



Annual Report 2004



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Staff

Director

Dr Ray Cunningham
rc@agf.org.uk

Deputy Director

Dr des. Regina Vogel
rv@agf.org.uk
(based in Germany)

Projects Manager

Ann Pfeiffer
ap@agf.org.uk

Press & Publications Officer

Annette Birkholz
ab@agf.org.uk

The Anglo–German 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 advisers.

The year at a glance

In 2004 we

completed 12 research projects

published 21 reports

held 23 conferences and seminars

awarded 27 grants

fulfilled 67,000 requests for copies of our reports

attracted 535,400 hits to our website

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2 Review of the year

This was a decisive year. It marked the end of the first three-year cycle under the new programme introduced in 2002, which targets Foundation funding on four priority areas: health care systems, work–life balance, employment and social policies for an ageing society, and migration and the labour market.

All four priority areas have now been launched successfully, and the programmes have attracted considerable interest from the research and policy communities. This is demonstrated not least by the number of copies distributed of the comparative research and policy surveys commissioned for each topic: more than 8,000 on average, rising to more than 15,000 of *Health Care Systems*. The launch events provided further evidence that we had chosen our priority topics well. They attracted many leading researchers from both countries and also senior policy advisers from within and outside government. These included Professor [Jutta Allmendinger](#), Director of the Federal Institute for Employment Research; [Simon Stevens](#), then the UK Prime Minister's adviser on health policy; and [Professor Karl Lauterbach](#), one of the key architects of the German health system reforms introduced in 2004.

In each of these priority areas the Foundation's initiative has generated a programme of projects that will continue to bear fruit over the next two years and beyond. More than that, it has already stimulated increased policy learning and exchange between the two governments and representatives of the wider policy community in each country. These important projects and activities will make a distinct contribution to our knowledge of how our societies need to adapt to evolving circumstances.

One of the highlights of our programme in 2004 was a panel discussion on the provocative question '[Is it easier to be a Turk in Berlin or a Pakistani in Bradford?](#)', held at the Kreuzberg Museum in the heart of Berlin's Turkish community and opened by [Sir Peter Torry](#), the British Ambassador to Germany. The Foundation asked two journalists, [Roger Boyes](#), Germany correspondent of *The Times*, and [Dorte Huneke](#), a Berlin-based freelance, to sound out the minority ethnic communities in Bradford and Berlin. They presented their findings to the press with the help of representatives of both communities. The event received considerable coverage in the British and especially the German media: *BBC Radio 4*, *DeutschlandRadio*,

Radio Multikulti, *Berliner Zeitung*, *Der Tagesspiegel* and *Die Tageszeitung*, among others, reported on it.

At the Berlin Lunchtime Meetings series [David Willetts MP](#), the Opposition Work and Pensions Secretary, spoke on '[Old Europe? Demographic Change and Pension Reform](#)', and [Hugh Williamson](#), Berlin correspondent of the *Financial Times*, on '[The Evolution of the German Model: How to Judge Reforms in Europe's Largest Economy](#)'. His paper (written jointly with Anke Hassel of Bremen International University and published on our website 'Platform' where ideas and issues can be aired) was cited by [Donald J. Johnston](#), the Secretary-General of the Organisation for Economic Co-operation and Development, in his speech at the OECD Forum in Berlin in March.

The theme of the fifth conference of the [British–German Environment Forum](#) (which we founded) was '[From Fossil to Future Fuels](#)'. [Jürgen Trittin](#), the German Environment Minister, and [Lord Whitty](#), the UK Minister responsible for renewable fuels, spoke at the conference. The discussions helped to set the agenda and provided background briefing for the British Embassy's conference on climate change in November, which Her Majesty The Queen opened as part of her state visit to Germany. The changing role and membership of trades unions in both countries were discussed at the third conference of the [British–German Trade Union Forum](#), another series initiated by the Foundation. This was attended by [Brendan Barber](#), Secretary General of the British Trades Union Congress, and [Michael Sommer](#), Chair of the Deutscher Gewerkschaftsbund, its German equivalent.



