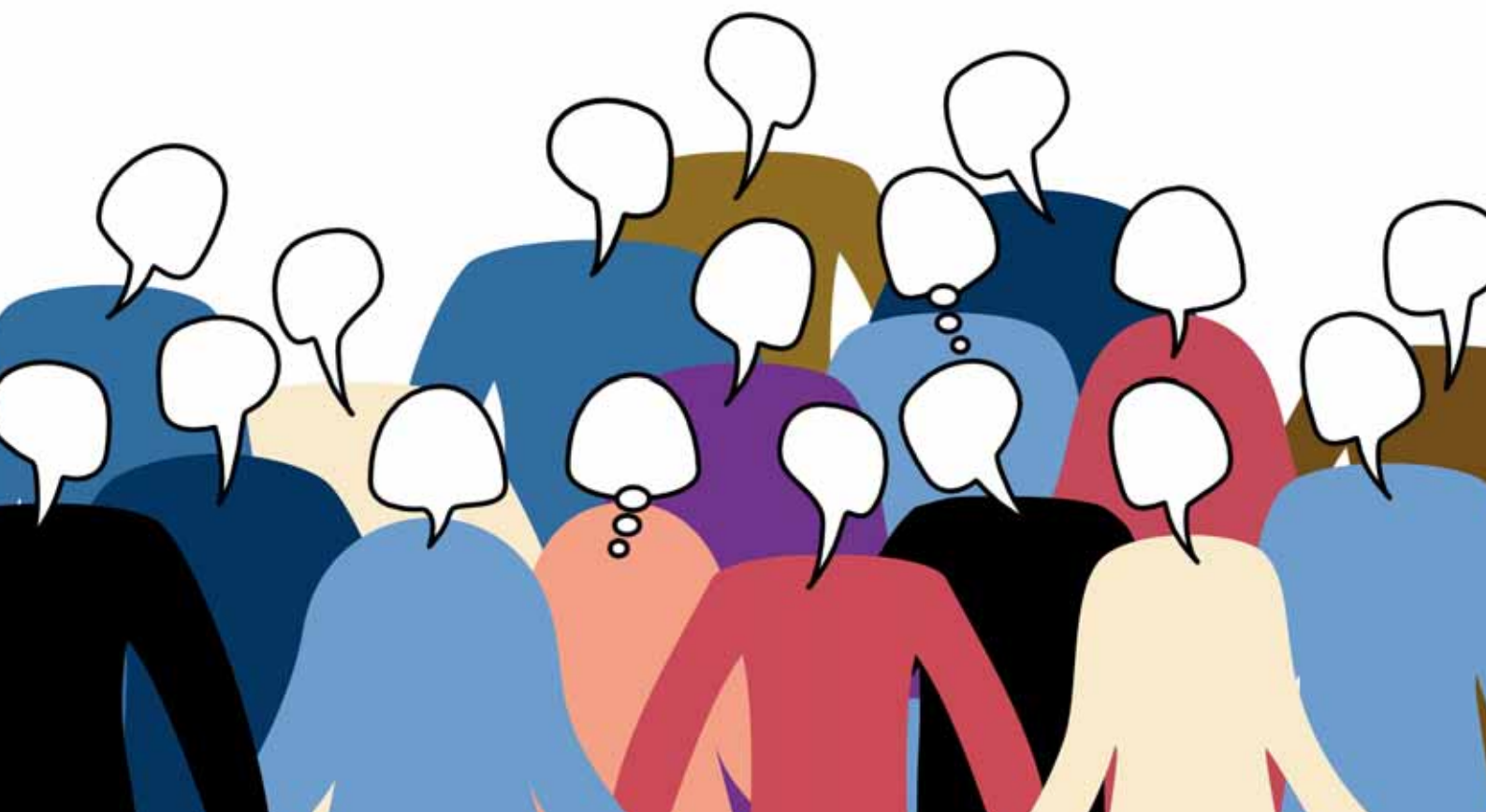




Annual Report 2005



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The Anglo-German Foundation contributes to the policy process in Britain and Germany by funding comparative research on economic, environmental and social policy and by organising and supporting conferences, seminars, lectures and publications to encourage the exchange of knowledge and best practice.

