HANSARD
SOCIETY

A Charitable Company Limited by Guarantee

Promoting Democracy, Strengthening Parliament

Trustees' Report and Financial Statements

For the year ended 31 December 2005

Registered company number 04332105
Charity number 1091364

Hansard Society, 40-43 Chancery Lane, London, WC2A 1JA

www.hansardsociety.org.uk Telephone: 020 7438 1222

HANSARD SOCIETY LIMITED

Contents

	Page
Legal and administrative information	1 - 2
Trustees' report	3 - 10
Auditors' report	11 - 12
Statement of financial activities	13
Balance sheet	14
Notes forming part of the financial statements	15 - 24

HANSARD SOCIETY LIMITED

Legal and administrative information
For the year ended 31 December 2005

Hon. Officers

President:	Rt Hon Michael Martin MP
Vice Presidents:	Rt Hon Tony Blair MP
	Rt Hon Michael Howard QC MP (Until December 2005)
	Rt Hon David Cameron MP (From December 2005)
	Rt Hon Charles Kennedy MP

Trustees

Chairman:	Rt Hon Lord Holme of Cheltenham CBE
Vice Chairs:	Nick Clegg MP (Elected 05/07/2005)
	Baroness Gould of Potternewton
	Kate Jenkins
	Rt Hon Sir George Young Bt MP
Hon. Treasurer:	Wilf Weeks
Members of Council:	Richard Allan (Elected 05/07/2005)
	Michael Clancy OBE (Until 05/07/2005)
	Rob Clements
	Hilton Dawson (Elected 05/07/2005)
	Paul Evans
	Oonagh Gay
	Elinor Goodman
	Professor Robert Hazell CBE
	Lord Kirkwood of Kirkhope (Until 05/07/2005)
	Andrew Lansley CBE MP
	Jo Long - Assistant Honorary Treasurer
	Chris Lowe (Until 05/07/2005)
	Joyce McMillan (Elected 05/07/2005)
	Floyd Millen
	Austin Mitchell MP
	Jan Newton OBE
	Professor the Lord Norton of Louth
	Peter Riddell
	Paul Seaward (Until 05/07/2005)
	Colin Seymour-Ure (Until 05/07/2005)

Legal and administrative information
For the year ended 31 December 2005

	Gerald Shamash John Sharkey (Elected 05/07/2005) Lord Tomlinson (Until 05/07/2005) Peter Wynne Davies (Until 05/07/2005)
Chief Executive	Clare Ettinghausen
Company Registered Number	04332105
Charity Registered Number	1091364
Registered Office	40 - 43 Chancery Lane London WC2A 1JA
Auditors	Trustient Chartered Accountants Registered Auditors Buckingham House East The Broadway Stanmore Middlesex HA7 4EB
Bankers	National Westminster Bank 65 Aldwych London WC2B 4EJ

HANSARD SOCIETY LIMITED

Report of the Board of Trustees

For the year ended 31 December 2005

The Trustees of the Charity (who are the Directors of the Charity for company law purposes) present their report and the audited financial statements for the year ended 31 December 2005. The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

The charity is constituted as a company limited by guarantee, and is therefore governed by its memorandum and articles of association.

Objectives and Activities

Aims of the charity

To improve public understanding and involvement with parliamentary democracy, especially among young people and improve the effectiveness of political institutions.

Mission statement

To promote knowledge of and interest in parliamentary democracy.

Main objectives for the year

In 2005 the Hansard Society focused on:

- piloting new ways in which people can connect with the process of parliamentary democracy between elections;
- educating young people about how parliamentary democracy works and showing them how they can get involved, particularly in reaching those outside formal education, and experimenting with different tools of communication;
- working with parliaments (especially the Westminster Parliament) to assist the process of strengthening and reforming the way they work and the methods by which the public engage with these institutions;
- engaging a wider audience in knowledgeable involvement and participation in the political process, from voting to taking a greater active role in the political process;
- enhancing the connection and promoting dialogue between people and Parliament by developing resources for adult civic and political education, including using innovative ways of increasing accountability between representatives and the represented;
- stimulating positive engagement in the debate about issues relating to modern parliamentary democracy; to encourage Parliament to adapt to the modern world and be the leading platform for the debate for changes which will make Parliament more effective and thus strengthen the democratic process.