From left to right:
Ann Pfeiffer
Annette Birkholz
Dr Ray Cunningham
Bryan Rigby
Dr des. Regina Vogel

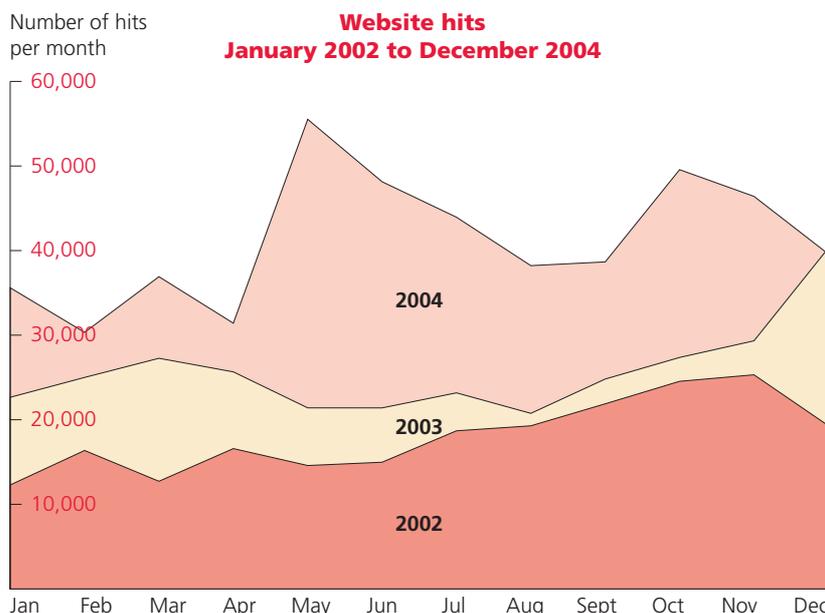
The continuing spectacular growth in the number of visitors to the Foundation's website is testament to the quality and relevance of its programme. In 2004 we had more than half a million hits, and by the end of the year the average monthly figure had reached 50,000. More important, 67,000 copies of our reports were downloaded from the website during the year, an increase of almost 60 per cent on 2003.

Next year the responsibility for maintaining or even increasing this level of interest will lie with a changed team. At the end of 2004 we reluctantly said farewell to Keith Dobson. We thank him most warmly for his enthusiasm and dedication, which have helped to increase the relevance and impact of the Foundation's work to an unprecedented level, and we wish him well in his retirement. He is succeeded as Director by Dr Ray Cunningham, who spent the last four years setting up and running the Foundation's Berlin office. That office will now be the base for Dr Regina Vogel, the Foundation's new Deputy Director, and for Annette Birkholz, our Press and Publications Officer.

Professor Dorothy Wedderburn retired as a Trustee of the Foundation during 2004 after 16 years of service. All her friends and colleagues in both countries will appreciate how much we will miss her warmth and her wise advice. In her place we welcomed Professor Wendy Carlin of University College London to the Board.



Bryan Rigby
Chairman



In the context of a year of impressive growth and regeneration, the news that both the British and the German governments had decided to accelerate the phased reductions already announced in their annual grants to the Foundation came as a great disappointment. This led the Board to undertake a radical reappraisal of the Foundation's fundamental strategy. The outcome was a decision, taken at the October Board meeting, to devote all the Foundation's resources to a single major research initiative to run from early 2005 until the end of 2009, when the Foundation's Royal Charter expires.

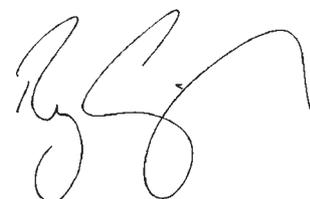
Under the title 'Creating Sustainable Growth in Europe', this new initiative will address the linked themes of

- innovation, productivity and growth
- environment and resources
- welfare, employment and social justice.

It will have a budget of about £3 million (€4.5 million). Further information on the scope and structure of the initiative can be found on our website at www.agf.org.uk.

This is a significant step for the Foundation. It utilises assets carefully husbanded over 30 years for an ambitious project that will set the seal on the Foundation's substantial contribution to knowledge and to policy-making in Germany and the UK during that period. We shall be relying on the continuing support of our many partners and friends in research, government, business and the media to ensure its success.

We look forward to the challenge of a year that will lay the groundwork for an ambitious programme of creative thinking and doing.



Dr Ray Cunningham
Director

4 Research and policy meetings

Our conferences, seminars and workshops enable policy-makers and advisers, practitioners, journalists and academics to discover how the UK and Germany tackle difficult contemporary issues and to identify potentially transferable policies and practice. A high standard of informed debate and discussion is guaranteed, plus stimulating contributions from invited speakers.

Our two annual forums – for trade unionists and environmentalists – provide valuable opportunities for practitioners to network with colleagues from the two countries and to develop co-operative projects. These meetings are unique in bringing together activists working at different organisational levels.

