



Trustees' Report and Financial Statements

For the year ended 31 December 2009

A Charitable Company Limited by Guarantee
Registered company number 04332105
Charity Number (England and Wales) 1091364
Charity registered in Scotland SCO38498

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

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

Hansard Society Limited

For the year ended 31 December 2009

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Hansard Society Limited

For the year ended 31 December 2009

Legal and administrative information

Hon. Officers

President: Rt Hon Michael Martin MP (until 21/06/09)
Co-Presidents: Rt Hon John Bercow MP (from 23/06/09)
Rt Hon the Baroness Hayman (from 23/06/09)

Vice Presidents: Rt Hon Gordon Brown MP
Rt Hon David Cameron MP
Rt Hon Nick Clegg MP

Advisory Council and Trustees

Chairman: Peter Riddell*

Vice Chairs: Kate Jenkins* (until 8/12/09)
Andrew Lansley CBE MP
Lord Tyler of Linkinhorne
The Lord Puttnam CBE

Hon. Treasurer: John Sharkey*

Members of Council: Richard Allan
Roshana Arasaratnam* - Assistant Honorary Treasurer
Laurence Bard (co-opted 25/02/10)
Dianne Bevan*
Dawn Butler MP
Rob Clements
Emma-Jane Cross* (co-opted 16/04/10)
Mark D'Arcy
Hilton Dawson
Paul Evans
Professor Ivor Gaber
Oonagh Gay
Elinor Goodman (until 9/11/09)
Gavin Grant
Andy Hamflett
Professor Robert Hazell CBE
Amelia Knott (co-opted 16/04/10)
Peter Knowles (co-opted 16/04/10)
Dr Sheena McDonald* (co-opted 25/02/10)
Joyce McMillan
Floyd Millen
Austin Mitchell MP
Jan Newton OBE* (until 23/02/10)
Professor the Lord Norton of Louth
Matthew Seward (co-opted 16/04/10)
Gerald Shamash*
Bill Thomson (co-opted 16/04/10)
Graeme Trayner* (co-opted 16/04/10)

* Members of the Executive Committee who are the Trustees of the charity.

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For the year ended 31 December 2009

Legal and administrative information

Chief Executive Fiona Booth

Company Registered Number 04332105

Charity Registered Number
England and Wales 1091364
Scotland SCO38498

Registered Office 40 - 43 Chancery Lane
London
WC2A 1JA

Auditors haysmacintyre
Chartered Accountants
Registered Auditors
Fairfax House
15 Fulwood Place
London
WC1V 6AY

Bankers Unity Trust
9 Brindley Place
Birmingham
B1 2HB

Hansard Society Limited

For the year ended 31 December 2009

Report of the Board of Trustees

The Trustees of the Charity (who are the Directors of the Charity for company law purposes) submit their annual report and the financial statements of Hansard Society Limited (the Charity) for the year ended 31 December 2009. The Trustees confirm that the annual report and financial statements of the Charity comply with current statutory requirements, the requirements of the Charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

STRUCTURE AND GOVERNANCE

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association.

Legal responsibility for the management and stewardship of the Hansard Society is vested in the Board of Trustees (the Executive Committee). Day to day management of the Charity is delegated to the Chief Executive and Senior Management Team. The Executive Committee are elected and co-opted under the terms of the Articles of Association. The Chairman and Treasurer are appointed on a yearly basis at the Annual General Meeting. Other members of the Executive Committee are appointed for a term of three years, after which they may put themselves forward for reappointment for a further three years. The Executive Committee are also members of the Advisory Council. Only members of the Society are eligible to be appointed to the Advisory Council. The Advisory Council provide guidance on the Charity's activities but are not responsible for the governance of the Charity.

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

The Advisory Council met three times during the year and the Executive Committee seven times. New Trustees are provided with a broad range of information about the Hansard Society including copies of the last year of Advisory Council papers, publications and background information on the organisation. New Trustees are given an induction meeting with the Chair and Chief Executive to discuss particular areas of work and then follow up on these areas, in some cases with other members of staff.

All staff who are in direct contact with children and young people are required to undertake Criminal Record Bureau (CRB) checks.

