Patrons
HRH The Duke of Edinburgh KG, KT, OM, GBE, FRS
HE Johannes Rau, President of the Federal Republic of Germany

Board of Trustees
Chairman
Bryan Rigby*

Deputy Chairman
Professor Dr Carl-Christian von Weizsäcker*

Simon Broadbent
Lord Croham GCB
John Edmonds
Professor Robert Leicht
Dr Erika Mezger*
Dr Jürgen Oesterhelt
Professor Dr Anita Brigitte Pfaff
Dr Andrew Sentance
Peter von Siemens
Professor Dorothy Wedderburn*

*member of executive committee

Staff
Director
Keith Dobson OBE
kd@agf.org.uk

Deputy Director
Dr Ray Cunningham
rc@agf.org.uk
(based in Germany)

Projects Manager
Ann Pfeiffer
ap@agf.org.uk

Press & Publications Officer
Annette Birkholz
ab@agf.org.uk

Registered Charity No. 266844
E-mail info@agf.org.uk
Website www.agf.org.uk

Head Office
Anglo-German Foundation
34 Belgrave Square
London SW1X 8DZ
UK
Tel +44 (0)20 7823 1123
Fax +44 (0)20 7823 2324

German Office
Deutsch-Britische Stiftung
Hackescher Markt 1
10178 Berlin
Germany
Tel +49 (0)30 2063 4985
Fax +49 (0)30 3110 9920
The Foundation contributes to policy-making in Britain and Germany by funding bilateral research and discussion of economic and social issues that challenge both countries, and by making the results of this work available to decision-makers, practitioners and their advisers.

The year at a glance

In 2003 we

completed 10 research projects
published 12 reports
held 26 conferences and seminars
awarded 35 grants
fulfilled 42,000 requests for copies of our reports
attracted 310,000 visitors to our website
This was the first year in which we focused on our four priority topics: health care systems; employment and social policies for an ageing society; the work-life balance; and migration and the labour market. We had expected that the transition from the earlier, much broader range of subjects addressed by the Foundation might lead to a significant fall in the number of applications for project funding. In practice, successful launch events, the continuing development of our website as a significant information resource, and extensive publicity through press coverage and email newsletters meant that the level of activity held up well.

More important, both the quality and the relevance to policy of the work we are funding on the new priority topics are exceptionally high, and so we are confident that our future output will be of real value to the research and policy communities we serve.

As an indication of the pattern of activity we plan in the future, we launched our work on health care systems with four separate conferences and seminars. Each of these attracted highly influential partners, including the King’s Fund in the UK and the Federal Ministry of Health in Germany. Speakers and participants were drawn from the cutting edge of policy-making and implementation in both countries, including the Chairman of the UK’s National Institute for Clinical Excellence, the Finance Director of the National Health Service, and senior figures from the German Health Service. The British Prime Minister’s adviser on health policy described one of these events as ‘genuinely useful… the various meetings we had have now stimulated good bilateral links on key strands of health reform.’ The events were covered extensively in the Süddeutsche Zeitung, the Financial Times, and other leading newspapers and journals in both countries.

Because the typical Foundation project has a gestation period of well over a year, the projects that came to fruition in 2003 reflected the earlier, much broader selection criteria. We published a variety of reports – on topics ranging from regional venture capitalism to the effects on employment of German investment in the UK, and from complementary and alternative medicine to how firms manage IT skill shortages (see pages 6-7). The topics covered in the conferences, seminars and workshops we organised and supported during the year (see pages 4-5) were similarly eclectic.

What all Foundation projects have in common is that they are carried out by teams of British and German specialists working to draw policy lessons from the comparison of British and German ideas, experience and practice. This is the golden thread that has run through all our work for over thirty years and that has built some formidable bilateral co-operative networks. It is a way of working which, the Trustees are convinced, is as compelling and relevant as ever.