Reports of all these meetings, and many others, are available on our website: www.agf.org.uk

Is it easier to be a Turk in Berlin or a Pakistani in Bradford?

To answer this deceptively simple question, we asked two journalists – Roger Boyes, Germany correspondent of *The Times* and Dorte Huneke, a Berlin-based freelance – to find out what life is like for the two cities' minority communities.

Their report is an absorbing contribution to the current debate in both countries about migration, assimilation, and ethnic and cultural diversity. It argues that grand questions of national identity and the ideology of multiculturalism are at best skirted round and that the communal level is the place where Berlin and Bradford can learn most from each other. Targeted investment – above all demonstrating confidence in the younger generations – is the key to convincing people that their city cares about their future.

These fascinating and subtly argued issues were discussed at a lively conference held at the Kreuzberg Museum in the heart of Berlin's main Turkish district. Representatives of Bradford's Pakistani community and Berlin's Turkish community joined eminent speakers from politics and culture. These included Neco Celik, Berlin film director; Eren Ünsal of the Berlin-Brandenburg Migration Council; Irefan Ajeeb, film critic and director of Bradford's 'Bite the Mango' festival; and Anila Baig, a journalist on the *Yorkshire Post*. Sir Peter Torry, British ambassador to Germany, opened the conference.

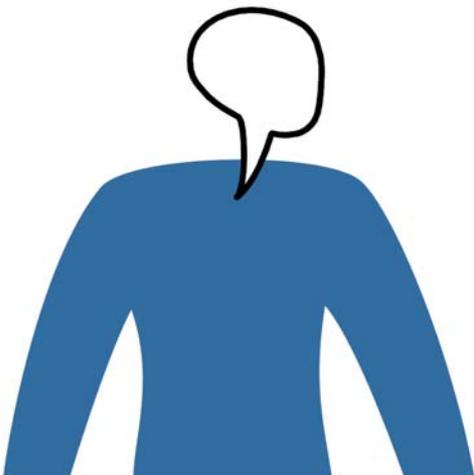
*Berlin, June 2004
In co-operation with
Kreuzberg Museum*

Work-Life Balance: Britain and Germany compared

After many years on the margins of political debate, work-life balance is rapidly becoming a live issue in both Britain and Germany. The implications of a shift towards a more equal balance are enormous – for employers and trade unions, for government, and of course for individual workers and their families.

Specialists from higher education, think tanks and government met to review current ideas and research in Germany and the UK and to explore the possibilities of comparative research and other forms of co-operation. Work-life balance remains an important gender issue with considerable potential for reducing inequality between women and men. It also affects the critical relationship between states, markets and families, and reflects larger social changes in both countries.

*Berlin, June 2004
In co-operation with the
Hans-Böckler-Stiftung*



Third British–German Trade Union Forum

New Members, New Structures

How to respond to the political, social and organisational changes of the early 21st century was the challenge confronting 30 union activists – from leaders and senior policy-makers to workplace organisers – at the third British–German Trade Union Forum. The intensive workshops and discussions focused on why unions in both countries are facing a potential membership and organisational crisis and how they are meeting this challenge through innovative policy and activity. Keynote speakers included Brendan Barber, General Secretary of the Trades Union Congress, and Michael Sommer, Chair of the Deutscher Gewerkschaftsbund.

The solutions proposed reflect the participants' grass-roots experience and expertise and provide a key to creating trade unions that will meet contemporary needs:

- Get the ethos right – avoid jargon and be user-friendly.
- Don't assume that young people are turned off by politics.
- Establish a training culture.
- Recognise that people are ambitious and have sophisticated aspirations.
- Establish dedicated teams to recruit in new areas such as media and IT.

London, June 2004

In co-operation with the Friedrich–Ebert–Stiftung

Employment and Social Policies for an Ageing Society

In both Germany and the UK there are now more older people than ever before, and their numbers will rise significantly in the next 20 years. Older people are living longer. And they have high expectations: a good pension, good health, the opportunity to remain at work, an active retirement, and high-quality social care when they need it. Politicians, government and employers cannot afford to ignore these demographic and social changes, not least because the 'grey vote' and the 'grey pound/euro' are becoming increasingly influential.

We brought together academics and policy specialists from government, NGOs and social care agencies to explore equitable policies for an ageing society. They tackled some big questions. Who pays for meeting older people's needs? Do younger generations resent their taxes being used to benefit their seniors? Can costly early retirement schemes be blocked so that workers continue working until full pension age? How effective are preventative health measures designed to keep older people out of hospital? Policy and practice in the two countries provided illuminating examples of what works (and what does not).