The year at a glance

In 2005 we

completed 6 research projects

published 9 reports

held 21 conferences and seminars

awarded 12 grants

fulfilled 95,000 requests for copies of our reports

attracted 585,000 visitors to our website

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The year 2005 set the Foundation's future course. The greater part of our energy was devoted to setting up our £3 million research initiative, *Creating Sustainable Growth in Europe*. The decision, taken in 2004, to commit the Foundation's assets to a single large project for the remaining period of the current Royal Charter is enabling us to take a broader and longer-term view of the pressures on advanced industrial societies as global barriers and associated long-established patterns of economic and social activity dissolve and the world opens up around us.

Liberating our perspective and our assets resulted in the largest single initiative the Foundation has ever undertaken – and indeed the largest comparative social science programme in the history of the bilateral relationship between Germany and Britain. The formal launch came with the announcement of the funding competition in May 2005. Before this, we invited seven internationally renowned researchers, from four European countries, to join a specially convened Academic Advisory Board chaired by *Professor Sir Tony Atkinson, the eminent economist and former Warden of Nuffield College, Oxford*. The Academic Advisory Board will guide the Foundation as the new initiative evolves and ensure that the research we fund is of the highest quality.

The Academic Advisory Board for *Creating Sustainable Growth in Europe*. From left to right: Wendy Carlin, Udo Simonis, Chiara Saraceno, Sir Tony Atkinson, Roland Clift and Anita Pfaff (Lars Calmfors was not present). For more details see page 8.

Following an intensely competitive two-stage selection process, the Academic Advisory Board made its recommendations to the Foundation's Board of Trustees in February 2006, and the Board made its final decisions in March. This brings the launch phase to its conclusion. Further details of the individual programmes selected appear on pages 8 and 9.

The new initiative will begin to bear fruit already in 2007, when first findings will emerge and a mid-point conference will give the wider research community an opportunity to contribute to its further development. However, most of the output is expected in the autumn of 2009, when we will bring it to the attention of as wide an audience as possible through a series of major conferences and publications in both countries. We invite readers to register at www.agf.org.uk/subscribe.shtml to receive our e-mail newsletter, which will bring information about events and publications as the research progresses. The website also contains much information about activities arising from the research programme in place until 2006.

While our new research initiative takes a longer-term perspective on how to create the conditions for sustainable growth, our previous programme focused on four priority areas of more immediate policy concern in both countries. These are **healthcare systems, migration, ageing societies, and work-life balance**. The thread that links these four areas is a common concern for the labour market implications of policy innovations. This concern ran through most of our publications and events during 2005: highly appropriate for a British-German organisation in a year when levels of employment and unemployment were often highlighted as the central contrast between the German social model and the 'Anglo-social' model (with the implication that employment is the best social policy).

In other respects, too, the increasing integration of our publications and events was a notable feature of the year. It is now rare for us to publish a report without an accompanying conference or seminar to bring the findings directly to the attention of the policy community; often, we hold two events, one in each country. Many of these are organised with the active participation of partners from our target audience, including government departments or agencies and the social partners. Examples can be found throughout the report. We are also increasingly

reaching out to all levels of government – European, national, regional and local. The growing number of participants at our events from local government and from the private sector also demonstrates that we are increasingly concerned with the delivery of policy, and are thereby helping to bridge the critical gap between policy and implementation. This extension of our reach no doubt helps to explain the continuing rise in the numbers of people visiting our website and downloading our reports (downloads increased by 42 per cent during 2005).

In the spirit of bridging our old and new programmes, we instigated a series of occasional lectures by internationally renowned experts at the Foundation's offices in the two national capitals. It opened in great and ambitious style in Berlin with a lecture on 'Happiness' by *Professor Lord (Richard) Layard, founder of the Centre for Economic Performance at the London School of Economics*, which led into a debate between Professor Layard and *Professor Klaus Zimmermann, Director of the German Institute for Economic Research (DIW)*. The series

continued at the start of 2006 with a lecture and debate on 'Reducing Unemployment through Fundamental Labour Market Reform' with *Professor Dennis Snower, President of the Kiel Institute for the World Economy*. More will follow in 2006 and beyond.

None of this progress would have been possible without the unwavering commitment of the Foundation's staff in London and Berlin, and also of the Trustees, who freely devote so much of their time and intellectual energy to the Foundation's cause. We take this opportunity to thank them. We also acknowledge with gratitude the decision by the *UK Foreign & Commonwealth Office* to put a further £250,000 towards the Foundation's activities over the next four years, and we look forward to working with them, and with other relevant departments and levels of European, UK and German government, to analyse, understand and exploit the findings that will emerge from our new research programme. In this spirit, we will be reaching out – in the ways illustrated in these pages – to all our partners in the wider research and policy community; and we look forward to your ideas and contributions.



