



# WILTON PARK

Annual Report & Accounts 2007/2008

Advancing the Agenda



INVESTOR IN PEOPLE



WILTON PARK

AN EXECUTIVE AGENCY OF THE  
FOREIGN & COMMONWEALTH OFFICE

ANNUAL REPORT AND ACCOUNTS

2007/08

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

Ordered by the House of Commons  
to be Printed 21 July 2008

**© Crown Copyright 2008**

The text in this document (excluding the Royal Arms and other departmental or agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

For any other use of this material please write to Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU or e-mail: [licensing@opsi.gov.uk](mailto:licensing@opsi.gov.uk)

ISBN: 978 0 10 295623 8

# Contents

	Page(s)
Chief Executive's Overview	5-7
Governance	8-10
Review of Performance and Future Prospects	11-26
Remuneration Report	27-30
Support for Wilton Park	31
Statement on Disclosure of Information to Auditors Statement of Agency's & Chief Executive's Responsibilities	33
Statement on Internal Control	34-36
Certificate and Report of The Comptroller & Auditor General to the House of Commons	37-38
Financial Statements	39-41
Notes to the Financial Statements	42-51



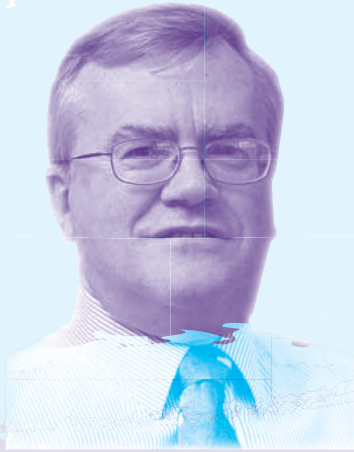


## Chief Executive Overview

As the financial outcome confirms – a deficit of £520,000 – this has been a difficult year for Wilton Park. Before addressing the negative elements, however, I want to review some of our strengths and some of the positive developments of the last twelve months or so.

It is, for example, pleasing to be able to report on the strength of Wilton Park's reputation overseas. During the past year I have travelled to Canada, the United States, Germany and Switzerland. We consistently receive strong support, in different ways, from governments and other institutions in those countries and it was heartening to hear, during my visits, expressions of such strong, continuing support for the value and impact of Wilton Park Conferences. Senior officials in the Foreign Ministries of major countries closely linked with the United Kingdom have referred to Wilton Park as a "vital" institution. In Washington, our ability to bring together a mixture of government representatives, NGOs, academics and business from Africa, together with high calibre participation from Europe, was described as "unique". And closer to home, a businesswoman from a major British company told me she had never attended a conference at which she found herself among so many policymakers from so many countries in a three-day period.

The statistics too point to continuing recognition of the quality of our conferences. We achieve a relatively high rate of return on our questionnaires – over 55%. In 2007-2008 96.4% of respondents judged the programmes of our Conferences as "excellent" or "above average". This is a striking tribute to the success achieved by our team of Programme Directors who develop each theme, determine the shape and content of the Conference, pursue suitable speakers and chair all or most of each Conference. But our reputation would be less robust if our quality of customer care were not also so strong. Fuller figures can be found later in this Report, but a 99.2% rating of "excellent" or "above average" for administration is impressive by any standard. Similarly, 92.5% "excellent" or "above average" for food and 98.5% for service are very satisfying commentaries on the dedication and commitment of the staff at Wiston House, who go out of their way to make Conference participants feel that each one is important to us and must feel comfortable and well cared for while under our roof.



Last year, I left words of thanks to the end of my Report. I want this year to record more prominently the vital support and input we receive from the Wilton Park Advisory Council, chaired by Dr Farhan Nizami, and the Wilton Park International Advisory Council. The original purpose of the Advisory Council (formerly Academic Council) was to safeguard Wilton Park's academic independence. That independence is fundamental to Wilton Park's international reputation and our ability to attract speakers and participants of high calibre from around the world. There is no sense at Wilton Park that that principle is being questioned. But the fragility of our financial model increases our vulnerability to the principle that he who pays the piper will expect to play the tune. It is therefore very important to have the support of a group, appointed by the Foreign Secretary, whose responsibility is to safeguard that independence and the intellectual integrity and quality of our Conferences. I thank all members of the Council, who devote valuable time to supporting our efforts and encouraging us to aspire to the highest standards.

Similarly, members of the International Advisory Council, comprising the London-based High Commissions and Embassies of the OECD countries, play an important part in ensuring that our Programme does not become narrowly UK-focussed, but addresses issues of global significance and seeks to be rigorous about where Wilton Park can make a difference. Between the annual meetings of the Council, we value our relations with its members, as with other High Commissions and Embassies in London which take a close and supportive interest in Wilton Park's Conferences.

Some time after arriving to take up the reins as Chief Executive, I concluded with the Departmental Board that Wilton Park needed a new Vision and a Business Plan that looks at least three years ahead. An important catalyst was a no-charge consultancy carried out by senior managers of Davis Langdon, participating in the Strategic Leadership course at Ashridge. I set them the task of making recommendations on "What are the most significant improvements



Wilton Park should seek to make to its financial arrangements, planning processes and staff skills in order to achieve its full potential.” Presentation of their conclusions stimulated a significant effort to identify ways of strengthening our management and how we conduct our business, and to map out how we could, over a three year period, advance towards achieving the Vision, “To be recognised globally as the leading Government-linked centre for ‘off the record’, international policy dialogue, advancing the agenda for a secure, just and prosperous world.” In parallel, the FCO Internal Audit Team has engaged in a continuing programme of identifying and commenting on areas of our activity where action was needed to manage better the financial risks we face.

Later in this Report I have more to say about the way ahead. A deficit of £520k is unacceptable. Happily, the Departmental Board recognises that a deficit of this scale, preceded by several years of difficulties, requires, first, a critical review of our funding arrangements, followed by a rigorous debate on our Business Plan, in order that Wilton Park can plan with confidence how to achieve its ambitions for the future.

The decision in late 2006 to renew Wilton Park’s lease was a vote of confidence in that future and in the value of Wilton Park in fostering dialogue on important international policy issues. Negotiations on the lease have been slow, but not because of any substantive difficulties, and relations between Wilton Park and the Goring Estate are cordial and constructive. We aim to have agreed the lease by the date of publication of this Report. Some of the actions now required to get Wilton Park into a position of financial sustainability lie in our own hands, including our management culture and processes and our marketing. I have more to say on that later in this Report. But we are also taking forward with the FCO and Departmental Board discussions on how to ensure financial sustainability, as well as maintaining our success in organising Conferences of high quality and impact.



Donald A Lamont  
**Chief Executive**

## Governance

Wilton Park's aims and terms of reference are laid down in a **Framework Document** approved by Ministers in February 2003. A copy of the Framework Document can be found on the Foreign & Commonwealth Office ([www.fco.gov.uk](http://www.fco.gov.uk)) website.