London, October 2004

Fifth British–German Environment Forum

From Fossil to Future Fuels

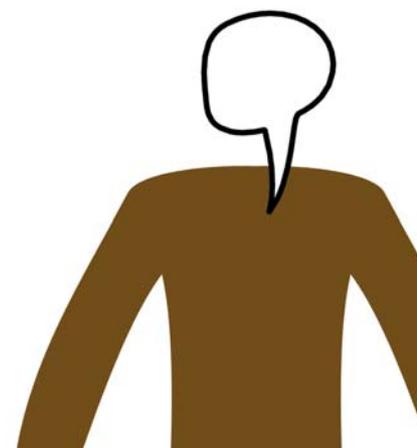
The urgent need for political commitment to develop new energy technologies and to increase energy efficiency was the underlying theme of this year's Environment Forum. The two ministers most involved in developing policies for sustainable energy – Jürgen Trittin and Lord Whitty – gave keynote speeches and heard informed and lively debate around three main challenges:

- how to reduce dependence on imports of fossil fuels
- how to increase the take-up of sustainable and energy-efficient technologies *and*
- how Germany and the UK can pursue common aims within the international energy system more effectively.

The varied expertise of the 60 participants – politics and policy, education and campaigning, technological and commercial development – created a stimulating mix of opinion. It soon became clear that all these interests must co-operate – above all at regional and international levels – to create a radical realignment of energy policies, supplies and use. Politicians and government must take the lead. They must also recognise that often voters are ahead of them in their willingness to change, and that the goal is too important to be left just to the market.

Berlin, February 2004

In co-operation with the Federal Ministry for the Environment and BP Deutschland



6 Publications

During 2004 we published 21 research and policy reports, most jointly written by specialists from Germany and the UK. These contain original comparative research on significant political and social issues and important lessons for policy makers and professionals in the two countries.

All these reports are available on our website: www.agf.org.uk

The International Market for Medical Services: the UK–Germany Experience

Ian Birch and Marion von Boxberg

The UK's hospitals are short of capacity. In Germany, by contrast, there is some over-capacity. Logically, therefore, there is potential for British patients to be treated in Germany. This study assesses recent experiences of health contracts between the UK and Germany and identifies the barriers – technical, legal and attitudinal – to developing a British market for German hospital services.

The main conclusion is that, while British patients felt overwhelmingly positive about the treatment they received in Germany, communication and trust between British and German health professionals needs to be deepened. If this issue, and associated legal and contractual questions, can be resolved, a large, diverse market in medical services between the UK and Germany, and other countries as well, is ready to be exploited.

Non-employment and the welfare state: UK and Germany compared

Jochen Clasen, Jacqueline Davidson, Heiner Ganßmann and Andreas Mauer

Little is known about how many men stand outside the labour markets in Britain and Germany. They are neither employed nor unemployed, but are 'labour market inactive' – they have taken early retirement or are long-term sick or disabled.

This survey examines significant questions. How and why did the size and composition of this inactive group change during the 1990s in each country? What impact did changes in social welfare provision have on the numbers of inactive workers? How did economic recovery affect their employment prospects and their willingness to return to work? The results of this research will have important implications for labour market and social welfare policies as governments attempt to

reduce social security bills and increase the size of the economically active workforce.

Shrinking to Grow: the Urban Regeneration Challenge in Leipzig and Manchester

Alan Mace, Nick Gallent, Peter Hall, Lucas Porsch, Reiner Braun and Ulrich Pfeiffer

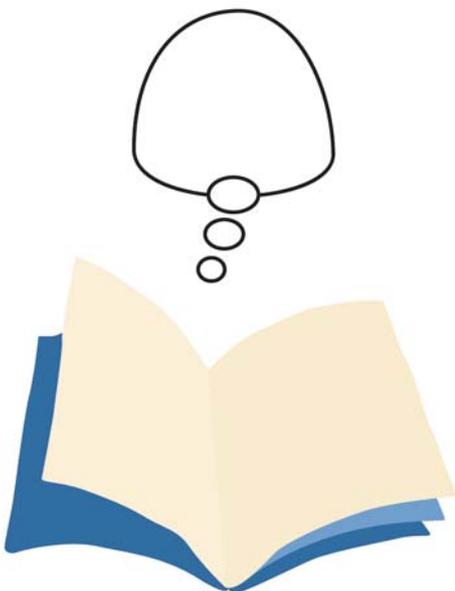
Attract young people to live in city centres – and then get them to stay by providing the high-quality housing, transport, nurseries and schools they need when they settle into family life. This is the solution to city centre depopulation identified in this twin-city study.