Photo: Paul Dawson

Bryan Rigby
Chairman

Dr Ray Cunningham
Director

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.

Most of our events mark the publication of a major policy report outlining the results of original bilateral research commissioned by the Foundation. Co-authored by specialists from Germany and the UK, these contain important findings for policy-makers and professionals in the two countries.

Europe Needs Migrant Workers – But Who'll Tell the Voters?

Demographic and economic trends are creating serious gaps in Europe's labour supply. To remedy these future shortages, governments are likely to recruit skilled labour from abroad. But how will Europe's citizens react to increased labour migration?

Well attended study seminars at the Hamburgisches WeltWirtschafts-Institut (HWWI) and at Chatham House launched the AGF report *Reconciling Demand for Labour Migration with Public Concerns about Immigration*. The authors demonstrate that anti-immigrant sentiment in the UK and Germany largely stems from apprehension about globalisation, insecure employment, the declining welfare state and dwindling social cohesion. While governments can do little to influence deep-seated anxieties, they can prevent such concerns being channelled into migration issues.

Authors: Dr Christina Boswell, HWWI; Dr Julie Smith, Chatham House; Meng-Hsuan Chou, University of Cambridge

Hamburg, August 2005
London, September 2005

In co-operation with the Hamburgisches WeltWirtschafts-Institut and Chatham House

The Europeanisation of Industrial Relations

Workers across Europe now have more say in how the companies they work for are run, thanks to new legislation giving employees the right to information and consultation and to the introduction of European Works Councils.

The fourth *British-German Trade Union Forum* examined how Germany's strong unions, and their significantly weaker British counterparts, should respond to the challenges of this new situation. How can they exploit these new rights to establish themselves in unorganised workplaces? And how, especially in the UK, can they overcome their traditional antagonism towards contributing to a company's long-term development?

Delegates – grassroots workplace organisers, policy-makers and senior officials from unions in both countries – also discussed the shape of the emerging Europe-wide system of industrial relations that will function alongside the increasing number of pan-European multinationals. Will the German social model, with its guarantees of a central role for trade unions, prevail? Or will the EU opt for continuing national diversity within a loose framework of EU legislation, with the risk that this will perpetuate the existing French and British pattern of weak unions and declining collective bargaining?

Berlin, June 2005

In co-operation with the Friedrich-Ebert-Stiftung and the Hans-Böckler-Stiftung

Getting Unemployed People Back to Work

Unemployment is bad for the economy and for the individuals concerned. Both the German and British governments have recently reshaped their employment assistance schemes to focus on introducing 'activation strategies': new ways of supporting and encouraging unemployed people to actively seek work. These reforms have been unprecedented in their scale, complexity and pace.

A study seminar in London and a Berlin Lunchtime Meeting marked the publication of our report on *Reinventing the Public Employment Service: the Changing Role of Employment Assistance in Britain and Germany*. Using a detailed study of the new strategies in four cities, the report analyses the challenges inherent in translating policy objectives into effective front-line delivery. While it identifies many significant shortcomings in its implementation, the overall conclusion is that front-line employment assistance does make a difference. But it must be oriented towards the way the labour market is evolving and it must work with unemployed people to encourage them to find jobs for themselves.

Authors: Professor Dan Finn, University of Portsmouth; Dr Matthias Knuth and Oliver Schweer, both at the Institute for Work and Technology, Gelsenkirchen; and Will Somerville, Centre for Economic and Social Inclusion, London

Berlin, March 2005
London, April 2005

Happiness: Lessons from a New Science

Professor Lord (Richard) Layard, former Director of the Centre for Economic Performance at the London School of Economics, launched the German edition of his provocative book *Happiness* at a crowded debate at the British Council Berlin.

Professor Layard's argument is that economic growth does not increase social harmony and that the constant hunt for status is essentially a zero-sum game – if individuals sacrifice family for status, society as a whole loses out. Governments should consider promoting a healthier philosophy of life. What matter most are the emotional ties of family and friends, health, personal freedom and moral values: in other words, things that depend on human relationships.