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. The composition of the Management Board was changed with effect from January 2008 as follows:

Donald Lamont	Chief Executive
Nicholas Hopkinson	Director
Robin Hart	Senior Programme Director
Tim Willows	Finance Director
Shirley Ellis	Personnel Manager

The **Departmental Board**, comprising representatives of the FCO and two Non-Executive Directors, oversees the work of Wilton Park. Relevant members of the Departmental Board form the Agency's Audit Committee. The Departmental Board sets the Agency's annual financial and quality targets. Members during 2007-08 were:

Jolyon Welsh (Chair)	Head of Public Diplomacy Group, FCO
Alex Jablonowski (NED)	High Performance Leadership Limited
Simon Turl (NED)	Chief Executive, Road Chef
Dr Farhan Nizami	Chair, Wilton Park Advisory Council
Iain Morgan	Head of Resource Accounting Department, FCO
Chris Cann	Head of Resource Management Unit, Communications Directorate, FCO
Stephen Lysaght	Public Diplomacy Group, FCO
Andrew Calvert	Public Diplomacy Group, FCO

The **Wilton Park Advisory Council** was established in 1949 to ensure Wilton Park's academic independence. The Secretary of State for Foreign and Commonwealth Affairs appoints members of the Advisory Council. Membership is drawn from the academic world, government, non-governmental organisations, media, business, trades unions and other organisations concerned with international relations.

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

Dr Farhan Nizami (Chair)	Director, Oxford Centre for Islamic Studies
Sir Rodric Braithwaite GCMG	Chairman, Russia Programme, Centre for European Reform
Ms Rachel Briggs	Head of International Programmes, Demos
Dr David Bryer CMG	Chair of Oxfam International and Trustee of Save the Children
Sir Patrick Cormack FSA MP*	Conservative Party parliamentary representative
Dr Ray Cunningham*	Director, Anglo-German Foundation for the Study of Industrial Society
Mr Nik Gowing	Journalist and Broadcaster
Mr David Heath CBE MP*	Liberal Democrat parliamentary representative
Mr Janusz Heath	Managing Director and Head of Asset Management, Capital Dynamics
Ms Mary Jo Jacobi	Civil Service Commissioner
Mr Reijo Kempainen*	Head of the Representation in the UK, European Commission
Mr Michael Leigh	Director-General Enlargement, European Commission
Professor Anand Menon	Director European Research Institute, University of Birmingham
Rt Hon Baroness Quin	Former Minister of State at Home Office, FCO and MAFF and Labour Party representative
Sir Michael Quinlan GCB	Former Director, The Ditchley Foundation
Mr Rupert Robson	Former Global Head, Financial Institutions, HSBC
Professor Shamit Saggat	Professor of Political Science, University of Sussex
Professor Philippe Sands QC	Professor of Law, University College London
Lord Skidelsky	Professor of Political Economy, Warwick University
Mr Andrew Vickerman	Head of Communication & Sustainable Development, Rio Tinto plc
Sir Stephen Wall GCMG LVO	Chairman (Public Affairs EMEA), Hill & Knowlton
Professor Myles Wickstead CBE	Visiting Professor (International Relations), Open University

\* Ex-Officio Members

The role of the **Wilton Park International Council**, an Advisory Non-Departmental Public Body, 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, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Republic of Korea, Luxembourg, Mexico, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, and the United States of America.

The Director of Information represents the FCO.

# Review of Performance

## Wilton Park Conferences

Information on Wilton Park's conferences is published in our annual Calendar. The **Calendar** is distributed widely to contacts within government in the UK and overseas and to a range of international and UK organizations outside government. Copies are automatically sent to participants in recent conferences, and to previous conference participants. It highlights some of the prominent outcomes from past conferences and provides a forward look to our future programme.

Details of forthcoming conferences are also very much at the heart of the Wilton Park website – <http://www.wiltonpark.org.uk>.

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

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

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

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

## The Impact Of Our Policy Work

Wilton Park conferences contribute to the achievement of the UK government's international policy priorities. The Departmental Board targets for 2007-08 include:

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

**This was successfully achieved.**

We engage with a range of external stakeholders on the outcomes from conferences held, and in looking at the range and balance of our proposed future conference schedule. These key external stakeholders include the Wilton Park Advisory Council (WPAC) and Wilton Park International Advisory Council (WPIAC) both of which report to the Foreign & Commonwealth Office.

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

The contribution of our conferences to policy outcomes is directly measured by feedback from conference participants, both orally and in targeted questionnaires, for which we obtain a response rate of over 50%.

## Schedule Of Wilton Park Conferences 2007-08

Conf ID	Conference Title	Category	Dates	Total
WP852	Combating The Financing Of Terrorism	Justice & Home Affairs	18-20 Apr	65
WP853	Africa: Business, Growth & Poverty Reduction	Key Regions & Countries	23-27 Apr	63
WP886	The Struggle for Unity and Authority in Islam: Reviving the Caliphate?	Key Regions & Countries	3-5 May	41
WP860	CBRN Terrorism: Mapping the Threat	Defence, Security & Conflict Prevention	16-19 May	58
WP887	Southern Perspectives on Reform of the International Development Architecture	Global & Domestic Governance	19-22 May	50
WP856	Which Way Forward for International Trade Negotiations? The Doha Round and Beyond	International Economic & Social Policies	22-25 May	81
WP844	International Peace Support Operations: How can the Capacity Challenges be met?	Defence, Security & Conflict Prevention	4-7 Jun	60
WP855	Trans-Border Consequence Management: Responding To Major Acts Of CBRN Terrorism In Europe	Justice & Home Affairs	18-20 Jun	54
WP851	Islamist Militancy: A Global Assessment	Defence, Security & Conflict Prevention	20-22 Jun	26
WP854	Human Trafficking: How Best To Stem The Flow	Justice & Home Affairs	28-30 Jun	58
WP862	The European Union's Institutional Future: Prospects for the Inter-Governmental Conference and Beyond	European Union	3-6 Jul	74
WP863	Wilton Park British-German Forum 2007	Youth Forum	9-13 Jul	79
WP864	Europe In The World: "Reforming" Foreign And Security Policy	European Union	13-16 Jul	78
WP850	What Future Priorities For The United Nations?	Global & Domestic Governance	16-19 Jul	70
WP866	Climate and Energy Security: Towards a Low Carbon Economy	Sustainable Development & The Environment	23-27 Jul	77
WP857	Working With Libya Today: International And Economic Relations - Perspectives For Change	Key Regions & Countries	30 Jul-2 Aug	73
WP867	Atlantic Youth Forum	Youth Forum	6-10 Aug	56
WP869	Curbing Money Laundering: International Challenges	Justice & Home Affairs	10-12 Sep	55
WP870	Energy Security in the European Union: The Baltic and Eastern Dimension	European Union	24-28 Sep	73
WP871	Countering Chemical and Biological Weapons (CBW) Proliferation	Defence, Security & Conflict Prevention	28-30 Sep	63
WP845	Polar Regions: Challenges and Possibilities	Key Regions & Countries	1-4 Oct	58
WP890	Migration: Towards a Coherent Policy	Global & Domestic Governance	8-10 Oct	83
WP874	Democracy for Development	Sustainable Development & The Environment	22-25 Oct	54
WP880	Event held in conjunction with Home Office	Defence, Security & Conflict Prevention	29-31 Oct	55