Strategies for achieving objectives

To achieve these objectives the core activities are carried out by five main programmes of work. In addition, during 2005, an additional programme equivalent *the Commission on the Communication of Parliamentary Democracy* (the Puttnam Commission) was run.

Citizenship Education - carries out practical, ground level work with citizens of all ages and backgrounds (but especially young people) that aims to broaden understanding, knowledge and participation in the political system.

eDemocracy - works to pilot and develop the use of new technologies as a means of engaging elected representatives with the public and the public with the policy-making process. The programme is structured around three main strands: research and development; service delivery; and training and consultancy.

Parliament and Government - undertakes high-level research to stimulate reform of political institutions and law-making process, and looks at new ways to enhance engagement between the public and our political institutions.

Study and Scholars - runs one of the most prestigious educational courses on British politics. Primarily for overseas students, the course is accredited by the London School of Economics and Political Science, and provides an ideal opportunity for those who wish to experience both academic and hands-on experience in the political process.

Hansard Society Scotland Programme - based in Edinburgh, looks at ways to inform and educate citizens of all ages about the Scottish Parliament and wider political institutions (including EU and Westminster) and provides an independent platform for debate regarding development of the new Parliament. It also produces citizenship materials for Scottish schools.

Hansard Society Commission - The Hansard Society periodically establishes independent public policy commissions to examine in depth key political issues and to make recommendations for change. Previous commissions have radically improved the law making and modernisation processes in Parliament. *Parliament in the Public Eye* chaired by Lord (David) Puttnam, investigated the relationship between Parliament, the public and the media. The Commission published its report *Members Only? Parliament in the Public Eye* in May 2005.

Principal Activities for the Year

The Hansard Society carried out a wide range of activities during 2005 and this is represented in a growth in income and expenditure. We continued to be successful in attracting funds for new projects. Major activities are outlined below.

- Fringe Meetings at Liberal Democrat, Conservative, Labour and Scottish Party Autumn conferences - *Does Democracy Need a Makeover?* (The Electoral Commission)
- New Parliament - production of a poster sent to all MPs outlining the work of the Hansard Society after the election.
- Political Awards in association with Channel 4 including a Hansard Society award for innovation.
- Annual Debate: Who Best Delivers Politics, Broadsheet, Broadcast or Broadband? (Shell)
- Inaugural Hansard Lecture on Values in Politics. Together with St Giles in the Field Church.
- Parliamentary Affairs - four issues published during 2005 by OUP together with a special edition on the general election *Britain Votes 2005*.
- Speaker's House Reception.

HANSARD SOCIETY LIMITED

Citizenship

- HeadsUp forums on: Big Brother....Should we have to carry ID cards, Turnout or turn off? General Election 2005, The G8....Who benefits from globalisation, You Decide....Should smoking in public places be banned? and ASBOs...over the top or spot on? *(House of Commons and DfES)*
- Ofsted/Hansard Society lecture - speech by David Bell HMCI on Citizenship to the Hansard Society.
- Mock Elections - enabling nearly a million young people to take part in elections at the same time as the general election was taking place. *(The Electoral Commission and the DfES)*
- Web-Design Challenge - country-wide competition to design a new website by young people, for young people, to engage in political issues. *(Culture Online)*
- LSDA - Post 16 Citizenship - Hansard Society delivered youth worker/teacher workshop on using ICT to deliver controversial issues within Citizenship Education.
- APPG Youth Affairs/Hansard Society - launch of leaflet, *Engaging with young people in your area; a guide for Councillors and MPs.*
- 5 Nation Conference on Education for Citizenship in Dublin - Hansard Society was invited to represent England.
- AMs in Schools - part of our Representative in Schools series to encourage closer links between members of the Welsh Assembly and young people. *(HSBC Wales)*
- What has the EU ever done for me? A competition for key stages 3 and 4 to write about the EU and win a trip to Brussels. Together with the British Council.
- Training for Kuwaiti young people. Together with the British Embassy, Kuwait.