Happiness has aroused considerable media interest in both Britain and Germany and has helped to stimulate some remarkably thoughtful debates. In Britain, government devotion to economic outcomes and to the necessity of constant change is beginning to be questioned. At the lively discussion at our meeting in Berlin – in which Professor Klaus Zimmermann (President of the German Institute for Economic Research and Director of the Institute for the Study of Labour) challenged many of Professor Layard's assumptions – it became clear how deeply Layard is questioning Western values and individualism.

Berlin, April 2005

Die Glückliche Gesellschaft: Kurswechsel für Politik und Wirtschaft is published by Campus Verlag.

Active Ageing

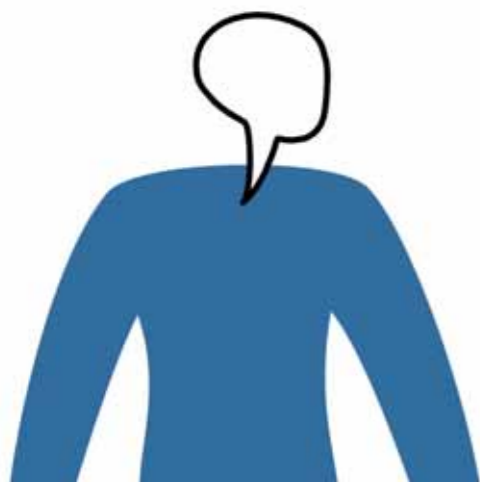
After years on the sidelines, older workers are back in favour in the UK and Germany. Concern about labour shortages and the cost of state pensions is reflected in policies designed to keep people working longer, close off early retirement options, and encourage employers to recruit older workers.

But how much has really changed? A major report – *The Greying of the Labour Market: What Can Britain and Germany Learn from Each Other?* – reviews the evidence in each country and concludes that general labour market measures (job placement, lifelong learning, vocational training, and support for self-employment) continue to neglect older people. The older people who have benefited tend to be the more advantaged and easier to place; those with poor skills or with disabilities continue to be marginalised. The report puts forward valuable policy principles for strengthening the position of older workers in the workforce and also shows how Germany and the UK can learn from each other's successful policies and good practice.

In October we launched such an exchange of ideas with a lively roundtable discussion attended by a small group of experts from the business, research and policy communities in the UK and Germany. The meeting was chaired by Baroness (Sally) Greengross, chief executive of the International Longevity Centre-UK.

Authors: Dr Frerich Frerichs, University of Dortmund, and Dr Philip Taylor, University of Cambridge

London, October 2005



Reducing Aviation Emissions

Aviation is the EU's fastest growing source of greenhouse gas emissions – and how to reduce them is becoming an increasingly pressing European issue. While Germany and the UK have taken leading roles in shaping the international agenda on this issue, they favour different instruments: taxation (of kerosene and tickets) in Germany, emissions trading in the UK.

In November 2005 we hosted a one-day conference to evaluate alternative policy options within the context of booming low-cost airlines, expanding airports, unprecedented growth in flight numbers, and increased air traffic congestion. Policy makers, industry representatives, NGOs and researchers – from the Czech Republic, Germany, Ireland, the Netherlands, Sweden and the UK – used case studies of varying emissions control policies to assess their effectiveness and to quantify their economic and environmental impacts.

Most participants favoured including aviation in the EU's Emissions Trading Scheme. But many also made the point that both emissions trading and ecological taxation are needed to create a level playing field in the transport sector. Above all, the need for concerted action was stressed.

London, November 2005

In co-operation with Green Budget Germany and Economics for the Environment Consultancy

Berlin Lunchtime Meetings

The year's series of lunchtime talks and discussions provided a platform for leading European and international researchers to address important policy issues and a forum for debate among researchers and policy-makers in the public and private sectors. Topics in 2005 included the impact of personal taxation; the potential impact of Turkey's membership of the EU; the effectiveness of programmes to alleviate unemployment; and the impact of trade agreements on developing countries.

The lunchtime meetings are a joint initiative by the German Institute for Economic Research, Berlin, the Centre for Economic Policy Research, London, and the Institute for the Study of Labour, Bonn, and are supported by the Anglo-German Foundation.

Service-sector Jobs: Career Launchpads or Dead Ends?