The year brought another particularly clear and gratifying demonstration of the Foundation’s capacity to inform the policy process. In 2001 we published the findings of a team drawn from the universities of Loughborough and Heidelberg, whose project compared the cities of Frankfurt-am-Main and London as world financial centres in the light of the introduction of the Euro and the establishment in Frankfurt of the European Central Bank. Shortly afterwards, the team was invited to lead a seminar for senior UK Treasury staff working on the Chancellor of the Exchequer’s famous ‘five economic tests’, against which the case for British entry into the single currency is to be assessed. The fourth test asks: ‘What impact would entry into EMU have on the competitive position of the UK’s financial services industry, particularly the City’s wholesale markets?’ The Treasury’s paper on this question, published in May 2003, is peppered with references to the Foundation’s report.

Review of the year

Bryan Rigby
Chairman
The impact of the Foundation’s website continues to grow at an impressive rate. The number of ‘hits’ received during the year increased from 220,000 to 310,000. More important, the number of downloads of Foundation publications rose by over 60 per cent, to a total of 42,000.

Dr Jürgen Ruhfus retired from the Board of Trustees on grounds of ill health after five years of outstanding and unstinting service to the Foundation. We miss his wise counsels. We thank him, and we wish him well. At the same time, we welcome to the Board Dr Jürgen Oesterhelt, like Dr Ruhfus a distinguished former German ambassador to the United Kingdom.

The accounts on page 12 of this report show that the Foundation ended the year in good financial health. This reflects well on our careful control of costs and judicious management of our investments. This latter resource becomes ever more important as our grant income from the British and German governments continues to decline. We continue to keep the situation under constant review.

As ever, the achievements of the Foundation in the year owed much to the quality and commitment of the numerous individuals and organisations with whom we work as partners. Many are listed on page 10. We thank them all. Even with partners of this quality, however, nothing of value would happen without the skill and dedication of our staff team. There are no changes of personnel to report; the same people just continue to perform even better, and the Trustees would like to express their grateful thanks.

Keith Dobson OBE
Director
Participants in our conferences and seminars are policy-makers and advisers, practitioners, journalists and academics from both the UK and Germany. The mix makes for thought-provoking and well-informed discussion, stimulated further by high-level contributions from invited speakers. Many of these events occupy just half a day, the tight-packed agenda focusing on the key points for policy learning.

Seminar reports are available on our website – www.agf.org.uk

**Health Care Systems**

Two highly successful seminars in London and Berlin launched one of the Foundation’s new priority topics and also demonstrated how each country’s policy-makers and thinkers can gain from the other’s experience. The variety of speakers – from the two health services, government and universities – ensured a stimulating exchange of views.

The London seminar, organised jointly with King’s Fund, produced many insights into the ways in which Britain might benefit from the German experience. For example, in Germany the citizen’s legal entitlement to health care leads to a better doctor–patient relationship; and the greater public confidence in the German health care system may be a result of the greater delegation of control and decision-making.

Discussion at the Berlin seminar focused on a number of issues – the management of non-state hospitals, developing patient choice, and improving financial incentives for medical practitioners – in which Germany could learn from the UK experience, even though a direct transfer of solutions is not feasible. The work of the National Institute for Clinical Excellence in promoting evidence-based medicine was identified as a model for the new German quality assurance institute, which starts work in 2004.

**Employment Policy**

How has employment policy in the UK and Germany been influenced by the European Employment Strategy (EES)? Have common European policies helped to drive up employment in the two countries? What impact has the EES had on wider political debate?

These questions – vitally important for assessing the impact of common EU guidelines in different member states – were the topic of an AGF-funded comparative research project by specialists from the University of Cologne and the German Institute, London South Bank University. Experts from business, policy-making, practitioner and academic backgrounds – including representatives of the Departments for Education and Skills and Work and Pensions – came together at a workshop to discuss the findings and their impact on economic and social policy. This was the first event held in the Foundation’s new premises in Belgrave Square.

**Employment Policies in Germany and the UK: The impact of Europeanisation**

**London workshop, 4 February 2003**
Tomorrow’s Welfare State
The second British–German Trade Union Forum examined the fundamental issues at the heart of the vigorous debates about the nature and funding of the welfare state in the UK and Germany:

- Should benefits be targeted to help the most disadvantaged sectors of society?
- What role is there for the private sector in delivering services and in providing benefits?
- What should the state provide and what should be left to individuals?
- Can the solidarity principle (whereby those in work fund the welfare state through taxes and social security contributions) be maintained, especially in times of economic recession and increasingly unfavourable demography?
- What role can the trade union movements play in combating the worst effects of globalisation and privatisation?