Related Party Notes

Professor The Lord Norton of Louth is a member of the Hansard Society Advisory Council. He is not a member of the Executive Committee (Trustee). Lord Norton received £3,342 for services as the Director of Studies for the Hansard Society Scholars Programme.

Kate Jenkins is a member of the London School of Economics Court of Governors and a member of the Hansard Society Executive Committee (Trustee). The Hansard Society paid the London School of Economics £22,714 for services delivered as part of the Hansard Society Scholars Programme, IT and printing services. Kate Jenkins abstains from any contractual decisions made by the Trustees concerning the London School of Economics.

Membership of the Hansard Society

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

Hansard Society Limited

For the year ended 31 December 2009

Organisations, companies or institutions join as Corporate Supporters.

OBJECTIVES AND ACTIVITIES

Aims of the charity

The charity's objectives are for the public benefit: At the heart of all our work is the principle that civic society is most effective when its citizens are connected with the institutions and individuals who represent them in the democratic process.

Mission statement

We are an independent non-partisan research and education organisation that works to improve the effectiveness of Parliament and other political institutions, primarily in the United Kingdom, to enhance democracy and to stimulate engagement with the political process.

Public Benefit statement

The aims, mission and achievement and performance sections of this report clearly set out the activities which the Hansard Society undertakes for the public benefit.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, 'Charities and Public Benefit'.

The Trustees make the following observations on the two key principles of public benefit.

Principle 1: There must be an identifiable benefit or benefits

1a) It must be clear what the benefits are

The benefits are set out in the accounts of Achievement and Performance given in the body of this report.

1b) The benefits must be related to the aims

The benefits set out in the accounts of Achievement and Performance are clearly related to the aims of the Society. The Trustees review the activities of the charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to the aims.

1c) Benefits must be balanced against any detriment or harm

No specific issues of detriment or harm have been identified.

Principle 2: Benefit must be to the public or a section of the public

2a) The beneficiaries must be appropriate to the aims

The beneficiaries are primarily people living in the UK, specifically young people, teachers, students, Parliamentarians, Parliamentary officials, political academics, journalists and civic society.

Hansard Society Limited

For the year ended 31 December 2009

OBJECTIVES AND ACTIVITIES (continued)

Principle 2: Benefit must be to the public or a section of the public

2b) Where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions; or by the ability to pay any fees charged

As noted above beneficiaries are from a wide range of groups within civic society. Because of the work of the Hansard Society, most events take place in the Westminster or Holyrood Parliament. Fees are not charged to attend. Recordings of events and access to publications are available on the Society's website for those unable to attend. All education resources are offered free of charge.

2c) People in poverty should not be excluded from the opportunity to benefit

Beneficiaries have access to our free events and the majority of our publications, briefing papers and research reports are made available to download free from our website. Membership of the Society is offered at a low annual fee, with discounts to journal subscriptions also offered. It is not necessary to be a member of the Society to benefit from the work of the Society.

2d) Any private benefits must be incidental

Private benefits are incidental as they are a necessary by-product of carrying out the charity's aims. Staff are employed and remunerated in order that the Charity's aims are met.

Main objectives for the year

In 2009 the Hansard Society focused on:

- Examining public attitudes towards politics and considering how engagement between the people and our democratic structures can be enhanced.
- Undertaking high quality rigorous research to develop challenging but realistic policy recommendations to reform Parliament, looking at the legislative, scrutiny and constitutional processes that govern our democracy and the organisation and infrastructure of Parliament as an institution.
- Delivering a series of public and private events to stimulate engagement in democracy and to provide opportunity for debate on formal political processes.
- Providing people of all ages opportunity to learn about parliamentary democracy and the ways in which they can get involved, to improve their understanding of, and engagement in, the political process.

Strategies for achieving objectives

To achieve these objectives the core activities are carried out by five main programmes of work.

Hansard Society Limited

For the year ended 31 December 2009

OBJECTIVES AND ACTIVITIES (continued)

Research

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

eDemocracy – looks at the political and social impact of information and communications technology (ICT) through research and evaluation and explores the many faces of digital participation, engagement, political campaigning and parliamentary processes.