Conf ID	Conference Title	Category	Dates	Total
WP889	Conflict Prevention And Development Cooperation In Africa: A Policy Workshop	Sustainable Development & The Environment	8-11 Nov	77
WP878	Challenges and Opportunities for Stronger Co-operation Between the EU and Southern Neighbours	European Union	12-15 Nov	78
WP881	China's Rapid Economic Growth: Internal Impact, External Implications	Key Regions & Countries	19-22 Nov	78
WP858	Competing in a Global Market Place: The EU's Changing Capital Market	International Economic & Social Policies	30 Nov-1 Dec	75
WP883	Understanding and Engaging with Diasporas	Justice & Home Affairs	3-6 Dec	41
WP888	Towards an International Arms Trade Treaty	Defence, Security & Conflict Prevention	7-10 Dec	56
WP885	Nuclear Non-Proliferation: How Can the Goals be Achieved?	Defence, Security & Conflict Prevention	17-21 Dec	82
WP891	Future Trends And Challenges: Drivers For Change In Africa	Global & Domestic Governance	14-16 Jan	48
WP892	Building on 60 Years of the Universal Declaration of Human Rights: The Way Forward	Global & Domestic Governance	17-19 Jan	64
WP893	European Development Policy: Aid Effectiveness And Key Priorities	Sustainable Development	21-24 Jan	75
WP894	The Macedonian Parliament - Towards EU Accession	South East Europe	24-27 Jan	50
WP895	Civil-Military Coordination in Complex Humanitarian Situations	Sustainable Development	28-31 Jan	72
WP896	European Security in 2020: External Threats and Internal Response	Defence, Security & Conflict Prevention	31 Jan-3 Feb	70
WPS08/1	The European Union in the Global Economy: Fit to Meet 21st Century Challenges and Opportunities?	European Union And Its Neighbours	11-13 Feb	77
WP898	Critical Infrastructure Protection and Resilience: Trans-Border Challenges	Defence, Security & Conflict Prevention	18-20 Feb	27
WP899	Ukraine: Building A Stable Future	Key Countries & Regions	21-24 Feb	76
WP900	Caribbean States in 2020: Sinking, Surviving or Prospering?	Key Countries & Regions	28 Feb-1 Mar	67
WP901	Indonesia: Political and Economic prospects	Key Countries & Regions	2-6 Mar	61
WP897	Al Qaeda: Challenging the Brand	Defence, Security & Conflict Prevention	6-8 Mar	71
WP904	Meeting the Challenges of Counter-Insurgency and Stabilisation Operations: Strategic Issues and Options	Defence, Security & Conflict Prevention	13-16 Mar	55
WP903	Tailored Deterrence in the Transatlantic Alliance: Nuclear, Conventional and Non-Military Strategies	Defence, Security & Conflict Prevention	16-19 Mar	49
WP908	Turkey's Accession Process to the European Union	European Union And Its Neighbours	31 Mar-4 Apr	90
WP919	Pakistan: Sources of Stability and Instability	Key Countries & Regions	31 Mar-3 Apr	75

## Overseas Conferences

The Wilton Park conference brand is closely associated with Wiston House. However, as part of wider brand recognition and promotion of our public diplomacy work, we organize a limited number of conferences overseas. In 2007-08, these were held in partnership with us:

WP862	July 2007 ( <i>Poland</i> )	The Office of the Committee for European Integration (UKIE), Warsaw; the European-Centre, Natolin
WP870	September 2007 ( <i>Latvia</i> )	Latvian Ministry of Foreign Affairs
WP890	October 2007 ( <i>Spain</i> )	Euroforum Escorial and Ministerio de Trabajo y Asuntos Sociales; UK FCO; Manpower
WP878	November 2007 ( <i>Malta</i> )	Maltese Ministry of Foreign Affairs; Mediterranean Academy of Diplomatic Studies (MEDAC); British High Commission Malta
WP908	March 2008 ( <i>Turkey</i> )	Turkish Ministry of Foreign Affairs

## Measuring the success of our conferences

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

-  Overall Participation Trends
-  Participation by Profession
-  Participation by Nationality
-  Conference Ratings – including Quality of Programme and Quality of Discussion

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

## Overall Participation Trends

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

Financial Year	Total Number of Participants	Number of Conferences	Average Participation
2007/08	3,018	47	64.2
2006/07	3,502	52*	67.3
2005/06	3,637	58	62.7

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

We held 42 conferences at Wiston House in 2007-08, with 49 in 2006-07 and in 2005-06. There were 5 overseas conferences in 2007-08, 4 in 2006-07 and 9 in 2005-06. In general, attendance at overseas events tends to be higher than for conferences held at Wiston House.



### Participation By Profession

During 2007-08, we achieved a continuing strong balance across different profession types. Percentages in 2007-08 are broadly similar to the composition in previous years.

	2007-08	% 2007-08	2006-07	% 2006-07	2005-06	% 2005-06
Academic/Research Institutes	575	19.1	681	19.4	761	20.9
Business	318	10.5	343	9.8	385	10.6
Defence Ministry/Military	220	7.3	180	5.1	240	6.6
Foreign Ministry	716	23.7	800	22.8	861	23.7
International Organisations	231	7.7	317	9.1	330	9.1
Media	91	3.0	104	3.0	109	3.0
NGO	227	7.5	421	12.0	340	9.3
Other Government Ministries	499	16.5	517	14.8	437	12.0
Parliament/Political	141	4.7	139	4.0	174	4.8
Total	3,018	100.0	3,502	100.0	3,637	100.0

### Participation By Nationality

Wilton Park's conferences remain truly international.

	2007-08	% 2007-08	2006-07	% 2006-07	2005-06	% 2005-06
UK	1,008	33.4	1,070	30.6	1,046	28.8
EU excluding UK	645	21.4	859	24.5	823	22.6
Non EU Europe	437	14.5	309	8.8	383	10.5
USA	242	8.0	290	8.3	325	8.9
Other OECD	187	6.2	157	4.5	168	4.6
Other Regions	254	8.4	436	12.4	482	13.3
South Asia	80	2.7	84	2.4	68	1.9
Middle East	38	1.3	56	1.6	86	2.4
Other	127	4.2	241	6.9	256	7.0
Total	3,018	100.0	3,502	100.0	3,637	100.0

### Conference Quality Ratings

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

The following table shows the three measurements for quality of Wilton Park conferences, and the trends achieved over the last three years. The key quality measure is Programme Excellence. Our targets for 2007-08 included:

- ◆ **Target – Wilton Park conferences should achieve an average “excellent” rating for their programmes higher than the previous year’s rating of 59.3%.**

**This was exceeded by 0.1%.**

The 2006-07 excellence rating of 59.3% marked a high point for the Agency. This was marginally improved upon in 2007-08. In achieving this level of Excellence rating, the skills and efforts of Wilton Park Programme Directors ensured that our conferences address the most pressing issues at the right time, and are structured in such a way to promote effective outcomes. The 2007-08 rating for Excellence of Conference Discussion at 57.3% is a new high for the Agency.