Both Leipzig and Manchester have experienced severe population decline – Leipzig sharply after reunification, Manchester more gradually over 50 years. Both have invested heavily in urban regeneration. But at best this has stemmed the loss of people. The keys to growing the population are, first, to become magnets for the young – universities have a central role to play here. Second, and harder to achieve, is to provide the environment and services young people want as they turn into family-builders.

This important work by researchers from the UK's pioneering Institute of Community Studies (now the Young Foundation) has significant implications for cities throughout Europe. Cities need to be proactive, and national and regional governments must allow them to develop an entrepreneurial, risk-taking approach to increasing their population.

The full report is available in hard copy from

The Young Foundation
18 Victoria Park Square
London E2 9PF
tel +44 (0)20 8980 6263
fax +44 (0)20 8981 6719
email: info@icstudies.ac.uk
(ISBN 0 9536803).



Cash-in or Continue? An Exploration of the Drop-out from German Foreign Language Study between AS and A2 Levels

Catherine Watts and Angela Pickering

Why do so few students – just 6,400 in 2004 in England, Wales and Northern Ireland – take German A level? The main reason is that it is just too hard.

This research paper analyses why students at four schools and colleges in southern England dropped German at AS level, i.e. after one year of the A level course. The AS curriculum proved more difficult, and less enjoyable, than they had expected. Many found German grammar off-putting, and almost 75 per cent felt that German was the hardest of their AS subjects. All this led many students to give up German after one year, for fear that doing the full course would lower their overall grades for university entrance. This was despite their belief that potential employers would find German as useful as other languages.

The authors put the case for a more interesting and enjoyable A level curriculum. This would boost the number of students choosing German and so help to arrest the decline in language proficiency in the UK.

The EU Presidency: 'Honest Broker' or Driving Seat? An Anglo-German Comparison in the Environmental Policy Field

Rüdiger K W Wurzel

The country currently holding the EU Presidency is always assumed, especially by the media, to gain considerable extra political influence. But is this really so? This comparative report examines four presidencies: Germany's in 1994 and 1999 and the UK's in 1992 and 1998. Focusing mainly on the Environmental Council, it analyses changes in the decision-making processes, notably the increasing involvement of the Committee of Permanent Representatives, and the impact of differences in British and German approaches to environmental regulation. The overall conclusion is that the Presidency enables the member state concerned to shape the agenda but not to set it: in other words, extra influence, but not greater power.

Strategies for Seniors and Sport

Heather Cameron

Physical activity has recently become a social policy priority. Policy makers have begun to realise two things. Inactive lifestyles lead to increased healthcare costs. And physical activity makes a big contribution to older people's quality of life, keeping them socially and politically active in their communities.

This report summarises the discussions at a conference of experts from Germany, the UK and Canada held in Berlin in May 2004. All three countries have recently set new priorities and started pilot programmes. The conference provided an opportunity to review their effectiveness and to discuss different ways of designing, implementing and evaluating physical activity programmes for older adults. Among the main conclusions were:

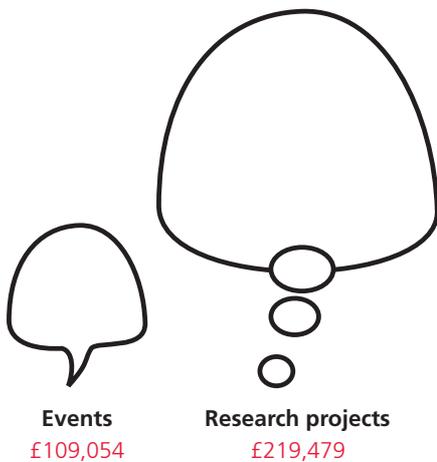
- Develop the case for investment in physical activity into a political priority designed to save money and manage demographic changes.
- Use different arguments to persuade different groups. The message for older people is ageing with dignity, not staying young.
- Emphasise recruiting and training volunteers.
- Package physical activity with other activities such as holidays to win new recruits.

The meeting, the first-ever Anglo-German discussion on seniors and sport, demonstrated the potential for bilateral and Europe-wide initiatives in this important area.

8 New projects

Policy learning is now recognised as an important driver for change. We fund comparative research projects, workshops and conferences 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.