A lively seminar at the Wissenschaftszentrum Berlin für Sozialforschung (WZB) launched a new report on the service sectors in the UK and Germany. *New Jobs for Whom? Service Sector Employment in Britain and Germany* provides revealing, and unexpected, insights into the patterns of service employment in Britain and Germany:

- Well paid managerial and professional jobs in services have expanded in recent years in both countries.
- However, many jobs are low-skill and low-wage, and job prospects for lower-income groups are poor.
- Many service-sector workers work either long (45-plus per week or short hours (under 35); an increasing number, especially in Germany, work in unstable marginal jobs (under 18 hours per week).
- Displaced industrial workers rarely move into service jobs.

The key policy issue in both countries is how to create decently paid jobs and career paths, especially for the less well qualified.

Authors: Professor Colette Fagan, University of Manchester; Dr Jacqueline O'Reilly, University of Sussex and WZB; and Dr Brendan Halpin, University of Limerick

Berlin, December 2005

Our publications present concise, accessible findings from recent comparative research on significant contemporary political and social issues.

All these reports, and their executive summaries, are available on our website: www.agf.org.uk Details of how to order print copies, where these are available, can also be found on the website.

Employment and Social Policies for an Ageing Society: Britain and Germany Compared

(conference report)

Academic Convenors:
Gerhard Naegele and Alan Walker
Text: Christopher Pick
February 2005
Published online

Germany's Economic Performance: From Unification to Euroisation

(conference report)

Jens Hölscher and Rob Hayward
August 2005
Published online

The Greying of the Labour Market: What Can Britain and Germany Learn from Each Other?

Frerich Frerichs and Philip Taylor
September 2005
Published online and in print
ISBN 1-900834-58-8

The Impact of Family Structure during Childhood on Later-life Attainment

Marco Francesconi, Stephen P. Jenkins and Thomas Siedler
September 2005
Published online and in print
ISBN 1-900834-56-1

Job Opportunities for Whom? Service Sector Employment in Britain and Germany

Colette Fagan, Jacqueline O'Reilly and Brendan Halpin
December 2005
Published online and in print
ISBN 1-900834-59-6

The Politics of Economic Reform in Germany: Global, Rhineland or Hybrid Capitalism?

Kenneth Dyson and Stephen Padgett
May 2005
Published online

Reconciling Demand for Labour Migration with Public Concerns about Immigration: Germany and the UK

Christina Boswell, Julie Smith and Meng-Hsuan Chou
September 2005
Published online and in print
ISBN 1-900834-57-X

Reinventing the Public Employment Service: The Changing Role of Employment Assistance in Britain and Germany

Dan Finn, Matthias Knuth, Oliver Schweer and Will Somerville
January 2005
Published online and in print
ISBN 1-900834-53-7

Towards a Europeanisation of Industrial Relations

(conference report)
Anglo-German Foundation, Friedrich-Ebert-Stiftung and Hans-Böckler Stiftung
Text: Christopher Pick
November 2005
Published online

Vital Environmental Information at Your Fingertips? UK and German E-government Strategies under Scrutiny

Dieter Zinnbauer
November 2005
Published online



The Foundation's unique and far-sighted research initiative (introduced on page 2) will tackle the emerging economic, social, environmental and political challenges confronting governments not only in Germany and the UK, but across Europe and the industrialised world. These challenges include:

- the need to stimulate creativity and innovation
- the impact of an ageing population
- changing patterns and flows of migration
- environmental constraints on sustainable growth.

The initiative will fund four linked but largely autonomous research programmes. Each programme will be led by researchers of international standing, and will make a significant contribution to one or more of the initiative's core themes: innovation, productivity and growth; environment and resources; and welfare, employment and social justice. Steering committees drawn from the wider world of academia, research, the media and government will bring additional expertise to enrich each programme's work.

Active research will begin in summer of 2006 and will be completed three years later. A major mid-point conference will take place in autumn 2007, and a series of concluding conferences in September and October 2009. Detailed information on the interim findings, and on publications and events emerging from the programme, will be posted on the Foundation's website www.agf.org.uk. You can register via the website to receive regular updates on events and publications by e-mail.

The Foundation was guided in the design of the initiative and the selection of the programmes by a distinguished Academic Advisory Board under the chairmanship of Professor Sir Tony Atkinson, former Warden of Nuffield College, Oxford. The other members of the Advisory Board are: Lars Calmfors, Professor of International Economics, Stockholm University; Wendy Carlin, Professor of Economics, University College London; Roland Clift, Professor of Environmental Technology, University of Surrey; Anita Pfaff, Professor of Economics, University of Augsburg; Chiara Saraceno, Professor of Sociology, University of Turin, and Udo Simonis, Professor of Environmental Policy, Social Science Research Centre Berlin.