eDemocracy

- Tellparliament.net - online consultations for Parliament and Government
- Online surgeries for young people (National Project for eDemocracy)
- Councillor blogs (National Project for eDemocracy)
- All Party Parliamentary Group on eDemocracy - supporting the APPG to promote eDemocracy by organising and administering events - Online Campaigning, Will the internet reconnect Britain, private seminar for the ODPM National eDemocracy Project
- Jamie's big voice - blog together with Crisis
- Democracy Forum - Will the Internet Reconnect Britain? Together with the ESRC eSociety programme
- DemocracyForum - Doing Politics Online - eDemocracy and Young People
- Democracy Forum - Spinning the Web - Online Campaigning During the UK General Election
- Democracy Forum - Weblogs, A Powerful Voice for Campaigns?
- eDemocracy 05 conference - a major conference to examine issues of eDemocracy. Together with Headstart
- *Spinning the Web: Online Campaigning in the 2005 election* - Report
- *Weblogs: A Powerful Voice for Campaigns* - Report together with Crisis.

HANSARD SOCIETY LIMITED

Parliament & Government

- All Party Parliamentary Group on Parliamentary Reform - meeting on Connecting Parliament with Young People, taking the views of 40 young people from around the country. *(Virgin Trains and The Electoral Commission).*
- Inside the Counting House: A discussion paper of parliamentary scrutiny of government finance (PWC and Cipfa)
- *MPs and politics in our time*, J. Healey, M. Gill & D. McHugh, *(Dods Parliamentary Communications)*.
- Enhancing Engagement - report for the House of Commons Group for Information for the Public
- First Timers: The Experiences of New MPs - a project to follow over 20 newly elected MPs during their first year in Parliament.
- *Women at the Top 2005: Changing Numbers, Changing Politics?* S. Childs, J. Lovenduski & R. Campbell, (Accenture).
- European Union Legislation: The Regulatory Environment (DLA Piper)
- New Politics, New Parliament? A review of parliamentary modernisation since 1997, (Nuffield Foundation)
- 'Defending representative democracy: Parties and the future of political engagement in Britain', P. Parvin & D. McHugh, *Parliamentary Affairs* 58 (3) 2005, (OUP).
- The Future of Parties, (eds.) D. McHugh & C. Needham, *Parliamentary Affairs,* 58 (3) July (OUP).
- Neglecting Democracy: Participation and Representation in 21st Century Britain (KPMG)
- Post-Legislative Scrutiny (DLA Piper)
- An Audit of Political Engagement. Together with The Electoral Commission.
- *Women at the Top 2005: Changing Numbers, Changing Politics?* Whole-day conference to launch report of associated publication *(Accenture)*
- *Britain, Europe and the changing regulatory environment*, hosted by the Corporation of London in association with DLA Piper.
- *New Politics, New Parliament?* Report launch *(Nuffield Foundation)*
- *Identity, Political Engagement and Civic Activism*, Whole-day roundtable in association with the ESRC Identities Programme.

Scotland Programme

- MSPs in Schools - as part of our 'Representative in Schools' series to encourage closer links between MSPs and young people *(Learning + Teaching Scotland, the Scottish Executive Education Department, The Electoral Commission and the Scottish Parliament Outreach Service)*
- Democracy Forum - Considering the European Parliament - 1. Changing times: how will the European Constitution affect the status quo? *In association with the European Parliament Office in Scotland*
- Democracy Forum - Considering the European Parliament 2. Can it Compensate for the Shortcomings of National Parliaments? *(European Parliament Office in Scotland)*
- Democracy Forum -Considering the European Parliament 3. The Common Fisheries and Common Agricultural Policies: How do they Work for Scotland? *(European Parliament Office in Scotland)*
- Democracy Forum - The Multi-Party Parliament: Does it Make A Difference? *(Scottish International Education Trust and The Tay Trust)*
- Democracy Forum - Business and the Scottish Parliament *(Scottish Enterprise)*
- Have the People Had the Last Word? The Future of the European Constitution. Annual Conference *(Supported by Scottish Enterprise)*
- Presiding Officer's Reception *Sponsored by Pfizer*

Scholars
Forty-seven undergraduates and twenty-nine graduates took part in the Hansard Scholars Programme in 2005. From a diverse range of countries (including Bangladesh, Belarus, Bolivia, Brazil, Bulgaria, Croatia, Estonia, Georgia, Hong Kong, Indonesia, Lebanon, Moldova, Mongolia, Montenegro, New Zealand, Russia, Singapore, Slovenia, Turkey, USA, Uruguay, and Uzbekistan), many of the Scholars received prestigious FCO Chevening Scholarships. Several also received funding from the Open Society Institute.