	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
<b>PROGRAMME</b>						
2007/08	996	621	58	2	0	1,677
%	59.4	37.0	3.5	0.1	0.0	[55.6%]
2006/07	1,201	731	89	3	0	2,024
%	59.3	36.1	4.4	0.2	0.0	[57.8%]
2005/06	1,115	786	92	12	2	2,007
%	55.5	39.2	4.6	0.6	0.1	[55.2%]
<b>DISCUSSION</b>						
2007/08	953	626	78	6	0	1,663
%	57.3	37.6	4.7	0.4	0.0	[55.1%]
2006/07	1,121	783	94	8	0	2,006
%	55.9	39.0	4.7	0.4	0.0	[57.3%]
2005/06	1,064	815	115	10	0	2,004
%	53.1	40.7	5.7	0.5	0.0	[55.1%]
<b>ADMINISTRATION</b>						
2007/08	1,482	199	12	1	0	1,694
%	87.5	11.7	0.7	0.1	0.0	[56.1%]
2006/07	1,805	207	16	1	0	2,029
%	89.0	10.2	0.8	0.0	0.0	[57.9%]
2005/06	1,693	225	28	1	0	1,947
%	87.0	11.6	1.4	0.1	0.0	[53.5%]

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

	Excellent	Above Average	Average	Below Average	Poor	Number of Questionnaires
<b>MEALS</b>						
2007/08	970	422	107	6	0	1,505
%	64.5	28.0	7.1	0.4	0.0	
2006/07	1,169	576	142	7	1	1,895
%	61.7	30.4	7.4	0.4	0.1	
2005/06	1,114	489	118	5	0	1,726
%	64.5	28.4	6.8	0.3	0.0	
<b>SERVICE</b>						
2007/08	1,218	217	22	0	0	1,457
%	83.6	14.9	1.5	0.0	0.0	
2006/07	1,606	247	37	1	0	1,891
%	84.9	13.0	2.0	0.1	0.0	
2005/06	1,451	247	33	1	1	1,733
%	83.7	14.2	1.9	0.1	0.1	
<b>ACCOMMODATION</b>						
2007/08	686	420	225	30	0	1,361
%	50.4	30.9	16.5	2.2	0.0	
2006/07	883	444	253	22	3	1,605
%	55.0	27.7	15.7	1.4	0.2	
2005/06	800	463	256	36	2	1,557
%	51.4	29.7	16.5	2.3	0.1	

We managed to equal the 2005-06 high point for meals excellence. The importance of the quality of food excellence is high. We aim to ensure that we cater to meet the needs of our predominantly international spread of visitors.

The combined ratings at 98.5% for Excellent and Above Average returns for the quality of service will be hard to maintain, but says a great deal for the current standards on offer.

On accommodation, we maintained a combined rating at above 80% for Excellent and Above Average returns. A range of identified refurbishment work in 2007-08 may help to influence the proportion of Excellent and Above Average returns.

### Commercial Activities

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

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

During 2007-08, revenue from commercial food and accommodation charges was just short of £745,000. This was £10,000 lower than the high point achieved in 2006-07, although there were 8 more events held in the current year.

The revenue generated from weddings and other functions increased (with a small increase in the number of these events held), but we were unable to maintain the average revenues retained from midweek and weekend conferences and business meetings. The primary factor affecting this was an inability to book a number of commercial events into the overall schedule, due to some of the timing issues affecting delivery of our core conference programme. Our conference programme inevitably takes precedence.

Confirming demand for space at Wiston House at the earliest point is the proven key to generating commercial revenues. Shorter confirmation lead times tend to result in taking lower volume or lower value events, including the need to offer price discounting to attract late business. We try to avoid that approach, but juggling two business components is an art and not a science.

Demand for space continues to be strong, despite some pessimism in the commercial market place on the overall state of the economy and on the potential impact on budgets of corporate buyers. Early evidence for 2008-09 suggests that the attractions of Wiston House are enabling us to combat any diminution in commercial event bookings due to current economic difficulties.

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

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

### Financial Targets And Results

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

◆ **Target – Wilton Park should recover all its running costs from conference and commercial income. The running costs target excludes non-cash items as described in Note 4 to the Accounts.**

**This target was not met. The running cost deficit for the year is £520,000.**

Total planned income (and running costs) was £4,321,000. We achieved income of £3,584,000 (£4,091,000 in 2006-07).

Our Full Cost Recovery Target (reflecting full resource costs) was 93.5%. We achieved 82.6% (86.9% in 2006-07).

Informative comparison can be drawn from performance in the last three years. The improvement in our financial performance in 2006-07 was significant. The deterioration in financial performance in 2007-08 is more significant.

	2007/08	2006/07	2005/06
Net WP Conferences*	2,390	2,848	2,792
Commercial/Bar/Shop	833	847	628
Miscellaneous	100	103	124
<b>Total</b>	<b>3,323</b>	<b>3,798</b>	<b>3,544</b>
Running Costs	1,492	1,542	1,534
Permanent Pay Costs	2,210	2,080	2,057
Casual/Agency/Other Pay	141	146	155
<b>Total</b>	<b>3,843</b>	<b>3,768</b>	<b>3,746</b>
<b>Surplus/(Deficit)</b>	<b>(520)</b>	<b>30</b>	<b>(202)</b>

\* Includes conferences and other income associated with Wilton Park's academic work.

The key change has been the extent of income generated from the Wilton Park conference programme. The principal factors are:

- ◆ A significant reduction in the extent of conference sponsorship generated; and
- ◆ A reduction in the number of conferences held – 5 fewer income generating conferences than in 2006-07 (whereas an increase in conference volumes was needed in order to cover cost increases).
- ◆ A sharp reduction in the sponsorship funds received from the FCO (£574,000 in 2007-08, £799,000 in 2006-07).

The net reduction in conference sponsorship from 2006-07 is £473,000. This was offset by generating £21,000 more in conference participation fees, despite the reduced volume of conferences. We kept a tight lid on running costs in 2007-08. In 2006-07, permanent pay costs were lower than anticipated due to in-year changes in the Chief Executive's role.

Our ability to schedule further conferences in the final quarter of the year was hampered both by the unplanned unavailability of key Programme Director resource, and an already pretty full schedule of conferences to run.

Encouragingly, results in the final quarter of 2007-08 were strong.

### Conference finances

The third quarter of 2007-08 had a major impact on financial performance. The ten conferences achieved were less than in previous years. The average retained income from each conference was considerably lower, both in net sponsorship and participation revenues.

#### Quarterly Position – 2007-08

	Q1	Q2	Q3	Q4	Total
Results (£)	483,134	478,883	449,306	842,160	2,253,483
Conferences	10	11	10	16	47
Average (£)	48,313	43,535	44,931	52,635	47,946

#### Quarterly Position – 2006-07

	Q1	Q2	Q3	Q4	Total
Results (£)	590,749	377,402	759,641	971,599	2,699,390
Conferences	11	8	15	18	52
Average (£)	53,704	47,175	50,643	53,978	51,911

#### Quarterly Position – 2005-06

	Q1	Q2	Q3	Q4	Total
Results (£)	562,521	467,606	751,677	850,294	2,632,098
Conferences	11	14	15	17	57
Average (£)	51,138	33,400	50,112	50,017	46,177

## Sponsorship

Securing sponsorship for conferences is an exacting task. Months of outline and then detailed discussions with a range of potential sponsors informs our choices on whether certain conferences will be economically viable to run. Due to timing considerations, especially the need to be able to run conferences on emergent issues at short notice, it is not always possible to secure sponsorship agreements before having to commit to running a conference. There are also a number of organisational and logistical factors that demand a fair degree of lead-in time, typically at least three to four months, in order to run a successful conference.

Sponsorship for conferences is currently secured on a conference-by-conference basis. During 2007-08 the fragility of this financial operating

model hit hard. In a number of cases, financial support could have been legitimately predicted but did not materialize. We have also seen decisions on whether sponsorship would be forthcoming taking longer to secure and with greater uncertainty about whether support for future conferences on related themes can be provided early.

As the following graph shows, we were unable to secure sponsorship from predominantly UK-based entities, in part reflecting the economic position within the private sector but also with Spending Settlements tough across government departments. Sponsorship from a wide range of overseas partners basically held firm (taking into account the five fewer conferences held than in the previous year).