The Economics and Politics of Employment, Migration and Social Justice

Programme co-ordinator:
Professor Christian Dustmann,
University College London

Key questions

- Is it possible to design policies that combine economic efficiency with social justice in a global economy in which barriers to trade, capital and labour movement are eroding?
- Would such policies be economically, socially and politically sustainable in national economies such as Germany and the UK that have differing economic and political characteristics and institutions?

Unique contribution

The programme will

- undertake a major integrated qualitative and quantitative comparative analysis, covering institutions as well as markets, and politics as well as economics
- develop a future generation of researchers with cross-disciplinary and comparative expertise
- pool hitherto discrete approaches to the politics of migration, skills, education, technology-based growth and labour market institutions.

Projects

- Labour market inequalities
- Migration, mobility and welfare
- Education and social justice

Resource Productivity, Environmental Tax Reform and Sustainable Growth in Europe

Programme co-ordinator:
Professor Paul Ekins, Policy Studies
Institute, London

Key questions

- What are the long-term relationships between energy resource prices and use, environmental quality, economic growth and competitiveness?
- What are the effects so far of European environmental tax reforms (ETRs) on employment, economic growth and competitiveness? What are the medium-term implications of such reforms?
- What implications follow from this analysis for the design of further ETRs for both old and new EU member states?

Unique contribution

The programme will

- carry out the most comprehensive comparative analysis of ETRs and their economic and environmental implications ever undertaken, looking at EU, eastern European and global dimensions
- analyse how ETRs could address the three fundamental European market failures – high unemployment; the overuse of common resources; and underinvestment in new technologies – by raising the costs of common resources, and by using the revenues to reduce labour costs and to subsidise resource-saving technologies.

Projects

- Links between resource use, economic performance and environmental quality
- The resource and labour impacts of existing European ETRs
- Modelling the single-country, European and global economic and environmental effects of different ETR regimes
- Implications for central and eastern Europe
- Global dimensions of sustainable growth in Europe

Sustainable Welfare and Sustainable Growth: Towards a New Social Settlement in Germany and the United Kingdom?

Programme co-ordinator:
Professor Jochen Clasen,
University of Stirling

Key questions

- What are the effects of changing social and economic conditions, as well as existing social policies, on the family's capacity to provide child care, reduce social and educational exclusion, and participate in paid work?
- What are the impacts of changes in non-state pension provision, and how can occupational and private provision contribute to the financial sustainability and social inclusiveness of pension regimes?
- How have traditional conceptions of social justice embodied in the German and British welfare state models changed in recent years?

Unique contribution

The programme will

- throw light on the relationships between family policy, old age policy, education and labour market participation, as well as on shifts in notions of social justice
- investigate the role of companies in social protection and identify best practice and structural tensions in the revamped social protection regimes in Germany and the UK
- apply these analyses to specific problems such as social exclusion or income insecurity in old age.

Projects

- Sustainable growth, social inclusion and family policy: innovative ways of coping with old and new challenges
- Combining social inclusion with financial sustainability?: the reconstruction of British and German pension regimes
- Shifting paradigms of social justice

Explaining Productivity and Growth in Europe, America and Asia

Programme co-ordinator:
Dr Tobias Kretschmer,
London School of Economics

Key questions

- What accounts for Europe's slower productivity growth compared with the USA, and what can be done to improve it?
- Do policies that foster economic growth conflict with environmental targets?
- Are there complementarities between different levers for achieving productivity growth – e.g. management and organisational practices, innovation incentives, and use of information and communications technologies?

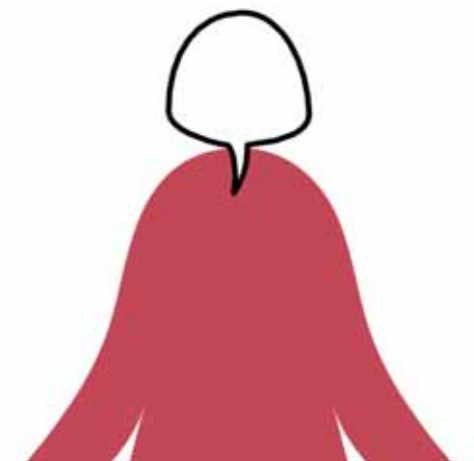
Unique contribution

The programme will

- generate new data on management practices in Europe, the USA and Asia
- undertake the first rigorous empirical analysis of causal relationships to explain the disappointing European productivity growth
- establish which policies can help to foster environmentally friendly productivity growth.