The Scholars Programme continues to attract a good number of talented students from a range of different backgrounds, professions, and specialisms. Run three times per year (in the spring, summer and autumn), it enables students from established and emerging democracies to study British politics while working at its heart in a range of political organisations - from think tanks and campaign organisations (such as Foreign Policy Centre, Constitution Unit, and the Westminster Foundation for Democracy) to businesses, government departments (including the DfES, DCA, DWP, DTI and the Cabinet Office) and the Westminster offices of MPs. Each semester, Scholars also participate in political study trips to Oxford and Edinburgh, and enjoy a variety of cultural events, plays and shows.

The Study & Scholars Programme is also pleased to have organised a 10-day training package for visiting parliamentary researchers from the National Assembly Office of Vietnam. Organised on behalf of the British Council, the event comprised a series of seminars, lectures, and study trips aimed at improving the participants' research techniques and showing them the many ways in which researchers and information providers in Westminster and the Assembly for Wales deal with requests for information from MPs, Peers and AMs.

We also organised a full-day conference for over 250 visiting Americans at One Great George Street - the showpiece event of the Elderhostel Anniversary celebrations. The theme for the day was the relationship between the media and politicians, and there were speeches from Peter Riddell of The Times, former BBC journalist Nicholas Jones and Lord Norton. The delegates were also taken on a tour of Parliament.

In addition, the Programme organised a series of events designed to facilitate debate about key issues in British politics and public policy. These included the public affairs breakfast series aimed at bringing business professionals, journalists, academics and other experts together to debate issues of mutual concern (in association with KPMG), and a roundtable at the annual meeting of the UK Political Studies Association in Leeds on the issue of compulsory voting. The Programme Director also spoke at the annual meeting of the American Political Science Association in Washington DC on the subject of political disengagement.

Commission - Parliament in the Public Eye
The Hansard Society periodically runs independent commissions to look at matters of political and public interest. In 2004 we set up a commission chaired by Lord Puttnam to look at how Parliament communicates itself to the public.

- Democracy Forum - What's It got to do with you? Parliament in the Public Eye
- Commission Report: *Members Only? Parliament in the Public Eye* and launch in May 2005. *(Ofcom, BBC, Channel 4).*

Commission follow up was ongoing in the second half of 2005 and the Society has secured further support to fund research activities to support follow up in 2006.

Visiting academic fellow scheme
During 2005 the Hansard Society introduced a visiting academic fellow scheme to enable self-funded scholars to utilise the resources of the Hansard Society while carrying out their own research. It is intended to provide an environment to support and encourage academics researching in the areas of British politics and parliamentary democracy. The Hansard Society hopes that the Visiting Fellows will contribute to its own research programme and activities looking at key issues in British politics and parliamentary democracy.

Dr Philip Cowley from the University of Nottingham was the first fellow to join the scheme.

Plans for the Future

In 2006 the Hansard Society will focus on:

- Discussing issues of democracy and representation both in the UK and abroad through the new Democracy Series and a number of Democracy Forums held throughout the year;
- Harnessing our contact with schools and teachers and extending this further by developing our online and offline citizenship resources;
- Understanding the modern policy making process and assessing how effectively the House of Commons and House of Lords impact upon the process of policy and law making through research, seminars and conferences;
- Stimulating engagement in the debate about modern democracy and how it can be built upon to cope with the challenges of modern society via our pilot projects using online and other technologies;
- Developing our range of study and scholar's programmes to encompass a wider audience and measuring satisfaction with current courses;
- In Scotland we will continue to develop citizenship materials, and public and private events to discuss the Scottish political system and its relationship with the rest of the UK and beyond.

Volunteers and Interns
Like many other charities, the Hansard Society is fortunate in that it has a number of volunteers or interns who assist us in our work. We have one long term volunteer who is responsible for administering our membership and publications and he comes in one half day per week. Each programme offers internships to support the core projects and activities and to enable interns to get a taste for working in politics. During 2005 ten interns assisted our programmes. Volunteers and interns are offered repayment for their travel expenses and contribution towards their lunch expenses. We also benefited from a short term secondment from HMRC to work with our Finance Director.