Education

Citizenship Education - carries out practical, ground level work with young people and teachers to broaden understanding, knowledge and participation in the political system.

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

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

ACHIEVEMENTS AND PERFORMANCE

The Hansard Society carried out a wide range of activities during 2009 to achieve our objectives as outlined above. Our activities attracted a varied audience from the fields of politics, education, law, civic society, business and the media. The information below provides an overview of the types of events and activities that took place to achieve our objectives, which includes public and private events; activities for young people and resources for teachers; publications drawing together research and opinion; online engagement activities and study programmes.

The following section describes the objectives and activities carried out to meet them.

Objective:

Examining public attitudes towards politics and considering how engagement between the people and our democratic structures can be enhanced.

Activities:

- *Audit of Political Engagement 6* – a yearly snapshot of political knowledge and engagement in Britain.
- *Digital Citizens and Democratic Participation* – an analysis of how citizens participate online and connect with MPs and Parliament.
- *Parliament 2020: Visioning the Future Parliament* – visioning exercise undertaken to discover how new and emergent technologies are being or could be used to transform the processes of Parliament and, in particular, its relationship with the public.

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For the year ended 31 December 2009

ACHIEVEMENTS AND PERFORMANCE (continued)

Activities:

- *MPs Online: Connecting with Constituents* – a study into how MPs use digital media to communicate with their constituents.
- *MPs on Facebook* – short digital paper examining how Parliamentarians are using the social media tool, Facebook.
- *Twitter: Communication tool or pointless vanity?* – short digital paper examining how Parliamentarians are using the social media tool, Twitter.

Objective:

Undertaking high quality rigorous research to develop challenging but realistic policy recommendations to reform Parliament, looking at the legislative, scrutiny and constitutional processes that govern our democracy and the organisation and infrastructure of Parliament as an institution.

Activities:

- *The Scottish Parliament 1999-2009: The First Decade* - collection of essays that discuss some of the key issues in the development of the Scottish Parliament over the last decade.
- *Representative Democracy Briefing Paper 1: House of Commons Reform* - summarises the issues around parliamentary reform, and sets out proposals for strengthening Parliament in relation to government and improving its workings.
- *Political Accountability and Transparency Briefing Paper 1: Restoring Trust in the House of Lords* - examines issues of interests and allowances in the House of Lords, and makes recommendations for restoring trust in the system.
- *Parliamentary Affairs* - four issues published during 2009 by OUP - peer-reviewed academic quarterly covering all the aspects of government and politics directly or indirectly connected with Parliament and parliamentary systems in Britain and throughout the world.
- Evidence submitted to the Speaker's Conference on Parliamentary Representation, House of Commons Select Committee on the Reform of the House of Commons, House of Commons Procedure Committee, House of Lords Select Committee on the merits of Statutory Instruments, House of Lords Information Committee, House of Lords Select Committee on the Constitution, and the Committee on the Standards in Public Life.

Objective:

Delivering a series of public and private events to stimulate engagement in democracy and to provide opportunity for debate on formal political processes.

Activities:

- Making Better Law Seminar series – series of 4 seminars that considered the issues relating to, and the consequences of, drafting and scrutiny of legislation in technically complex areas.
- The Digital Citizen & Government: Confidence and security online – dinner and discussion.
- Public Dialogue: Making a difference – reception and discussion.
- Public Democracy Forum – Europe or America: Where is our special relationship now?
- Public Democracy Forum – The Online Campaign: Solution or smokescreen?
- Public Democracy Forum – Citizens or Consumers: Which does a democracy need more?
- Public Democracy Forum – What lessons should Westminster learn from Holyrood?
- Public Democracy Forum – Young People: Who cares what they think?