## Sponsor Type by Year





### Support From The FCO

The FCO plays a key role in supporting the work of the Agency. The total for sponsorship of conferences in 2007-08 at £574,000 was £225,000 lower than the total in 2006-07 (£799,000). It none-the-less represented 39.9% of 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 2007-08, capital investments amounted to a net £293,000 (£343,000 in 2006-07). The total of non-cash resource costs amounted to £235,000 (£645,000 in 2006-07). This significant reduction results from the absence of significant depreciation charges, which expired at the end of 2006-07 and the 'old' lease on Wiston House.

The total cost of Wilton Park to the FCO, as consolidated in the FCO Resource Accounts, is £754,000 for 2007-08. This is £139,000 more than the total of £615,000 in 2006-07 (the running cost deficit in 2007-08 is offset by resource cost savings which will continue into future years).

### Creditor Payment

Our policy is to pay our creditors within the later of 30 days from invoice date or receipt of month-end statement, or within otherwise agreed trading terms. Of the 4,388 payments made to creditors (4,983 in 2006-07) 4,317 were paid on time (4,834 in 2006-07). Of the remaining 1.62% (2.99% in 2006-07), 0.39% were in dispute but paid within 30 days of the dispute being settled (0.64% in 2006-07).

### Wilton Park's Staff

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

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

During the year, staffing levels decreased from 75 to 74, including 29 part-time staff (the equivalent of 66 full time staff compared to 65 full time staff in the previous year). Staff turnover increased slightly to 9.5%, with 7 people leaving (4 in 2006-07) and 6 recruited.

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

Grade/Level	Total Recruited	% Female	% Ethnic Minority	% Disabled
D	2	50	0	0
B	1	100	0	0
A	3	33	0	0

These figures include 1 Band D offered a 1 year fixed term contract (on loan from the FCO) to organize Wilton Park conferences. This was as an exception to selection by fair and open competition.

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

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

### **Sustainable Operations**

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

### **Biomass Heating**

Actively managing Wilton Park’s carbon footprint is important to us. The major contribution this year to managing our operations on a sustainable basis was the successful installation of our biomass heating system in July 2007.

The project is a successful collaboration with our landlord, the Wiston Estate. The FCO has provided additional capital funding for the project, recognizing the beneficial environmental impacts. A Bio-energy Capital grant, provided through government and lottery funding via our biomass contractor, has also helped to offset part of the installation costs.

The primary aim of the system is to reduce Wilton Park’s carbon emissions by up to 165 tonnes of carbon dioxide per annum; and to contribute to the UK government’s wider carbon emission reduction targets.

The system – a 165kw boiler manufactured by KWB (Austria), with associated controls and integral wood chip store into which wood is chipped directly – provides heating and hot water for Wiston House, with fall-back provided by existing systems.

The system was installed by one of the leading UK suppliers, Econergy – see [www.econergy.ltd.uk](http://www.econergy.ltd.uk) There is significant interest in adopting this technology in the South East of England as well as across the wider UK.

We have already seen anticipated cost savings from reduction in gas oil consumption. The continuing increase in oil prices suggests that investment in this technology will be a good long-term investment. Wilton Park continues to actively advocate adoption of this technology.

In our other sustainable work, we have begun the process of seeking environmental accreditation under International Standards Organisation standard ISO14001. We aim to complete work on our existing processes in order to achieve accreditation in 2008-09.

In the UK hospitality industry, the procurement of food sourced locally gathers increasing importance. An increasing range of food is sourced within West Sussex.

#### **Future Plans And Prospects**

In my last Annual Report, I commented on the fragility of our financial model. That fragility has been clearly demonstrated in Financial Year 2007-2008. Wilton Park is heavily dependent on sponsorship. Each year and for each Conference, Programme Directors must pursue funding from a variety of sources. It is a stressful and inefficient process which denies the taxpayer value for money.

This is more than a matter of how well Wilton Park is managed. Nonetheless, it is important to confirm that we are taking a number of steps to strengthen our management culture and disciplines. We have recruited at the level of Programme Director, to address a lack of capacity that contributed to the deficit. I have put in place a Conference Programme Committee, to improve focus on Conference performance, sponsorship and risk. A broadly-based Business Plan Group has driven the implementation of the numerous issues identified in the first version of our three-year Business Plan. Together with a Marketing Strategy Group and an IT Strategy Group, these are overcoming our tendency to silo working and developing a cohesive set of priorities to achieve Wilton Park's full potential. To achieve more nimble decision-making I have reduced the size of the Management Board to five members.

In order to develop a cohesive management culture, we have embarked on a programme to establish and embed the values which staff expect to see in their line manager. We have been pleased to enjoy the support of Davis Langdon in an exercise to develop more consistent, rigorous project management disciplines. We are pleased to have retained IiP accreditation but are determined to continue raising our standards of management and leadership.

These and other management-oriented measures will not of themselves liberate Wilton Park from its regular failure to meet the target of covering its operating costs. We need to improve our capacity for identifying and developing new revenue streams, raising our profile in the UK and internationally, and improving our schemes for handling stakeholder relations. Taken with our recruitment at Programme Director level, that means further investment in the people that will bring new skills and capacity to the organisation.

And we must overcome the hand-to-mouth funding that allows no margin, inhibits long-term planning, and causes so much stress. Wilton Park's ideas for Conferences stretch to the end of 2009 and beyond. Our funding has a much shorter horizon. Some elements lie within our own hands: I aim, for example, to improve our cooperation with the very supportive Sir Heinz Koepler Trust, to capture support best directed through a charity. But we are in dialogue with the Foreign & Commonwealth Office in order to try to overcome the limitations of our current funding model without increasing the cost to the taxpayer.

The deficiencies in Wilton Park's business model which have become evident over the last few years cannot be easily or quickly overcome; I have felt compelled to warn the FCO that a further deficit is likely for 2008-2009. But the enduring commitment of the staff, engaged in a major process of change, will certainly ensure that Wilton Park not only sustains the very special quality of its Conferences, but also achieves consistency in meeting its financial targets. The challenge is considerable but the quality of our Conferences, our well-merited reputation and our people will ensure that Wilton Park meets that challenge.



Donald Lamont  
**Chief Executive**  
20 June 2008

# 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. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

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

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk).

## Salary and Pension Entitlements

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

Name, Title	Salary 2007-08 (£'000)	Salary 2006-07 (£'000)
Donald Lamont Chief Executive	75-80	15-20 (75-80 full year equivalent)
Nicholas Hopkinson Director	66-70	80-85
Tim Willows FCCA Finance Director	50-55	50-55
Robin Hart Senior Programme Director	50-55	50-55
Shirley Ellis Personnel Manager	25-30 (30-35 full year equivalent)	20-25 (25-30 full year equivalent)

'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 fulfilment of this role. The Agency has a PAYE Settlement Agreement in place with HM Revenue & Customs, The Agency meets the benefit in kind liability. The liability paid in 2007-08 is £630.