Total grants awarded



The Politics of Emission Trading in Britain and Germany

Dr Rüdiger K W Wurzel

Why did Britain lead the way in developing an emission trading scheme while Germany dragged its feet? This research project will use interviews with leading figures in governments, the EU, NGOs, and industry and commerce to reveal why the introduction of emission trading triggered such radically different reactions and what impact Britain and Germany had on the EU scheme.

The British government, eager to assume a leading role so as to develop a model for the EU, established a national greenhouse gas emission trading scheme in 2002. This won widespread support, especially from industry and the City, although most environmental groups were very critical. Germany, delaying as long as possible, did not introduce emission trading until January 2005, when the EU scheme started. Emission trading turned into a political hot potato. Industry lobbied hard against it, the Environment Ministry's attempts to organise pilot schemes foundered, Chancellor Schröder had to intervene to halt open political conflict between his Ministers, and Germany only agreed to support the EU scheme after negotiating several concessions.

Motherhood and Political Careers: a comparative study of Germany and the UK

Dr Joanna McKay

Men still dominate political parties, parliaments and other political bodies. True, the measures introduced since the late 1980s to increase the number of women have been partly successful, and the proportion of women in parliaments in western democracies has risen considerably. Nevertheless, a glass ceiling still prevents female politicians getting the top, most powerful jobs.

One major – and so far overlooked – reason may be motherhood. Is the glass ceiling in fact a maternal wall? Does the conduct and timetable of political life prevent women rising to senior jobs? Are motherhood and a political career mutually exclusive, even for women in progressive parties? This comparative study of women politicians in Britain and Germany will answer these questions by investigating parliamentary and party practices, candidate selection, and attitudes towards combining children with a political career.

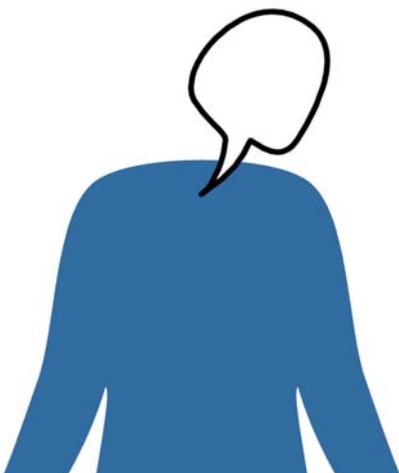
Windpower in Britain and Germany

Dr Joseph Szarka and Dr Ingolfur Blühdorn

Britain and Germany are comparable industrial nations. But Germany has the world's highest windpower capacity, Britain one of the lowest. This study will use empirical evidence – gathered largely through interviews with the main public- and private-sector organisations involved in windpower and renewables generally – to find out why.

Broadly speaking, the 'advocacy coalition' for windpower in Germany is far stronger than in Britain. This is because:

- Green movements have made a big contribution to creating acceptance of renewable energy policy in Germany, less so in Britain.
- New energy technologies are more readily accepted if they bring new jobs – but windpower contracts in Britain go to overseas manufacturers.
- The windpower lobby in Britain concentrates on government. In Germany it targets public opinion as well.
- Britain's planning procedures hamper the development of windpower.



Windpower is thus a case study of the processes of policy learning and policy change. Understanding the reasons for windpower's success in Germany, and the mix of opinion leadership, industrial strategies and planning processes that underpins it, will provide a route map for promoting other sustainable technologies.

Science Mobility and Balanced Growth in an Enlarging Europe

Professor Louise Ackers

Germany and Britain are popular destinations for 'mobile scientists', especially from central and eastern Europe. Both are experiencing skills' shortages, and both offer attractive possibilities for scientific research and careers. But what impact does scientific mobility have – on the economic and scientific development of the 'sending countries', on science in the 'receiving countries', and on the individuals involved?

A major new pan-European project sponsored by the Economic and Social Research Council will examine these issues in the context of EU enlargement. The countries involved are Bulgaria, Poland, Germany and the UK. We are delighted to be funding the Germany-based element of the work.

The comparative experiences of migrant scientists in Germany and the UK will illuminate the importance of human mobility to scientific excellence and competitiveness and the benefits of science mobility to the 'receiving' and the 'sending' countries. Particular attention will be given to evaluating compensatory measures designed to ensure that 'sending' countries also gain from scientific mobility – 'brain circulation' rather than 'brain drain' – and to examining the differential impact of mobility on men and women scientists.

