairment	4		7	
Loss on Disposal of Fixed Assets	12		3	
Interest on Capital Employed	72		60	
External Auditors Fees	20		20	
Internal Auditors Fees	8		5	
Pay Section Charge	5		5	
		686		574
Other expenditure				
Rates	40		36	
Maintenance, Cleaning, Heating & Lighting	238		246	
Administrative Expenses	356		414	
		634		696
		1,455		1,400

5 NET PROGRAMME COSTS

	2005/06	2004/05
	£000	£000
Other current expenditure		
Purchases	266	252
Housekeeping	230	212
Conference Costs	585	563
	1,081	1,027



6 OPERATING INCOME

	2005/06 £000	2004/05 £000
Operating income for 2005/06 is as follows:		
Rent received from external tenants	3	2
Bank Interest received	16	6
Other fees and charges	3,865	3,675
	3,884	3,683
An analysis of income from services provided to external and public sector customers is as follows:		
WP Conferences	3,132	2,864
Commercial Operations	562	597
Bar Sales	61	62
Shop Sales	5	6
Miscellaneous	105	146
	3,865	3,675

7 TANGIBLE FIXED ASSETS

	Building Enhancement £000	Computer & Office Equipment £000	Fixture & Fittings £000	Motor Vehicles £000	Plant & Machinery £000	Under Construction £000	TOTAL £000
Cost or Valuation							
at 1st April 2005	2,427	350	693	18	163	8	3,659
Additions	53	54	68	5	110	4	294
Re-classification	-	-	-	-	-	-	-
Disposals	(51)	(75)	(19)	-	(8)	-	(153)
Revaluation	31	(7)	7	-	4	-	35
Cost at 31/3/2006	2,460	322	749	23	269	12	3,835
less:							
Depreciation							
at 1st April 2005	1,724	236	453	10	69	-	2,492
Re-classification	-	-	-	-	-	-	-
Provided in year	366	64	99	5	30	-	564
Eliminated in respect of Disposals	(40)	(75)	(17)	-	(7)	-	(139)
Revaluation	25	(3)	5	-	1	-	28
Depreciation at 31/3/2006	2,075	222	540	15	93	-	2,945
Net Book Value							
at 31/3/2006	385	100	209	8	176	12	890
at 31/3/2005	703	114	240	8	94	8	1,167



8 MOVEMENTS IN WORKING CAPITAL OTHER THAN CASH

	2005/06 £000	2004/05 £000
(Decrease)/Increase in Stocks	3	(6)
(Decrease)/Increase in Debtors	159	286
Decrease/(Increase) in Creditors	(27)	2
	135	282

9 STOCKS

	2005/06 £000	2004/05 £000
Liquor and Food	17	19
Shop	4	6
Wilton Park Books	14	15
Wilton Park Conference Folders	5	3
Wedding Brochures	14	16
Commercial Brochures	8	-
	62	59

10 DEBTORS

	2005/06 £000	2004/05 £000
Amounts falling due within one year		
Trade Debtors	687	509
Other Debtors	9	6
Prepayments and Accrued Income	36	47
VAT	-	11
	732	573
An analysis of debtors is as follows:		
Balances with other central government bodies	332	262
Balances with bodies external to government	400	311
	732	573



11 CASH AT BANK AND IN HAND

	2005/06 £000	2004/05 £000
Balance at 1 April 2005	231	366
Net (Outflow)/Inflow	82	(135)
Balance at 31 March 2006	313	231

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005/06 £000	2004/05 £000
Trade Creditors	204	226
Payments Received on Account	137	57
Other Creditors	1	3
Accruals and Deferred Income	40	74
VAT	5	-
	387	360
An analysis of creditors is as follows:		
Balances with other central government bodies	14	31
Balances with bodies external to government	373	329
	387	360

13 RESERVES

	Revaluation Reserve £000
Balance at April 2005	42
Arising on revaluation during the year (net)	10
Transferred to General Fund in respect of realised element on Revaluation Reserve	(17)
Other transfers to General Fund	-
Balance at 31 March 2006	35



14 COMMITMENTS UNDER OPERATING LEASES

	2005/06 £000	2004/05 £000
At 31 March 2006 Wilton Park had annual commitments under non-cancellable operating leases which expire:		
Land and Buildings		
Within one year	97	-
Within two to five years	-	94
More than five years	-	-
The lease on Wiston House extends to the year 2007 with 5 yearly rent reviews.		
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

	2005/06 £000	2004/05 £000
Net Operating Cost for the year	(888)	(676)
Net Parliamentary Funding	713	569
Transfer to General Fund in respect of realised element of Revaluation Reserve	17	13
Other transfers to General Fund	-	1
Non-cash charges:		
Cost of Capital	72	60
Pay Section Costs	5	5
External Auditors Fees	20	20
Internal Auditors Fees	8	5
Net Increase in General Fund	(53)	(3)
General Fund at 1 April 2005	1,628	1,631
General Fund at 31 March 2006	1,575	1,628



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 DFID, Ministry of Defence and DTI.

None of the board members, key managerial staff or other related parties has undertaken any material transactions with Wilton Park during the year.

17 INTEREST ON CAPITAL EMPLOYED

	31 March 2006 £000	31 March 2005 £000
Interest is charged at 3.5% per annum on the annual average capital employed as follows:		
Fixed Assets	890	1,167
Current Assets (less cash at bank)	794	632
Current Liabilities	(387)	(360)
	1,297	1,439
Interest on average annual capital employed for non-cash assets	48	48
Interest on average monthly capital employed for cash assets	24	12
Interest on total capital employed	72	60

18 SEGMENTAL REPORTING

	Academic Activities £000	Commercial Activities £000	Total £000
Expenditure	3,969	803	4,772
Income	3,220	664	3,884
Deficit	749	139	888
% Cost Recovery	81.1%	82.7%	81.4%
% Cost Recovery Target			86.8%

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

	2005/06	2004/05
Net expenditure shown in the Foreign & Commonwealth Office Resource Account is £712,936.76		
This reconciles as follows:		
FCO Expenditure	713	569
Net Parliamentary Funding	713	569

20 CAPITAL COMMITMENTS

	2005/06	2004/05
Contracted capital commitments at 31 March 2006 for which no provision has been made	9	114

21 FINANCIAL INSTRUMENTS

FRS13, 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 no financial assets and liabilities on which interest, other than notional interest on capital, is earned or paid, and is therefore not exposed to interest rate risk.

Currency Risk - Wilton Park has negligible assets or liabilities in foreign currency, and is therefore not exposed to significant currency risk.

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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