### Pension Benefits

Name, Title	Accrued pension at age 60 as at 31/3/08 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	CETV at 31/3/08 £000	CETV at 31/3/07 £000	Real increase in CETV £000
Donald Lamont Chief Executive	0 – 5 plus lump sum 0 – 5	0 – 2.5 plus lump sum 2.5 – 5	30	5	24
Nicholas Hopkinson Director	15 – 20 plus lump sum 30 – 35	0 – 2.5 plus lump sum 0 – 2.5	300	256	2
Tim Willows FCCA Finance Director	15 – 20 plus lump sum 45 – 50	0 – 2.5 plus lump sum 0 – 2.5	228	192	1
Robin Hart Senior Programme Director	10 – 15 plus lump sum 35 – 40	0 – 2.5 plus lump sum 0 – 2.5	208	168	11
Shirley Ellis Personnel Manager	5 – 10 plus lump sum 15 – 20	2.5 – 5 plus lump sum 7.5 – 10	138	72	51

### Civil Service Pensions

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

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **classic plus** is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 calculated as in **premium**. In **nuvos** a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the

end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

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

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

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

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from capital Lifetime Allowance Tax which may be due when pension benefits are drawn.

### Real Increase In CETV

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



Donald Lamont  
**Chief Executive**  
20 June 2008



# Support for Wilton Park Conferences

## British Government Departments and UK Agencies/Organisations

British Council  
Chatham House  
China Policy Institute, University of Nottingham,  
Department for International Development  
Foreign & Commonwealth Office  
Home Office  
Ministry of Defence  
The Sir Heinz Koeppler Trust

## International/Multinational Organisations

Business Action for Africa  
Centre for African Policy and Peace Strategy  
Commonwealth Parliamentary Association  
European Union Institute for Security Studies  
European Centre for Development Policy Management, Maastricht  
European Financial Forum  
Japan International Cooperation Agency, Tokyo  
Renewable Energy and Energy Efficiency Partnership  
The Caribbean Council, London  
UN Office for Co-ordination of Humanitarian Affairs  
United Nations Development Programme, New York  
Africa Regional Bureau, United Nations Development Programme, New York

NATO  
Shell Foundation  
World Bank Institute

## Business Sponsors and Corporate Members

Claydon Gescher Associates  
Shell  
Standard Chartered Bank  
Virgin Atlantic  
European Fund Asset Management Association  
Paris EUROPLACE

## Other Governments and Overseas Agencies/Organisations

**Canada**  
The North-South Institute  
Department of Foreign Affairs and International Trade, Ottawa

**Latvia**  
Ministry of Foreign Affairs

**Germany**  
Deutsches Aktieninstitut

**Malta**  
Ministry of Foreign Affairs  
Mediterranean Academy Of Diplomatic Studies

**Norway**  
Royal Ministry of Foreign Affairs

## Poland

The Office of The Committee for European Integration, Warsaw  
European Centre – Natolin, Warsaw

## Spain

Euroforum  
Manpower  
Ministry of Employment and Social Affairs, Madrid

## Sweden

Ministry of Foreign Affairs

## Switzerland

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

## Turkey

Ministry of Foreign Affairs, Ankara

## United States of America

Better World Fund of the UN Foundation, Washington, DC  
Center for Naval Analyses, Virginia,  
National Counter Proliferation Center, Washington DC  
Lawrence Livermore National Laboratory  
US Defense Threat Reduction Agency



## Statement on the Disclosure of Information to Auditors

So far as the Accounting Officer is aware:

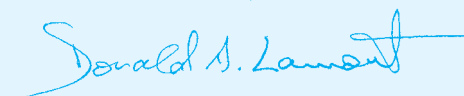
- ◆ There is no relevant audit information of which Wilton Park's auditors are unaware;
- ◆ The Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information; and
- ◆ To establish that the entity's auditors are aware of this information.

## 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:

- ◆ state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the 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 Wilton Park Executive Agency as the Accounting Officer for the Agency.
- The relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, 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 "Managing Public Money".
- ◆ 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;



Donald Lamont  
**Chief Executive and Agency Accounting Officer**  
20 June 2008

# Statement on Internal Control

## Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Wilton Park's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I am personally responsible for overall Agency performance against Ministerial and other operating targets, reporting on progress to the Head 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 2008 and up to the date of approval of the annual report and accounts, and accords with Treasury Guidance.

## Capacity to handle risk

Wilton Park is a small entity and, as such, a small number of individuals have direct responsibility for the management of risks. The nature and scale of risks facing the Agency largely relate to generating sufficient income to cover operating costs, and which requires engagement with a wide range of conference partners. The majority of risks are either managed or controlled directly by the Wilton Park Management Board, by Programme Directors, or through a number of groups that focus on particular areas of the operation (such as Business Plan, ICT Strategy, Marketing, Conference Planning).

## 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; from stakeholder, customer and staff feedback; and from review by the FCO Departmental Board Audit Committee. The identified risks are weighted in line with the collective experiences of the most senior Agency staff based on past performance and trends, together with information about the current conference environment and prevailing operating and political priorities of main partners, and in particular those of the Foreign & Commonwealth Office. There is a process of continuing dialogue with the FCO on multi-year sponsorship of conferences.

The following additional processes are in place:

- ◆ Six-monthly meetings of the Wilton Park Advisory Council and an annual meeting of the Wilton Park International Council that inform the Wilton Park conference programme in forthcoming calendar years;
- ◆ Monthly review of performance against 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 of the extent 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 three times a year 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.

Financial year 2007-08 saw two identified risks manifest in-year, impacting significantly on Agency financial performance. A relatively small team delivers the Wilton Park conference programme. The unavailability of Programme Director resource directly impacted on the number of conferences we were able to successfully deliver. We also saw a significant decline in the amount of external conference sponsorship generated, primarily from within the UK and central government, including the FCO. The scale of the financial impact has highlighted the major constraints of the way in which the Agency operates on a conference-by-conference basis.



Donald Lamont  
**Chief Executive and Agency Accounting  
Officer**  
20 June 2008

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

I certify that I have audited the financial statements of Wilton Park Executive Agency under the Government Resources and Accounts Act 2000. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report.

## **Respective Responsibilities of Agencies, Chief Executive and Auditor**

The Agency and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions.

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

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder.

I report to you whether, in my opinion, the information, which comprises the management commentary included within the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the 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 opinions**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Accounting Officer 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.

### **Opinion**

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 Wilton Park Executive Agency's affairs as at 31 March 2008 and of its deficit for the year then ended;
- ◆ the financial statements and the Remuneration Report have been properly prepared in accordance with the Government Resources and Accounts Act 2000 HM Treasury directions made thereunder; and
- ◆ information, which comprises the Financial Targets and Results, included in the Annual Report, is consistent with the financial statements.

### **Opinion on regularity**

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

### **Report**

I have no observations to make on these financial statements.