Management and Workforce Practices and their Impact on Productivity, Innovation and Work-Life Balance

Dr Nick Bloom, Dr Ulf von Kalckreuth and Professor John van Reemen

We know a lot about the personal context of work-life balance – what individuals want – and about its legal and cultural framework. We know very little about the opposite perspective: how issues such as pay, hours and flexibility fit companies' requirements. Nor do we really know what impact management practices have on productivity and innovation. Such questions are of immense importance to governments concerned with improving growth and innovation.

This large-scale study will use up-to-the-minute data gathered from 400 companies in France, Germany, the UK and the USA to examine fundamental questions around management, productivity and work-life issues in a cross-national context. A pilot survey of 100 medium-size manufacturing firms aroused significant interest in the media and in Whitehall, and was presented to the Prime Minister's Delivery Unit, the Treasury, the Bank of England, and the Department of Trade and Industry. We are funding the German element of this more extensive project. Its findings, and the resulting policy recommendations, will be eagerly awaited.

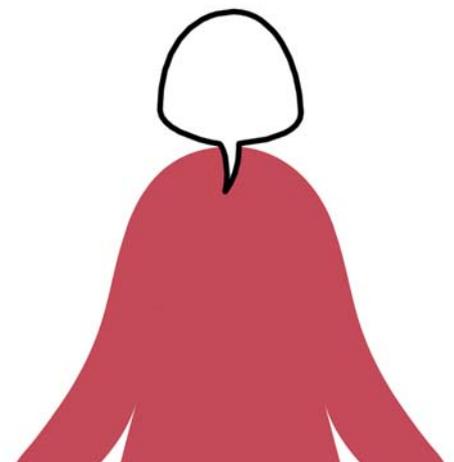
In co-operation with the Economic and Social Research Council; the Economics Research Centre; Deutsche Bundesbank; McKinsey and Company; the London School of Economics.

Health, Retirement and Inequality: Can Germany and the UK learn from each other?

Professor Jennifer Roberts, Dr Martin Schellhorn, Professor Andrew Jones and Dr Nigel Rice

Older people are among the poorest and least healthy in most of Europe, including the UK and Germany. This means that, as populations age, the potential for inequality in income and health increases. Traditionally the links between health and income poverty were thought to apply chiefly to the 'oldest old'. Recent research has shown that this is not so, and that, whatever age you are, being retired is a significant factor.

Financial incentives and health status are major factors in the decision to retire. This comparative study of Germany and Britain is unusual in that it will examine the causal relationship between health and retirement in the context of joint decision-making by couples. The aim is to assess whether the financial impact of ill-health and ageing varies between the two countries, and if so why. The results will provide important evidence about which pension and retirement policies are most effective in reducing inequalities and social exclusion.



10 Partners

Our many partners in the policy-making and academic worlds, in government, diplomacy and business, and in many other fields made significant and enthusiastic contributions to our work during 2004. Partnerships such as these enable us to bring together specialists working in many different areas to their mutual benefit. Our particular thanks go to:

Auswärtiges Amt

BP Deutschland
British Council, Berlin
British Embassy, Berlin
British Steering Committee of the
Königswinter Conference
Bundesministerium für Umwelt,
Naturschutz und Reaktorsicherheit

Cardiff University
Centre for Economic Policy Research
Chatham House

Deutsch-Britische Gesellschaft
Deutsche Bundesbank
Deutsche Forschungsgemeinschaft
Deutscher Akademischer Austausch
Dienst, and London office
Deutsches Institut für
Wirtschaftsforschung

Ecologic
Economic and Social Research Council
Economics Research Centre
Empirica

Fachhochschule für Technik und
Wirtschaft, Berlin
Förderverein Ökologische Steuerreform
Foreign & Commonwealth Office
Freie Universität, Berlin
Friedrich-Ebert-Stiftung

German-British Chamber of Industry
& Commerce
German Embassy, London
Goethe Institut
Großbritannienzentrum, Berlin

Hamburgisches Welt-Wirtschafts-Archiv
Hans-Böckler-Stiftung
Hochschule Magdeburg-Stendal
Humboldt-Universität zu Berlin

Institute for German Studies,
University of Birmingham
Institut zur Erforschung sozialer Chancen
Institut zur Zukunft der Arbeit

Kreuzberg Museum Berlin

Leeds Metropolitan University
London School of Economics and
Political Science
London South Bank University