Contributions from senior people in the labour and trade union movements, including the General Secretaries of the Labour Party and the SPD, set the scene for lively debate. Workshop sessions focused attention on the specifics of health care and pensions and enabled delegates, who came from unions active in a wide range of blue- and white-collar occupations, to draw on their extensive experience of policy-making and grass-roots activism.

A conference report is available on our website – www.agf.org.uk

Tomorrow’s Welfare State: Second British–German Trade Union Forum
Berlin conference, 12–13 June 2003

From the Convention to the Inter-Governmental Conference
This high-level conference – the first in the Search for Solutions series (see page 8) in collaboration with the Institute for German Studies at the University of Birmingham – brought together influential politicians, officials and academics to discuss the way forward from the European Convention and the prospects for the Inter-Governmental Conference.

Topics discussed included:

- The impact of the draft constitution – will it really improve democratic legitimacy and accountability?
- The prospects of a more effective role for the EU on the international stage – and German and British attitudes to this.
- German influence on the reform process, in particular the impact of the Länder.
- How far the UK and Germany can build alliances in the new enlarged Europe.

The speakers included Peter Altmaier MdB, alternate member of the Convention from the Bundestag; Gisela Stuart MP, House of Commons representative to the Convention and member of the Praesidium; Sir Stephen Wall, adviser on EU affairs and head of the European Secretariat at No. 10 Downing Street; Wolfgang Dix, Commissioner for the EU reform process at the German Ministry of Foreign Affairs; and Peter Norman, former Financial Times correspondent in Brussels and author of The Accidental Constitution.

Germany and the UK: From the Convention to the IGC
London conference, 22 October 2003
During 2003 we published twelve reports based on original comparative research on important policy issues. Most are jointly written by specialists from Germany and the UK.

All our publications are available on our website – at www.agf.org.uk

The Future of Professionalised Work: UK and Germany compared
Christel Lane, Frank Wilkinson, Wolfgang Littek, Ulrich Heisig, Jude Browne, Brendan Burchell, Roy Mankelow, Margaret Potton and Roland Tutschner
December 2003
Since the early 1980s new specialisms, whose members aspire to professional status, have grown up to challenge existing professions in both the UK and Germany. This report demonstrates the impact of these new developments in two well established and two emerging professions – the law and pharmacy, and psychology and business services. It shows how the market for professional work and the content of the work itself, as well as the status and well-being of the professionals involved, have all been affected.

In co-operation with: University of Bremen, University of Cambridge

Complementary and Alternative Medicine in the UK and Germany: Research and evidence on supply and demand
Anna Dixon, Omer Saka, Julian Le Grand, Annette Riesberg, Susanne Weinbrenner and Reinhard Busse
December 2003
In recent years, the market for complementary and alternative medicine has grown significantly across most of the EU. The number of practitioners has increased in parallel, and there have also been important changes in the way services are supplied. This report contains a wide-ranging analysis of the complementary and alternative medicine business in Germany and the UK: the sorts of services supplied, how they are supplied and the nature of the demand for them. It also proposes directions for research into how each country should develop regulatory policies.

In co-operation with: University of Cambridge, University of Cologne, Catholic University of Eichstatt-Ingolstadt, University of Hamburg, University of Southampton

Also available in print:
ISBN 1-900834-43-X, £15.00

Regional Venture Capitalism: UK and Germany compared
Ron Martin, Christian Berndt, Britta Klage, Peter Sunley, Stephan Herten and Rolf Sternberg
November 2003
This report examines the regional pattern and impact of venture capital activity in the UK and Germany in recent years. It identifies and explains the distinctive aims of venture capital policies in the two countries, the varying institutions involved (public and semi-public in Germany, largely private in the UK) and their market orientation, and the different roles of government. The report shows that each country can learn policy lessons from the other. The German approach demonstrates that public programmes can be important in stimulating the development of regional venture capital markets, while the UK regional ‘fund-of-funds’ approach is less bureaucratic and avoids the risk of large public losses at times of severe market downturn.