Financial Review

The Hansard Society maintained a healthy level of income in 2005, continuing to benefit from the success of the Scholar's Programme, which remains an important element of the Society's work. In other programmes we tried to achieve stability and hoped to maintain current levels of income, rather than over-stretching our fundraising capacity further. In 2004 the Society celebrated its sixtieth anniversary and as such had exceptional fundraising activity, including for the main anniversary event, the House to Home exhibition. We also held a special fundraising appeal. In 2005 therefore we expected income levels to fall back to a more normal level of activity. This position is reflected in the Trustees' planning for 2006 where no radical growth is expected.

The lease on our London premises was terminated at short notice and therefore the Society was forced to move offices in Autumn 2005. As part of the search for new premises, we carried out a cost-benefit analysis of staying within the LSE area. Our links with the LSE have enabled us to move to new and better offices, suited to our present staffing levels and activities. This had a direct short term cost relating to the physical costs of the move and our overall expenditure on premises has increased from £65,762 in 2004 to £102,037 in 2005-6.
We continue to be funded from a wide range of sources including project-based funding from the government departments, statutory bodies, public and private organisations. The analysis of achievements above shows the funder for each particular activity.

Reserves policy
The Trustees reviewed the reserves policy and have set a target of achieving £200,000 of free reserves by the end of 2006. Thereafter the Society wishes to maintain a minimum of three months running costs in the free reserve and at the current turnover this requires a likely target of 15% of income. The Trustees recommend that given the Society's review of its risk analysis and the reliance on the Scholar's Programme, the reserves may need to be increased to accommodate this risk. In 2005 this will take the free reserves to just over £170,000.

Research and Development Fund
A new Research and Development Fund has been designated by the Trustees from the unrestricted reserves of the Society. This designated fund is earmarked for expenditure on projects agreed by the Trustees to further the aims and objectives of the Society. To access the Fund, Society staff must apply to the Trustees for funding on a specific project and the application must be approved by the Trustees before the funds are released. An initial £30,000 will be contributed to the fund for 2005.

Risk Assessment
The Society undertakes a risk analysis to assess any potential impact on our income, expenditure or other ability to carry out activities. The risk analysis is reviewed on an annual basis.

Structure and Governance

Legal responsibility for the management and stewardship of the Hansard Society is vested in the Board of Trustees.

The management of the Society is the responsibility of the Council Members who are elected and co-opted under the terms of the Articles of Association. Only members of the Society are eligible to be appointed to the Council. The Chairman and Treasurer are appointed on a yearly basis at the annual general meeting. Other Council Members are appointed for a term of three years, after which they may put themselves forward for reappointment. The Council have delegated responsibilities to the Executive Committee to overview the financial, management and contractual arrangements of the organisation.

New trustees are recruited with the aim of gaining a range of views, interests and perspectives. Wide networks are consulted including those of our stakeholders who represent the public, private, statutory and charitable sectors and across all major political parties.

The Council met three times during the year and the Executive Committee five times.

Trustees are provided with a broad range of information about the Hansard Society including copies of the last year of Council papers, publications and background information on the organisation and the way it works. New Trustees meet with the Chair and Chief Executive to discuss particular areas of work and then follow up on these areas, in some cases with other members of staff.

Membership of the Hansard Society
Membership of the Hansard Society is open to the public who can join as ordinary members or as members who in addition subscribe to our journal, Parliamentary Affairs. Members of Parliament, the Scottish Parliament, Welsh Assembly or European Parliament join the Society as Parliamentary Patrons. Organisations, companies or institutions join as Corporate Supporters.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice applicable to charities.

Company and charity law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that period. In preparing those financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Charity will continue in operation).

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

Auditors

Trustient were appointed as auditors during the year. A resolution proposing that Trustient be re-appointed as auditors of the Charity will be put to the Annual General Meeting.