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ACHIEVEMENTS AND PERFORMANCE (continued)

Activities:

- Public Democracy Forum – Twitter: Communication tool or pointless vanity?
- Public Democracy Forum – Civil Liberties: Are we placing ourselves at the mercy of the state?
- Public Democracy Forum – Constitutional Change: Who gains? Who loses?
- European Parliament Election Debates – 4 public debates held in Scotland.
- Hansard Society/PSA Annual Lecture – Parliament in an anti-politics age: the outreach challenge – delivered by the Speaker of the House of Commons, Rt Hon John Bercow, MP.
- Ermine, Ethics and Engagement: Evolution – a speech by the Lord Speaker, Rt Hon the Baroness Hayman.
- Parliamentary Reform: The route from here to there – a speech by the Speaker of the House of Commons, Rt Hon John Bercow, MP.
- Edinburgh Festival of Politics – Has devolution delivered for women? – public discussion forum.
- Speaker Hustings – the first ever Speaker Hustings held in Parliament, televised live.
- Channel 4 Political Awards - Sir Bernard Crick awarded the annual Hansard Society Democracy Award, which celebrates individuals or organisations which have advanced understanding of, and engagement in, parliamentary democracy.
- Business Breakfast – Politics and Business: Uneasy bedfellows?
- Business Breakfast – The 2009 European Elections: Implications for the UK.
- Business Breakfast – Election 2010: Polls, parties and predictions.
- Business Breakfast – Labour & Localism: Putting communication in control.

Objective:

Providing people of all ages opportunity to learn about parliamentary democracy and the ways in which they can get involved, to improve their understanding of, and engagement in, the political process.

Activities:

- *Y Vote Mock Elections* - www.mockelections.co.uk. – gives teachers the resources to offer students first hand insight into how voting and the democratic process works.
- *Five HeadsUp* (www.headsup.org.uk) online forums (and associated reports) to enable young people and parliamentarians to debate political issues online.
- Four *EU and All That* teacher conferences held in Liverpool, Newcastle, Exeter and London to support teacher's understanding of political literacy.
- Competition for secondary school students supported by the Lord Speaker. The House of Lords Communications Committee asked young people to submit their views on portrayal of young people in the media.
- 71 international scholars took part in the Hansard Scholars Programme in 2009 from a diverse range of countries.
- Three week Parliamentary Education and Training Programme for senior representatives from the Office of the National Assembly in Vietnam.
- Lords of the Blog - a 'blog' space for Peers, the aim being to provide an educative resource targeted at a general, non-expert audience about what is happening in the House of Lords.

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ACHIEVEMENTS AND PERFORMANCE (continued)

Visiting academic fellows scheme

Dr Martin Steven from Glasgow University joined the scheme during 2009. The visiting academic fellow scheme was established to enable self-funded scholars to utilise the resources of the Hansard Society while carrying out their own research. It is intended to provide an environment to support and encourage academics researching in the areas of British politics and parliamentary democracy. The Hansard Society hopes that the Visiting Fellows will also contribute to its own research programme and activities looking at key issues in British politics and parliamentary democracy.

VOLUNTEERS AND INTERNS

Like many other charities, the Hansard Society is fortunate in that it has a number of volunteers or interns who assist us in our work. Each programme may offer internships during the course of the year to support the core projects and activities and to enable interns to get a taste for working in politics. During 2009, 18 interns assisted our programmes. Interns are offered repayment for their travel expenses and contribution towards their lunch expenses.

FINANCIAL REVIEW

The Hansard Society did not make a surplus as at 31 December 2009. A number of programmes were unsuccessful in securing funds for project work and a deficit of £44,452 was recorded. Funding was not secured to launch a Commission on the future of representative democracy. No significant growth is planned by the Trustees for 2010.

We continue to be funded from a wide range of sources including project-based funding from the government departments, statutory bodies, public and private organisations.

Reserves policy

The trustees have reviewed the requirement for free reserves which are those funds not invested in fixed assets or otherwise committed. Based on their review they consider they need three months of operating expenditure. This is approximately £283,985. As at 31 December 2009, free reserves amounted to £163,000. The trustees are looking at ways of increasing the levels of free reserves.

The Trustees proposed and approved the redesignation of £20,000 from the designated reserve fund for office removal costs to be reallocated to general reserve funds.

Research and Development Fund

The Trustees set up a Research and Development Fund in 2005 from the unrestricted reserves of the Society. This designated fund is earmarked for expenditure on projects agreed by the Trustees to further the aims and objectives of the Society. To access the Fund, Society staff must apply to the Trustees for funding on a specific project and the application must be approved by the Trustees before the funds are released. No applications were approved in 2009. The balance as at 31 December 2009 is £37,734.