In co-operation with: University of Cambridge, University of Cologne, Catholic University of Eichstatt-Ingolstadt, University of Hamburg, University of Southampton

United We Stand? Trade union mergers – UK and Germany compared
Jeremy Waddington, Marcus Kahmann and Jürgen Hoffmann
September 2003
An ongoing series of mergers has resulted in almost continual change in the structure of British trade unions. By contrast, the structure of German trade unions was a model of stability between 1950 and 1989, although since then the number of unions has halved. Drawing on evidence from four case studies, this comparative analysis explains why and how mergers happened in the two countries and their outcomes. It also examines the relationships
between mergers and the changing character of union democracy, notably the development of structures designed to increase participation and representation.

In co-operation with: European Trade Union Institute, Brussels, Hamburg University of Economics and Politics, Hans-Böckler-Stiftung, University of Manchester Institute of Science and Technology

ICT Skills in the UK and Germany: How companies adapt and react
Hilary Steedman, Karin Wagner and Jim Foreman
September 2003
This study analyses and assesses the contrasting strategies associated with skill supply for information and communication technologies (ICT) in Britain and Germany. It also examines the impact of these strategies on firms and assesses the usefulness to companies of skills at different qualification levels. It concludes with policy implications for change in publicly financed ICT skill supply strategies.

In co-operation with: University of Applied Sciences Berlin, London School of Economics
Also available in print:
ISBN 1-900834-42-1, £15.00

Why Invest in Biotechnology, and How? Britain and Germany compared
Rebecca Harding
April 2003
Germany and the UK have the most highly developed biotechnology industries in Europe. Both have favourable knowledge and skills regimes, a strong science base and large domestic pharmaceutical companies; and in both the public is broadly positive about biopharmaceutical research. In contrast, the policy structures supporting biotechnology are quite different. This study maps the ‘critical success framework’ in each country. It identifies key policies and attitudes, including regional clustering, university–industry links, market creation policies, public–private sector partnerships and, most important of all, how companies make the crucial transition from a research and prototype base to commercialisation and sustainable growth.

In co-operation with: The Work Foundation
Also available in print:

Decline in the Take-up of Modern Languages at Degree Level
Catherine Jane Watts
January 2003
The number of UK university students in modern foreign languages fell sharply during the 1990s. This study questioned school and university teachers and students to find out why. Students reported negative experiences of modern foreign language courses at A-level (which put them off further language study) and negative perceptions of university language courses. Teachers identified poor teaching in schools; negativity towards language-learning in society; and students’ vocational concerns (what jobs do language qualifications lead to?). All this highlights the need for effective and well trained teachers if the decline in foreign language skills in the UK is to be halted.

In co-operation with: University of Brighton
Also available in print:
ISBN 1-900834-39-1, £15.00

Sustaining Food, Sustaining Farmers
January 2003
Report of the fourth conference of the British–German Environment Forum held at the Royal Agricultural College in November 2002. The conference brought together experts from government, farmers’ associations, NGOs, universities and the media in both countries to explore issues of sustainability in agriculture and food production. Forum participants investigated the complex interconnections between agriculture, rural communities and the food production chain.

In co-operation with: Ecologic, Surrey County Council
Policy learning is now recognised as an important driver for change. We use our grants programme to fund comparative research projects, workshops and conferences in our priority areas designed to support the German and British policy-making communities in both the private and public sectors. The cross-national dimension helps to deepen understanding of the key policy challenges facing each country and to identify innovations and good practice that can be shared to mutual benefit.

**The Search for Solutions: Policy learning in Britain and Germany**

This ambitious and timely series of bilateral workshops – organised jointly with the Institute for German Studies at the University of Birmingham – focuses on the major policy issues facing Germany and the UK. Both nations are advanced industrial democracies competing in a fast-changing and globalising world. And both governments, having entered power with high expectations of rapid change, are now struggling to resolve intractable difficulties and fulfil voters’ demands – in the UK for more efficient public services, in Germany for lasting economic growth.

Senior figures from the civil service, higher education and politics will come together to compare policy challenges and consider possible solutions. These high-calibre invitation-only workshops will offer a unique opportunity for an expert, detailed discussion of policy options informed by the most recent research. A major international conference will conclude the series and bring the results of the workshops to a wider audience.