This report was approved by the Trustees on 14 June 2006 and signed on its behalf, by:

Rt Hon Lord Holme of Cheltenham CBE

Chair

Independent Auditors' report to the members of Hansard Society Limited

We have audited the financial statements of Hansard Society Limited for the year ended 31 December 2005 set out on pages 13 to 24. These financial statements have been prepared in accordance with the accounting policies set out therein, the Statement of Recommended Practice: 'Accounting by Charities' and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005)

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's Trustees (who also act as company directors of Hansard Society Limited) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable Charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' report to the members of Hansard Society Limited

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller charities, of the state of the Charity's affairs as at 31 December 2005 and of its incoming resources and application of resources, including its income and expenditure in the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Trustient
Chartered Accountants
Registered Auditors
Buckingham House East
The Broadway
Stanmore
Middlesex
HA7 4EB

Date:

Statement of Financial Activities for the year ended 31 December 2005
(incorporating income and expenditure account)

	Note	Restricted Funds 2005 £	Unrestricted Funds 2005 £	Total Funds 2005 £	Total Funds 2004 £
Incoming Resources					
Incoming resources from charitable activities					
Study and Scholars programme		-	522,280	522,280	449,611
Parliament and Government programme		47,113	106,061	153,174	115,242
eDemocracy programme		-	57,642	57,642	81,134
Citizenship Education programme		232,329	17,822	250,151	264,994
Scottish Parliament programme		14,519	46,067	60,586	54,141
Membership subscriptions		-	3,252	3,252	3,200
Publications		-	96,120	96,120	73,685
Other income		-	2,255	2,255	162
Incoming resources from generated funds					
Voluntary income and core funding	**2**	-	92,346	92,346	399,453
Activities for generating funds:					
Fundraising income	**3**	-	345	345	46,972
Investment income	**4**	-	4,707	4,707	3,331
Total Incoming Resources		293,961	948,897	1,242,858	1,491,925
Resources Expended					
Costs of generating funds:					
Generating voluntary income	**5**	-	25,962	25,962	29,030
Charitable activity costs					
Study and Scholars programme		-	400,202	400,202	446,425
Parliament and Government programme		50,613	135,659	186,272	143,036
eDemocracy programme		-	103,897	103,897	93,649
Citizenship Education programme		232,329	82,220	314,549	281,642
Scottish Parliament programme		14,519	69,367	83,886	64,880
House to Home exhibition		-	-	-	304,549
Puttnam Commission		-	37,522	37,522	52,440
Governance costs	**8**	-	10,037	10,037	13,711
Total Resources Expended		297,461	864,866	1,162,327	1,429,362
Movement in Total Funds for the Year - Net Income/(Expenditure) for the Year		(3,500)	84,031	80,531	62,563
Total funds at 1 January 2005		3,500	125,551	129,051	66,488
Total funds at 31 December 2005		-	209,582	209,582	129,051

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 15 to 24 form part of these financial statements.

HANSARD SOCIETY LIMITED

Balance Sheet
As at 31 December 2005

	Note	£	2005 £	£	*2004 £*
Fixed assets					
Tangible fixed assets	**10**		8,583		*8,515*
Current assets					
Stocks		1,000		*1,000*	
Debtors	**11**	191,437		*281,317*	
Cash at bank		254,818		*198,421*	
		447,255		*480,738*	
Creditors: amounts falling due within one year	**12**	(246,256)		*(360,202)*	
Net current assets			200,999		*120,536*
Net assets	**16**		209,582		*129,051*
Charity Funds					
Restricted Funds	**15**		-		*3,500*
Unrestricted - Designated Funds	**15**		38,583		*8,515*
Unrestricted - General Funds	**15**		170,999		*117,036*
			209,582		*129,051*

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Trustees on 14 June 2006 and signed on their behalf, by:

Rt. Hon. Lord Holme of Cheltenham CBE — Wilf Weeks

Chair — Honorary Treasurer

The notes on pages 15 to 24 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2005

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" revised in 2005, applicable accounting standards and the Companies Act 1985.

1.2 Company status

The Charity is a company limited by guarantee. The members of the company include the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. Income is deferred only when the Society has to fulfil conditions before becoming entitled to it or where the donor has specified the income is to be expended into a future period. Where donors specify that donations and grants, including capital grants, are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Payments are received for the Scholars Programme in advance. Elements of the payment are not refundable. The non refundable amount has been included on receipt on the Statement of Financial Activities and the remaining income is deferred until the commencement of the course.

Accounting policies (continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources. The irrecoverable element of VAT is included within the item of expense to which it relates.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between the expense headings on the basis of time spent.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and are allocated on the basis of staff cost.