Projects

- Management and impact on productivity and growth
- Economic growth and environmental consequences
- Information and communication technologies
- Innovation
- Globalisation



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 2005. 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:

Arbeitskreis Deutsche Englandforschung
Auswärtiges Amt

BP Deutschland
British Council
British Embassy Berlin
British Steering Committee of the
Königswinter Conference

Campus Verlag
Cardiff University
Centre for Economic Policy Research
Chatham House

Deutsch-Britische Gesellschaft
Deutsche Landwirtschaftsgesellschaft
Deutsches Institut für
Wirtschaftsforschung

Economic and Social Research Council
Economics for the Environment
Consultancy
Empirica
European University Institute, Florence

Foreign & Commonwealth Office
Forschungsinstitut zur Zukunft der Arbeit
Friedrich-Ebert-Stiftung

German Embassy, London
Green Budget Germany

Hamburgisches Welt-Wirtschafts-Archiv
(Hamburgisches WeltWirtschaftsinstitut)
Hans-Böckler-Stiftung

Institut Arbeit und Technik
Institute for Fiscal Studies
International Journalists' Programmes

London School of Economics
and Political Science

Macaulay Land Use Research Institute

National Institute of Economic
and Social Research
Nottingham Trent University

Pesticide Action-Network UK
Pestizid Aktions-Netzwerk e.V.

Royal Holloway University of London

Sozialforschungsstelle Dortmund

Technische Universität Chemnitz

Universität Dortmund
Universität zu Köln
University of Bath
University of Birmingham
University of Brighton

University of Cambridge
University of Essex
University of Leeds
University of Manchester
University of Portsmouth
University of Sheffield

Wissenschaftszentrum Berlin für
Sozialforschung

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 17 March 2006. 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
12 April 2006

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 2005.

M L DAYNES
3 May 2006

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



12 Accounts 2005

Balance sheet as at 31 December 2005	2005 £	2004 £
Fixed assets		
Tangible assets	3,188	2,345
Investments	2,015,322	3,249,855
	<u>2,018,510</u>	<u>3,252,200</u>
Current assets		
Debtors	50,861	90,495
Investments	1,568,540	466,775
Cash at bank and in hand	202,664	130,653
	<u>1,822,065</u>	<u>687,923</u>
Creditors – amounts falling due within one year	<u>(21,211)</u>	<u>(23,827)</u>
Net current assets	<u>1,800,854</u>	<u>664,096</u>
Total assets less current liabilities	<u>3,819,364</u>	<u>3,916,296</u>
Capital and reserves		
Capital reserve	2,180,158	2,180,158
Operating account	1,639,206	1,736,138
	<u>3,819,364</u>	<u>3,916,296</u>
Operating account for the year ended 31 December 2005	2005 £	2004 £
Gross income		
Grant from the United Kingdom Government	250,000	100,000
Grant from the German Government	–	67,856
Environment Forum grants	–	22,967
Income from activities	996	395
Income from listed investments and interest receivable	157,697	184,468
	<u>408,693</u>	<u>375,686</u>
Resources expended		
<i>Cost of generating funds</i>		
Investment management fees	12,414	13,040
Cost of publication sales	3,950	3,966
	<u>16,364</u>	<u>17,006</u>
<i>Charitable expenditure</i>		
Costs of activities in furtherance of the charity's objects:		
Grants payable – ordinary project expenditure	190,993	219,479
Events	28,805	109,054
Creating Sustainable Growth in Europe	15,383	–
Publishing	15,799	15,867
Support costs	136,953	167,182
Management and administration	112,052	136,784
	<u>499,985</u>	<u>648,366</u>
Total resources expended	<u>(516,349)</u>	<u>(665,372)</u>
Net incoming resources for the year	(107,656)	(289,686)
Other recognised gains and losses		
Profit/(loss) on sale of investments	(4,586)	(3,276)
Unrealised gain/(loss) on investments	30,761	47,434
Exchange gain/(loss)	(15,451)	(1,037)
	<u>(96,932)</u>	<u>(246,565)</u>
Net movement in funds for the year	<u>(96,932)</u>	<u>(246,565)</u>
Opening funds	3,916,296	4,162,861
Closing funds	<u>3,819,364</u>	<u>3,916,296</u>