The workshops will cover:

- the UK and Germany: from the Convention to the IGC (see page 5)
- devolution and federal policy-making
- security policy
- immigration and the labour market
- health care delivery
- business and the state – issues of corporate governance.

For more information contact Keith Dobson at the Anglo-German Foundation (kd@agf.org.uk) or Dr Simon Green at the Institute for German Studies (S.O.Green@bham.ac.uk).

**Employment and Social Policies for an Ageing Society**

Professor Dr Gerd Naegele and Professor Alan Walker

This conference will initiate detailed work by the Foundation on social policies for an ageing society. This is one of the four priority topics on which the Foundation plans to focus its energies by creating opportunities for high-level policy learning. British and German policy specialists (from the civil service, think-tanks, NGOs) and practitioners will discuss the policy and practice summarised in the Foundation’s report on ageing and social policy. The focus will be on work and employment; income, poverty and wealth; health and health care; long-term care; and societal and political participation.

In co-operation with: University of Dortmund, University of Sheffield

**Employment, Wage Structure and Economic Cycle: Differences between immigrants and natives**

Dr Christian Dustmann and Stefan Bender

In both Germany and the UK immigrants respond more sensitively to the economic cycle than natives. In economic downturns they become unemployed more quickly; in upturns they return to work faster. Immigrants are also paid less. This comparative study aims to find out why. Possible reasons include the different skill levels of the two groups, and their different distribution across regions and industries. The results will be important for the development of labour market policies, especially the targeting of special employment programmes.

In co-operation with: Institute for Employment Research, Nürnberg, University College London
**Labour Market Policies for Older Workers**  
Dr Frerich Frerichs and Dr Philip Taylor

The workforces in Britain and Germany are simultaneously ageing and shrinking. In both countries government and employers have traditionally regarded older workers, especially men, as a reserve labour supply. Each government is developing policies and programmes designed to increase employment opportunities for older people and to encourage them to keep working.

This research project will examine what governments are doing and how successful their initiatives are, set this analysis in the context of the European Employment guidelines, and use it to propose future policies and practice.

*In co-operation with: University of Dortmund, University of Cambridge*

**Reconciling Demand for Labour Migration with Public Concerns about Immigration**  
Professor Thomas Straubhaar and Dr Julie Smith

There is a growing tension around labour migration policy in both Germany and Britain. The economic goal is to fill gaps in the labour market and ensure economic competitiveness; the socio-political goal is to meet public concern about the impact of migration. Having examined the reasons and extent of the demand for labour migration in each country, this study will investigate why there is public resistance, what forms it takes, and how it differs from anti-immigrant sentiment. Few studies so far have taken an inter-disciplinary approach to this topic (let alone a cross-national one) – so its concluding section, which will suggest possible strategies for reconciling tensions, will be particularly important to policy-makers and politicians in Germany and the UK.

*In co-operation with: Hamburgisches Welt-Wirtschafts-Archiv, Royal Institute of International Affairs*

**The International Market for Medical Services: UK/Germany experiences**  
Marion von Boxberg and Ian Birch

This small-scale study will examine the size and nature of the existing UK market for German medical services and identify the technical, administrative and attitudinal barriers to the growth of a competitive market. A review of existing research will be supplemented with interviews with key health care decision-makers, UK general practitioners, German doctors with experience of working with British patients, and British patients.

**Is it easier to be a Turk in Berlin, or a Pakistani in Bradford?**  
Roger Boyes and Dörte Huneke

The Pakistanis of Bradford and the Turks of Berlin are well-rooted communities, but there is remarkably little curiosity about their collective and individual experiences. Do long-term immigrants feel they belong? Do they want to belong? What are their dreams, their ambitions?

This small-scale study will use a combination of journalistic reporting and insights and academic rigour to explore the views and experiences of a range of people in the two communities. The result will be a revealing snapshot of two societies in transition. Perhaps even more important, it will also tease out significant questions about the nature of British and German society.