Governance costs are those incurred in connection with enabling the Society to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office Equipment	-	25%	reducing balance
Computer Equipment	-	33.33%	reducing balance

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Accounting policies (continued)

1.9 Pensions

The Charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2. Voluntary income and core funding

	Total Funds 2005 £	*Total Funds 2004 £*
Donations	40,793	*21,513*
Legacies	-	*5,993*
Grants	51,553	*371,947*
Voluntary income and core funding	92,346	*399,453*

3. Fundraising income

	Total Funds 2005 £	*Total Funds 2004 £*
60th Anniversary Appeal	345	*46,972*

4. Investment income

	Total Funds 2005 £	*Total Funds 2004 £*
Interest receivable	4,707	*3,331*

Notes to the financial statements
For the year ended 31 December 2005

5. Generating voluntary income

	Unrestricted Funds 2005 £	Total Funds 2005 £	*Total Funds 2004 £*
Publications & promotion costs	987	987	*254*
60th Anniversary appeal	-	-	*7,122*
Staff costs	19,558	19,558	*16,146*
Depreciation	-	-	*317*
Support costs	5,417	5,417	*5,191*
Total	25,962	25,962	*29,030*

6. Resources Expended

	Direct Staff Costs £	**Other Direct Costs £**	**Support Costs £**	**2005 £**	***2004 £***
Charitable activities					
Study and Scholars programme	99,622	213,758	86,822	400,202	*446,425*
Parliament and Government programme	113,772	32,089	40,411	186,272	*143,036*
eDemocracy programme	64,000	17,358	22,539	103,897	*93,649*
Citizenship Education programme	108,117	138,191	68,241	314,549	*281,642*
Scottish Parliament programme	55,846	28,040	-	83,886	*64,880*
House to Home exhibition	-	-	-	-	*304,549*
Puttnam Commission	21,362	8,017	8,143	37,522	*52,440*
Total	462,719	437,453	226,156	1,126,328	*1,386,621*

7. Analysis of Support Costs

	Study and Scholars programme	Parliament and Government programme	eDemocracy programme	Citizenship Education programme	Puttnam Commission	Governance	Cost of generating funds	2005 £	*2004 £*
	£	£	£	£	£	£	£		
Staff costs	28,203	13,127	7,322	22,167	2,644	320	1,760	75,543	*115,628*
Depreciation	819	381	213	643	77	9	51	2,193	*6,104*
Premises & equipment	38,094	17,731	9,890	29,941	3,572	432	2,377	102,037	*65,762*
Stationery, postage & books	7,073	3,292	1,836	5,559	663	80	441	18,944	*10,589*
Information & research costs	1,877	874	487	1,476	176	21	117	5,028	*4,369*
Other costs	10,756	5,006	2,791	8,455	1,011	123	671	28,813	*27,403*
Total	86,822	40,411	22,539	68,241	8,143	985	5,417	232,558	*229,855*

Notes to the financial statements
For the year ended 31 December 2005

8. Governance costs

	Total Funds 2005 £	*Total Funds 2004 £*
Staff costs	3,557	*5,579*
Depreciation	-	*68*
Auditors remuneration	5,495	*6,955*
Support costs	985	*1,109*
Total	10,037	*13,711*

9. Net incoming resources / (resources expended)

This is stated after charging:

	2005 £	*2004 £*
Depreciation of tangible fixed assets:		
- owned by the charity	2,193	*6,489*
Auditors' remuneration	5,495	*6,955*
Pension costs	16,979	*12,822*

During the year, Council Members received remuneration amounting to £3,000 (2004 - £4,000).
During the year, no Trustees received any benefits in kind (2004 - £NIL).
Total payments of £500 (2004 - £100) were made to 3 Council Member for tutor and speakers' services during the year.

10. Tangible fixed assets

	Computer equipment	Office equipment	Total
	£	£	£
Cost			
At 1 January 2005	19,222	13,450	32,672
Additions	1,822	915	2,737
Disposals	-	(1,966)	(1,966)
At 31 December 2005	21,044	12,399	33,443
Depreciation			
At 1 January 2005	15,378	8,779	24,157
Charge for the year	1,870	323	2,193
On disposals	-	(1,490)	(1,490)
At 31 December 2005	17,248	7,612	24,860
Net book value			
At 31 December 2005	3,796	4,787	8,583
At 31 December 2004	*3,844*	*4,671*	*8,515*