Fixed Asset Fund

The Fixed Asset fund represents the net book value of unrestricted tangible fixed assets. Each year an amount is transferred to or from the fund representing the movement in net book value of unrestricted tangible fixed assets in the year. The net book value of assets at the years end amounted to £2,215.

Hansard Society Limited

For the year ended 31 December 2009

FINANCIAL REVIEW (continued)

Pensions Liability Fund

The Trustees had set up a fund to accommodate any future liability from the Pensions Trust. This liability was settled in full during 2009 and the fund is no longer required.

Removal and Reorganisation Fund

The Trustees had set up a removal and reorganisation fund to plan for any future premises move. This balance as at 31 December 2009 is £20,000.

Restricted Funding

The Hansard Society received restricted funding for projects carried out within the Parliament and Government (£38,585) and Citizenship Education (£30,098) Programmes. £10,405 remains unspent in the Parliament and Government programme and is carried forward and will be spent in 2010.

PLANS FOR THE FUTURE

The Hansard Society's work is based on the belief that an effective parliamentary system is central to a successful democracy. In 2010 the Hansard Society, through research and education programmes will continue to build on its unparalleled reputation for producing innovative and influential research that seeks to make Parliament more transparent and accessible. We will continue our important work with citizens of all ages to improve their understanding of, and engagement in, the political process.

Risk Assessment

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

Six high risk items have been noted in the risk analysis: (i) The potential effects of the international situation (terrorism, war, change in exchange rates) on the Scholars Programme. This has prompted us to diversify the student base from the USA, monitor numbers and broaden the USA marketing in addition to developing the scholarship programme and expanding the postgraduate (research scholars) course. (ii) The loss of key staff. We endeavour to mitigate the consequences of this risk by ensuring that appropriate support and skills training is available to staff. (iii) Inadequate non-project-related funding. We are focussing on increasing the number of corporate supporters in addition to our general membership. We are investigating setting up a legacy programme along with carrying out an audit of trusts and grant making foundations willing to fund core costs. iv) Continued economic downturn. Cost savings measures have been identified and will be implemented in 2010. (v) Inadequate margins on projects. Full cost recovery, improved budget preparation and monitoring have been implemented. (vi) Change in government. A review was carried out of all current projects likely to be affected with measures taken to mitigate loss of support from key stakeholders.

Hansard Society Limited

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STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the Hansard Society for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the council members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the council members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution proposing the reappointment of haysmacintyre as auditors of the Company will be put to the Annual General Meeting.

APPROVAL

The report of the Trustees has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the Trustees on 17th May 2010 and signed on its behalf, by:

.....
Peter Riddell

Hansard Society Limited

For the year ended 31 December 2009

Independent Auditors' report to the members of Hansard Society Limited

We have audited the financial statements of the Hansard Society for the year ended 31 December 2009 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The Trustees', who are also the directors of the company for the purposes of company law, responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under Section 44(1)(c) of the Charities and Trustees Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

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

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Directors' remuneration specified by law are not made.

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

Basis of audit opinion

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

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Independent Auditors' report to the members of Hansard Society Limited (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's and group's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Directors' Report is consistent with the financial statements.

Murtaza Jessa (Senior Statutory Auditor)
for and on behalf of haysmacintyre, Statutory Auditor
Registered Auditors

Fairfax House
15 Fulwood Place
London
WC1V 6AY

Date:

Hansard Society Limited

Statement of Financial Activities for the year ended 31 December 2009 (incorporating income and expenditure account)