*In co-operation with: The Times, Der Tagesspiegel*

**New projects**

<table>
<thead>
<tr>
<th>Events</th>
<th>Research projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>£71,088</td>
<td>£274,636</td>
</tr>
</tbody>
</table>
Our many partners in the policymaking and academic worlds, in government and diplomacy, and in many other fields made significant and enthusiastic contributions to our work during 2003. Partnerships such as these enable us to bring together specialists working in many different areas to their mutual benefit. Our thanks in particular go to:

Auswärtiges Amt
British Council, Berlin
British Embassy, Berlin
British Steering Committee of the Koenigswinter Conference
Brunel University
Bundesministerium für Gesundheit und Soziale Sicherung
Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit
BUND Freunde der Erde
Cardiff University
Center for Corporate Citizenship
Centre for Economic and Policy Research
Centre for European Reform
Cranfield School of Management
De Montfort University
Department for Education and Skills
Deutsch-Britische Gesellschaft
Deutsche Landwirtschaftsgesellschaft
Deutscher Akademischer Austausch Dienst, and London office
Deutscher Bauernverband
Deutsches Institut für Wirtschaftsforschung
Ecologic
Empirica
European Observatory on Health Care Systems
European Trade Union Institute
Fachhochschule für Technik und Wissenschaft Berlin
Foreign & Commonwealth Office
Forschungsinstitut zur Zukunft der Arbeit
Forum für Zukunftsenergien
Freie Universität Berlin
Friedrich-Ebert-Stiftung
German–British Chamber of Industry and Commerce
German Embassy, London
Goethe Institut Inter Nationes
Großbritannienzentrum, Berlin
Hamburger Universität für Wirtschaft und Politik
Hamburgisches Welt-Wirtschafts-Archiv
Hans-Böckler-Stiftung
Humboldt-Universität zu Berlin
Institute for German Studies, University of Birmingham
Institute for the Study of Labor
Institut für Arbeitsmarkt- und Berufsforschung
Institut für Arbeitswissenschaft und Technologiemanagement, Stuttgart
Institut für Ländliche Strukturforschung
Institut für Sozialwissenschaftliche Forschung
International Journalists’ Programmes
Institute for Public Policy Research
Katholische Universität Eichstatt-Ingolstadt
King’s Fund
London School of Economics and Political Science
London South Bank University
Manchester Metropolitan University
Nuffield Foundation
Otto-Friedrich-Universität Bamberg
Royal Institute of International Affairs
Surrey County Council
Technische Fachhochschule Berlin
Technische Universität Berlin
The Work Foundation
Universität Bremen
Universität Dortmund
Universität Göttingen
Universität Hamburg
Universität Kassel
Universität Mannheim
Universität zu Köln
University College London
University of Aberdeen
University of Bath
University of Brighton
University of Cambridge
University of Edinburgh
University of Essex
University of Exeter
University of Manchester Institute of Science and Technology
University of Newcastle upon Tyne
University of Portsmouth
University of Sheffield
University of Southampton
University of Stirling
University of Surrey
Verbraucherzentrale Bundesverband
Westfälische Wilhelms-Universität Münster
Wissenschaftszentrum Berlin für Sozialforschung
Statement of the Trustees

The summarised accounts are a summary of information extracted from the full annual accounts and may not contain sufficient information to allow for a full understanding of the financial affairs of the Anglo-German Foundation. For further information the full annual accounts, the auditor’s report on those accounts and the Trustees’ annual report may be consulted. Copies of these may be obtained from the Director, Anglo-German Foundation, 34 Belgrave Square, London SW1X 8DZ.

The full annual accounts were approved on 22 March 2004. The annual report and the full annual accounts will be submitted to the Charity Commission.

The full annual accounts from which the summary is derived have been audited by the National Audit Office who gave an unqualified audit opinion.

On behalf of the Trustees

Bryan Rigby
Chairman of the Board of Trustees
22 March 2004

Statement of the Comptroller and Auditor General to the Trustees of the Anglo-German Foundation for the Study of Industrial Society

I have examined the summarised financial statements set out on page 12.

Respective responsibilities of Trustees and Auditor

The Trustees are responsible for the preparation of the summary financial statements. I have agreed to report to you my opinion on the summarised statements’ consistency with the full financial statements, on which I reported to you on 1 April 2004.

Basis of opinion

I have carried out the procedures I consider necessary to ascertain whether the summarised financial statements are consistent with the full financial statements from which they have been prepared.

Opinion

In my opinion the summarised financial statements are consistent with the full financial statements of the Anglo-German Foundation for the Study of Industrial Society for the year ended 31 December 2003.