11. Debtors

	2005	*2004*
	£	*£*
Due within one year		
Trade debtors	177,524	*92,682*
Other debtors	5,901	*10,034*
Prepayments	3,012	*3,394*
Grants Receivable	5,000	*175,207*
	191,437	*281,317*

12. Creditors:
Amounts falling due within one year

	2005	*2004*
	£	*£*
Payments received on account	-	*9,941*
Trade creditors	11,589	*50,113*
Social security and other taxes	29,658	*14,746*
Other creditors	6,431	*8,873*
Accruals	23,736	*110,497*
Deterred income (see note below)	174,842	*166,032*
	246,256	*360,202*

13. Deferred income

	2005 £	*2004 £*
Balance at start of year	166,032	*108,017*
Amount released to incoming resources	(166,032)	*(108,017)*
Amount deferred in the year	174,842	*166,032*
Balance at end of year	174,842	*166,032*

14. Staff costs and numbers

Staff costs were as follows:

	2005 £	*2004 £*
Wages and salaries	494,609	*475,883*
Social security costs	49,789	*46,957*
Pension costs	16,979	*12,822*
	561,377	*535,662*

The average number of full-time equivalent employees during the year was as follows:

	2005 No.	*2004 No.*
Study and Scholars programme	4	*4*
Parliament and Government programme	4	*4*
eDemocracy programme	3	*3*
Citizenship and Education programme	3	*3*
Scottish programme	2	*2*
Support	2	*2*
	18	*18*

No employee received remuneration amounting to more than £50,000 in either year.

Notes to the financial statements
For the year ended 31 December 2005

15. Statement of funds

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Designated funds					
Fixed Asset Fund	8,515	-	-	68	8,583
Research and Development Fund	-	-	-	30,000	30,000
Subtotal	8,515	-	-	30,068	38,583
General funds					
General Funds	117,036	948,897	864,866	(30,068)	170,999
Total unrestricted funds	125,551	948,897	864,866	-	209,582

The Fixed Asset Fund fund represents the net book value of unrestricted tangible fixed assets. Each year an amount will be transferred to or from the fund representing the movement in net book value of unrestricted tangible fixed assets in the year. Details of the Research and Development Fund are set out in the Trustees' report.

Restricted funds

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Parliament and Government programme	3,500	47,113	50,613	-	-
Citizenship Education	-	232,329	232,329	-	-
Scottish Parliament	-	14,519	14,519	-	-
Subtotal	3,500	293,961	297,461	-	-
Total of Funds	129,051	1,242,858	1,162,327	-	209,582

The various programmes are described more fully in the Review of Activities and the Major Programmes of Work part of the Trustees' Report.

Summary of funds

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Designated Funds	8,515	-	-	30,068	38,583
General Funds	117,036	948,897	864,866	(30,068)	170,999
Subtotal	125,551	948,897	864,866	-	209,582
Restricted Funds	3,500	293,961	297,461	-	-
Total of Funds	129,051	1,242,858	1,162,327	-	209,582

Notes to the financial statements
For the year ended 31 December 2005

16. Analysis of net assets between funds

	Restricted Funds 2005 £	Unrestricted Funds 2005 £	Total Funds 2005 £	*Total Funds 2004* *£*
Tangible fixed assets	-	8,583	8,583	*8,515*
Current assets	-	447,255	447,255	*480,738*
Creditors due within one year	-	(246,256)	(246,256)	*(360,202)*
Total	-	209,582	209,582	*129,051*

17. Pension commitments

The Society operated a defined contribution scheme for some of its employees or makes a contribution of 7% of the gross salary to a scheme of the employee's choice each month. The assets of the scheme are held separately from those of the Society in an independently administered fund. The pension cost charge represents contributions payable by the Society to the personal pension scheme of the employees choice and amounted to £16,979 (2004 - £12,822). Contributions totaling £1,355 (2004 - £1,338) were payable to the fund at the balance sheet date and are included in creditors.

18. Operating lease commitments

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		**Other**	
	Land and buildings 31 December 2005 £	*31 December 2004* *£*	Other 31 December 2005 £	*31 December 2004* *£*
Expiry date:				
Within 1 year	-	*58,636*	2,280	-
Between 2 and 5 years	-	-	1,056	*3,336*
After more than 5 years	63,000	-	-	-