Macaulay Land Use Research Institute
McKinsey and Company

National Institute of Economic and
Social Research

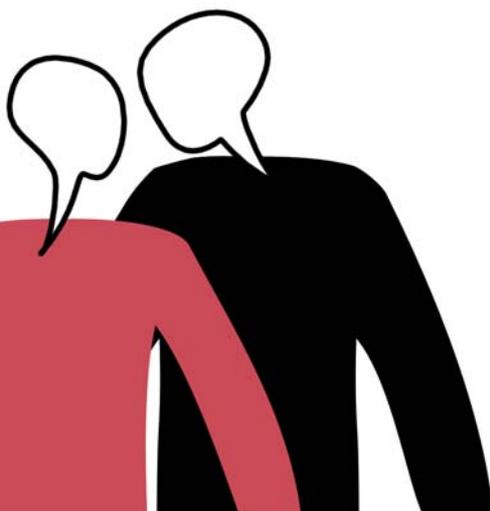
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University of Bath
University of Birmingham
University of Cambridge
University of Essex
University of Manchester (UMIST)
University of Newcastle upon Tyne
University of Sheffield
University of York

Wissenschaftszentrum Berlin
für Sozialforschung

Zentrum für Vergleichende
Geschichte Europas
Zentrum Technik und Gesellschaft



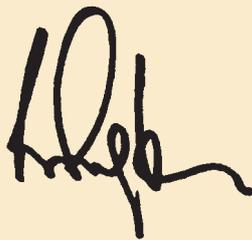
Statement of the Trustees

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 4 March 2005. 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
14 June 2005

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 of the Anglo-German Foundation for the Study of Industrial Society.

Respective responsibilities of trustees and auditors

The trustees are responsible for preparing the summarised financial statements in accordance with the recommendations of the charities SORP.

My responsibility is to report to you my opinion on the consistency of the summarised financial statements with the full financial statements and Trustees' Annual Report. I also read the other information contained in the annual report and consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion

I conducted our work in accordance with Bulletin 1999/6 "The auditors' statement on the summary financial statement" issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In my opinion the summarised financial statements are consistent with the full financial statements and the Trustees' Annual Report of the Anglo-German Foundation for the Study of Industrial Society for the year ended 31 December 2004.

M L DAYNES
14 June 2005

for Comptroller and Auditor General
National Audit Office
Buckingham Palace Road
LONDON SW1W 9SP

12 Accounts 2004

Balance sheet as at 31 December 2004

	2004 £	2003 £
Fixed assets		
Tangible assets	2,345	3,818
Investments	3,249,855	3,484,903
	<u>3,252,200</u>	<u>3,488,721</u>
Current assets		
Debtors	90,495	105,141
Investments	466,775	480,656
Cash at bank and in hand	130,653	123,105
	<u>687,923</u>	<u>708,902</u>
Creditors – amounts falling due within one year	<u>(23,827)</u>	<u>(34,762)</u>
Net current assets	<u>664,096</u>	<u>674,140</u>
Total assets less current liabilities	<u>3,916,296</u>	<u>4,162,861</u>
Capital and reserves		
Capital reserve	2,180,158	2,180,158
Operating account	1,736,138	1,982,703
	<u>3,916,296</u>	<u>4,162,861</u>

Operating account for the year ended 31 December 2004

	2004 £	2003 £
Gross income		
Grant from the United Kingdom Government	100,000	200,000
Grant from the German Government	67,856	200,000
Environment Forum grants	22,967	–
Income from activities	395	335
Income from listed investments and interest receivable	184,468	210,624
	<u>375,686</u>	<u>610,959</u>
Resources expended		
<i>Cost of generating funds</i>		
Investment management fees	13,040	14,022
Cost of publication sales	3,966	2,851
	<u>17,006</u>	<u>16,873</u>
<i>Charitable expenditure</i>		
Costs of activities in furtherance of the charity's objects:		
Grants payable – ordinary project expenditure	219,479	274,636
Events	109,054	71,088
Publishing	15,867	11,404
Support costs	167,182	160,644
Management and administration	136,784	131,436
	<u>648,366</u>	<u>649,208</u>
Total resources expended	<u>(665,372)</u>	<u>(666,081)</u>
Net incoming resources for the year	<u>(289,686)</u>	<u>(55,122)</u>
Other recognised gains and losses		
Profit/(loss) on sale of investments	(3,276)	32,444
Unrealised gain/(loss) on investments	47,434	55,049
Exchange gain/(loss)	(1,037)	7,450
	<u>(266,879)</u>	<u>95,043</u>
Net movement in funds for the year	<u>(246,565)</u>	<u>39,821</u>
Opening funds	4,162,861	4,123,040
Closing funds	<u>3,916,296</u>	<u>4,162,861</u>