M. Daynes
Director for Comptroller and Auditor General
1 April 2004

National Audit Office
157–197 Buckingham Palace Road
Victoria
London SW1W 9SP
## Balance sheet

**as at 31 December 2003**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>3,818</td>
<td>1,613</td>
</tr>
<tr>
<td>Investments</td>
<td>3,484,903</td>
<td>3,801,722</td>
</tr>
<tr>
<td></td>
<td>3,488,721</td>
<td>3,803,335</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock of publications</td>
<td>–</td>
<td>6,196</td>
</tr>
<tr>
<td>Debtors</td>
<td>105,141</td>
<td>109,693</td>
</tr>
<tr>
<td>Investments</td>
<td>480,656</td>
<td>161,108</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>123,105</td>
<td>96,390</td>
</tr>
<tr>
<td></td>
<td>708,902</td>
<td>373,387</td>
</tr>
<tr>
<td><strong>Creditors – amounts falling due within one year</strong></td>
<td>(34,762)</td>
<td>(53,682)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>674,140</td>
<td>319,705</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>4,162,861</td>
<td>4,123,040</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital reserve</td>
<td>2,180,158</td>
<td>2,180,158</td>
</tr>
<tr>
<td>Operating account</td>
<td>1,982,703</td>
<td>1,942,882</td>
</tr>
<tr>
<td></td>
<td>4,162,861</td>
<td>4,123,040</td>
</tr>
</tbody>
</table>

## Operating account

**for the year ended 31 December 2003**

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant from the United Kingdom Government</td>
<td>200,000</td>
<td>225,000</td>
</tr>
<tr>
<td>Grant from the German Government</td>
<td>200,000</td>
<td>225,000</td>
</tr>
<tr>
<td>Income from activities</td>
<td>335</td>
<td>1,428</td>
</tr>
<tr>
<td>Income from listed investments and interest receivable</td>
<td>210,624</td>
<td>225,506</td>
</tr>
<tr>
<td></td>
<td>610,959</td>
<td>686,934</td>
</tr>
<tr>
<td><strong>Resources expended</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of generating funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment management fees</td>
<td>14,022</td>
<td>16,985</td>
</tr>
<tr>
<td>Cost of publication sales</td>
<td>2,851</td>
<td>3,778</td>
</tr>
<tr>
<td></td>
<td>(16,873)</td>
<td>(20,763)</td>
</tr>
<tr>
<td><strong>Charitable expenditure</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costs of activities in furtherance of the charity’s objects:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants payable – ordinary project expenditure</td>
<td>274,636</td>
<td>307,720</td>
</tr>
<tr>
<td>Events</td>
<td>71,088</td>
<td>76,318</td>
</tr>
<tr>
<td>Publishing</td>
<td>11,404</td>
<td>15,110</td>
</tr>
<tr>
<td>Project support costs</td>
<td>160,644</td>
<td>177,118</td>
</tr>
<tr>
<td>Management and administration</td>
<td>131,436</td>
<td>144,916</td>
</tr>
<tr>
<td></td>
<td>(649,208)</td>
<td>(721,182)</td>
</tr>
<tr>
<td><strong>Total resources expended</strong></td>
<td>(666,081)</td>
<td>(741,945)</td>
</tr>
<tr>
<td><strong>Net incoming resources for the year</strong></td>
<td>(55,122)</td>
<td>(55,011)</td>
</tr>
<tr>
<td><strong>Other recognised gains and losses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/(loss) on sale of investments</td>
<td>32,444</td>
<td>11,659</td>
</tr>
<tr>
<td>Unrealised gain/(loss) on investments</td>
<td>55,049</td>
<td>61,095</td>
</tr>
<tr>
<td>Exchange gain/(loss)</td>
<td>7,450</td>
<td>2,485</td>
</tr>
<tr>
<td><strong>Net movement in funds for the year</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening funds</td>
<td>4,123,040</td>
<td>4,102,812</td>
</tr>
<tr>
<td>Closing funds</td>
<td>4,162,861</td>
<td>4,123,040</td>
</tr>
<tr>
<td></td>
<td>39,821</td>
<td>20,228</td>
</tr>
</tbody>
</table>