T J Burr  
Comptroller and Auditor General  
27 June 2008

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



# Financial Statements

## Operating Cost Statement for year ended 31 March 2008

	Note	2007/08		2006/07	
		£000	£000	£000	£000
<b>Administration Costs</b>					
Staff Costs	3	2,373		2,247	
Other Administration Costs	4	1,040		1,419	
<b>Gross Administration Costs</b>			<b>3,413</b>		<b>3,666</b>
Net Programme Costs	5		925		1,040
<b>Gross Operating Costs</b>			<b>4,338</b>		<b>4,706</b>
Operating Income	6		(3,584)		(4,091)
<b>NET RESOURCE OUTTURN</b>			<b>754</b>		<b>615</b>

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 2008

	Note	2007/08	2006/07
Net Cost		754	615
Net change on revaluation of tangible fixed assets	13	(19)	(13)
		<b>735</b>	<b>602</b>

## Balance Sheet

for year ended 31 March 2008

	Note	2007/08		2006/07	
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Tangible Assets	7	864		685	
			864		685
<b>Current Assets</b>					
Stocks	9	56		61	
Debtors	10	603		576	
Cash at bank and in hand	11	308		272	
		967		909	
Creditors (due within one year)	12	(486)		(524)	
<b>Net Current Assets</b>			<b>481</b>		<b>385</b>
<b>Total Assets less Current Liabilities</b>			<b>1,345</b>		<b>1,070</b>
<b>Provisions for liabilities and charges</b>			-		-
<b>NET ASSETS</b>			<b>1,345</b>		<b>1,070</b>
<b>Taxpayers' Equity</b>					
General Fund	15		1,287		1,046
Revaluation Reserve	13		42		24
Donated Asset Reserve	13		16		-
			<b>1,345</b>		<b>1,070</b>



Donald Lamont  
**Chief Executive**  
 20 June 2008

## Cash Flow Statement

for year ended 31 March 2008

	Note	2007/08 £000	2006/07 £000
<b>Net cash outflow from operating activities</b>		(579)	325
<b>Capital expenditure</b>		(293)	(343)
<b>Financing from the Consolidated Fund (net)</b>		908	(23)
<b>Increase/(Decrease) in cash in the period</b>		<b>36</b>	<b>(41)</b>
<b>Notes to the Cash Flow Statement</b>			
<b>Reconciliation of operating cost to operating cash flow</b>			
Net operating cost		(754)	(615)
Adjust for non-cash transactions	4	235	645
Adjust for movements in working capital other than cash	8	(60)	295
<b>Net cash outflow from operating activities</b>		<b>(579)</b>	<b>325</b>
<b>Analysis of capital expenditure</b>			
Purchases of fixed assets	7	(309)	(343)
Donated Assets	13	16	-
<b>Net cash outflow from capital expenditure</b>		<b>(293)</b>	<b>(343)</b>
<b>Analysis of financing</b>			
From Consolidated Fund (net)	19	908	(23)
Decrease/(Increase) in cash	11	(36)	41
<b>Net cash requirement</b>		<b>872</b>	<b>18</b>

# Notes to the Financial Statements

## 1

### Statement of Accounting Policies

The financial statements have been prepared in accordance with the *Financial Reporting Manual* issued by HM Treasury. The particular accounting policies adopted by the Agency are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

#### Accounting Convention

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

#### Tangible Fixed Assets

Tangible fixed assets in excess of £500 are capitalised at their cost of acquisition. Individual assets purchased for less than this amount are written off.

Tangible assets have been revalued to 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	5 to 20
Fixtures and Fittings	5 to 10
Building Enhancement	10 years or to end of remaining period of current lease
Computers and Equipment	3 to 10
Motor Vehicles	4 to 10

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

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

The Donated Asset (see Note 13) relates to the Bio Energy Capital Grant received for the Biomass Heating system installed at Wilton Park in July 2007. Annually, an amount is transferred from the Donated Asset Reserve to operating income over the same life of the asset on which depreciation is charged.

#### 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)	4,321	3,584
Recovery Percentage	93.5%	82.6%

### 3

## Staff Numbers and Costs

	2007/08	2006/07
The average number of employees during the period, including directors, was made up as follows:		
Academic	9	8
Administrative	36	35
House Team	21	22
	<b>66</b>	<b>65</b>
	£000	£000
The payroll costs of these employees were as follows:		
Salaries and wages	1,820	1,707
Social Security	134	126
Others - Superannuation	302	297
- Employee Related Costs	117	117
	<b>2,373</b>	<b>2,247</b>

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. Wilton Park is unable to identify its share of the underlying assets and liabilities.

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

For 2007-08 employer's contributions of £302k were payable to the PCSPS (2006-07 £297k) at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands (the rates in 2006-07 were between 17.1% and 25.5%).

The scheme Actuary reviews employer contributions every four years following a full scheme valuation. From 2007-08, the salary bands will be revised but the rates remain the same.

The contribution rates are set to meet the cost of benefits accruing during 2007-08 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

	2007/08		2006/07	
	£000	£000	£000	£000
Rentals under operating leases				
Hire of Office Equipment	38		39	
Property Rentals	165		98	
		203		137
Non cash items				
Depreciation	139		484	
Impairment	1		7	
Loss on Disposal of Fixed Assets	9		57	
Assets Under Construction Written Off	-		12	
Interest on Capital Employed	45		53	
External Auditor's Fees	20		20	
Internal Auditor's Fees	17		8	
Pay Section Charge	4		4	
		235		645
Other expenditure				
Rates	42		41	
Maintenance, Cleaning, Heating & Lighting	240		254	
Administrative Expenses	320		342	
		602		637
		<b>1,040</b>		<b>1,419</b>

## 5

## Net Programme Costs

	2007/08 £000	2006/07 £000
Other current expenditure		
Purchases	284	281
Housekeeping	208	233
Conference Costs	433	526
	<b>925</b>	<b>1,040</b>

## 6

## Operating Income

	2007/08 £000	2006/07 £000
Operating income for 2007/08 is as follows:		
Rent received from external tenants	3	3
Bank Interest received	16	19
Transfer from Donated Asset Reserve	1	-
Other fees and charges	3,564	4,069
	<b>3,584</b>	<b>4,091</b>
An analysis of income from services provided to external and public sector customers is as follows:		
WP Conferences	2,651	3,140
Commercial Operations	745	755
Bar Sales	85	88
Shop Sales	3	5
Miscellaneous	80	81
	<b>3,564</b>	<b>4,069</b>

## 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
<b>Cost or Valuation</b>							
at 1st April 2007	-	267	486	22	334	80	1,189
Additions	17	38	116	-	87	51	309
Re-classification	16	(3)	3	-	115	(131)	-
Disposals	-	(55)	(42)	-	(35)	-	(132)
Revaluation	1	(1)	13	-	11	-	24
<b>Cost at 31/3/2008</b>	<b>34</b>	<b>246</b>	<b>576</b>	<b>22</b>	<b>512</b>	<b>-</b>	<b>1,390</b>
less:							
Depreciation							
at 1st April 2007	-	178	184	11	131	-	504
Re-classification	-	(1)	1	-	-	-	-
Provided in year	1	50	50	2	36	-	139
Eliminated in respect of Disposals	-	(53)	(36)	-	(34)	-	(123)
Revaluation	-	(1)	4	-	3	-	6
<b>Depreciation at 31/3/2008</b>	<b>1</b>	<b>173</b>	<b>203</b>	<b>13</b>	<b>136</b>	<b>-</b>	<b>526</b>
<b>Net Book Value</b>							
<b>at 31/3/2008</b>	<b>33</b>	<b>73</b>	<b>373</b>	<b>9</b>	<b>376</b>	<b>-</b>	<b>864</b>
at 31/3/2007	-	89	302	11	203	80	685



## 8

## Movements in Working Capital Other than Cash

	2007/08 £000	2006/07 £000
(Decrease)/Increase in Stocks	(5)	(1)
(Decrease)/Increase in Debtors	27	(156)
Decrease/(Increase) in Creditors	38	(138)
	<b>60</b>	<b>(295)</b>

## 9

## Stocks

	2007/08 £000	2006/07 £000
Liquor and Food	19	18
Shop	5	6
Wilton Park Books	11	11
Wilton Park Conference Folders	6	8
Commercial & Wedding Brochures	14	18
Secure stationery	1	-
	<b>56</b>	<b>61</b>

## 10

## Debtors

	2007/08 £000	2006/07 £000
Amounts falling due within one year		
Trade Debtors	530	482
Other Debtors	21	-
Prepayments and Accrued Income	52	94
	<b>603</b>	<b>576</b>
An analysis of debtors is as follows:		
Balances with other central government bodies	403	195
Balances with bodies external to government	200	381
	<b>603</b>	<b>576</b>

## 11

### Cash at Bank and in Hand

	2007/08 £000	2006/07 £000
Balance at 1 April 2007	272	313
Net (Outflow)/Inflow	36	(41)
<b>Balance at 31 March 2008</b>	<b>308</b>	<b>272</b>

## 12

### Creditors: Amounts Falling Due Within One Year

	2007/08 £000	2006/07 £000
Trade Creditors	171	234
Payments Received on Account	127	212
Other Creditors	1	2
Accruals and Deferred Income	151	28
VAT	36	48
	<b>486</b>	<b>524</b>
An analysis of creditors is as follows:		
Balances with other central government bodies	41	68
Balances with bodies external to government	445	456
	<b>486</b>	<b>524</b>

## 13

### Reserves

	2007/08 £000
<b>Revaluation Reserve</b>	
Balance at April 2007	24
Arising on revaluation during the year (net)	19
Transferred to General Fund in respect of realised element on Revaluation Reserve	(1)
<b>Balance at 31 March 2008</b>	<b>42</b>
<b>Donated Asset Reserve</b>	
Balance at April 2007	-
Additions In Year	17
Transferred to Miscellaneous Income In Year	(1)
<b>Balance at 31 March 2008</b>	<b>16</b>

## 14

## Commitments under Operating Leases

	2007/08 £000	2006/07 £000
At 31 March 2008 Wilton Park had annual commitments under non-cancellable operating leases which expire:		
<b>Land and Buildings</b>		
Within one year	-	-
Within two to five years	171	172
More than five years	-	-
The new lease on Wiston House extends to the year 2027 with 5 yearly break clauses.		
The new lease is expected to be signed in June 2008.		
<b>Other Operating Leases</b>		
Within one year	-	-
Within two to five years	27	25
More than five years	-	-

## 15

## Reconciliation of Net Operating Cost to Changes in General Fund

	2007/08 £000	2006/07 £000
<b>Net Operating Cost for the year</b>	<b>(754)</b>	<b>(615)</b>
Net Parliamentary Funding	908	(23)
Transfer to General Fund in respect of realised element of Revaluation Reserve	1	24
Non-cash charges:		
Cost of Capital	45	53
External Auditor's Fees	20	20
Internal Auditor's Fees	17	8
Pay Section Costs	4	4
<b>Net (Increase)/Decrease in General Fund</b>	<b>241</b>	<b>(529)</b>
General Fund at 1 April 2007	1,046	1,575
<b>General Fund at 31 March 2008</b>	<b>1,287</b>	<b>1,046</b>

## 16

### Related Party Transactions

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

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 2008 £000	31 March 2007 £000
Interest is charged at 3.5% per annum on the annual average capital employed as follows:		
Fixed Assets	864	685
Current Assets (less cash at bank)	658	637
Current Liabilities	(486)	(524)
	<b>1,036</b>	<b>798</b>
Interest on average annual capital employed for non-cash assets	32	37
Interest on average monthly capital employed for cash assets	13	16
<b>Interest on total capital employed</b>	<b>45</b>	<b>53</b>

## 18

### Segmental Reporting

	Academic Activities £000	Commercial Activities £000	Total £000
Expenditure	3,362	976	4,338
Income	2,728	856	3,584
Deficit	634	120	754
% Cost Recovery	81.1%	87.7%	82.6%
% Cost Recovery Target			93.5%

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

	2007/08 £000	2006/07 £000
Net expenditure shown in the Foreign & Commonwealth Office Resource Account is £908,156.03		
This reconciles as follows:		
FCO Expenditure	908	(23)
<b>Net Parliamentary Funding</b>	<b>908</b>	<b>(23)</b>

## 20

### Capital Commitments

	2007/08 £000	2006/07 £000
Contracted capital commitments at 31 March 2008 for which no provision has been made	89	110

## 21

### Financial Instruments

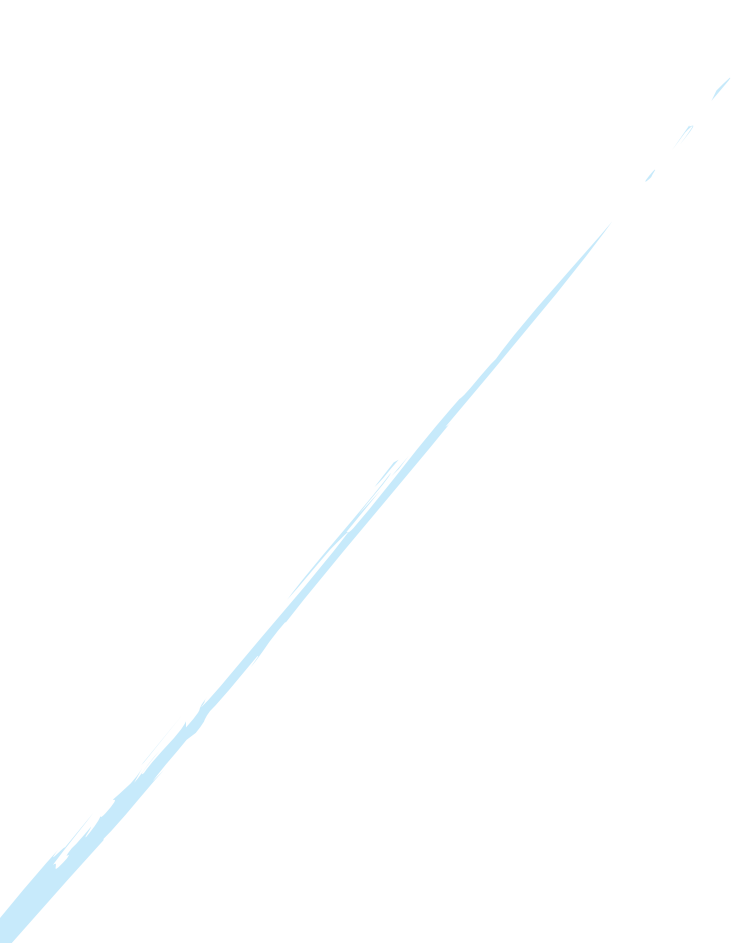
FRS13, Derivative and other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking activities. Due to the largely non trading nature of its activities and the way in which government 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.



For partially sighted people a pdf version of this Annual Report is available on the Wilton Park Website: [www.wiltonpark.org.uk](http://www.wiltonpark.org.uk)

Please call 01 903 817772 for further information.





information & publishing solutions

Published by TSO (The Stationery Office) and available from:

Online

[www.tsoshop.co.uk](http://www.tsoshop.co.uk)

**Mail, Telephone Fax & E-Mail**

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

E-mail: [customer.services@tso.co.uk](mailto:customer.services@tso.co.uk)

Textphone: 0870 240 3701

**TSO Shops**

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

71 Lothian Road, Edinburgh EH3 9AZ

0870 606 5566 Fax 0870 606 5588

**The Parliamentary Bookshop**

12 Bridge Street, Parliament Square,

London SW1A 2JX

**TSO@Blackwell and other Accredited Agents**

ISBN 978-0-10-295623-8



9 780102 956238