	Note	Restricted Funds 2009 £	Unrestricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Incoming Resources					
<i>Incoming resources from charitable activities</i>					
Study and Scholars programme		-	521,936	521,936	589,710
Parliament and Government programme		38,585	121,443	160,028	116,643
eDemocracy programme		-	89,238	89,238	68,347
Citizenship Education programme		30,099	102,017	132,116	120,050
Scottish Parliament programme		-	6,750	6,750	20,438
Membership subscriptions		-	2,483	2,483	2,370
Publications		-	150,029	150,029	110,611
Conferences & Meetings	2	-	18,750	18,750	37,932
Other income		-	7,935	7,935	11,253
<i>Total incoming resources from charitable activities</i>		<u>68,684</u>	<u>1,020,581</u>	<u>1,089,265</u>	<u>1,077,354</u>
<i>Incoming resources from generated funds</i>					
Voluntary income and core funding	3	-	960	960	5,190
<i>Total income from generated funds</i>		<u>-</u>	<u>960</u>	<u>960</u>	<u>5,190</u>
<i>Activities for generating funds:</i>					
Investment income	4	-	1,170	1,170	11,472
<i>Total income from activities for generating funds</i>		<u>-</u>	<u>1,170</u>	<u>1,170</u>	<u>11,472</u>
Total incoming resources		<u>68,684</u>	<u>1,022,711</u>	<u>1,091,395</u>	<u>1,094,016</u>
Resources Expended					
<i>Costs of generating funds:</i>					
Generating voluntary income	7	-	-	-	31,005
Total costs of generating funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>31,005</u>
Resources Expended					
<i>Charitable activity costs</i>					
Study and Scholars programme		-	409,994	409,994	424,148
Parliament and Government programme		28,180	209,661	237,841	188,704
eDemocracy programme		-	152,158	152,158	126,646
Citizenship Education programme		39,832	168,809	208,641	168,934
Scottish Parliament programme		-	50,845	50,845	63,989
Publications		-	15,878	15,878	75,453
Conferences & Meetings		-	36,425	36,425	28,518
<i>Total charitable activity costs</i>	5	<u>68,012</u>	<u>1,043,770</u>	<u>1,111,782</u>	<u>1,076,392</u>
Governance costs	8	-	24,156	24,156	19,700
Total resources expended		<u>68,012</u>	<u>1,067,926</u>	<u>1,135,938</u>	<u>1,127,097</u>
NET LOSS BEFORE TRANSFERS		<u>672</u>	<u>(45,215)</u>	<u>(44,543)</u>	<u>(33,081)</u>
Transfers between funds	15	9,733	(9,733)	-	-
NET LOSS AFTER TRANSFERS		<u>10,405</u>	<u>(54,948)</u>	<u>(44,543)</u>	<u>(33,081)</u>
MOVEMENT IN TOTAL FUNDS FOR THE YEAR					
Total funds at 1 January 2009		-	280,112	280,112	313,193
Total funds at 31 December 2009		<u>10,405</u>	<u>225,164</u>	<u>235,569</u>	<u>280,112</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 16 to 24 form part of these financial statements.

Hansard Society Limited

Balance Sheet

As at 31 December 2009

		2009		2008	
	Note	£	£	£	£
FIXED ASSETS					
Tangible fixed assets	10		2,215		4,917
CURRENT ASSETS					
Stocks		1,000		1,000	
Debtors	11	297,157		245,068	
Cash at bank		367,701		332,843	
		<u>665,858</u>		<u>578,911</u>	
Creditors: amounts falling due within One year	12	<u>(432,504)</u>		<u>(303,716)</u>	
			233,354		275,195
NET ASSETS					
			<u>235,569</u>		<u>280,112</u>
CHARITY FUNDS					
Restricted funds	15		10,405		-
Unrestricted – designated funds	15		59,949		88,674
Unrestricted – general funds	15		165,215		191,438
			<u>235,569</u>		<u>280,112</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 May 2010.

Peter Riddell - Chair

John Sharkey - Treasurer

The notes on pages 16 to 24 form part of these financial statements.

HANSARD SOCIETY LIMITED

Notes to the financial statements
For the year ended 31 December 2009

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in 2005, applicable accounting standards and the Companies Act 1985.

1.2 Company status

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

1.3 Fund accounting

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

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

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

1.4 Incoming resources

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

Payments are received for the Scholars Programme in advance; the refundable portion (£250 per student per programme) is included in other creditors and the non refundable portion is shown under deferred income.

HANSARD SOCIETY LIMITED

Notes to the financial statements

For the year ended 31 December 2009

1. Accounting policies (continued)

1.5 Resources expended

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

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

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity.

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

1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2009).

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

Office Equipment	-	2 years straight line
Computer Equipment	-	2 years straight line

1.8 Stocks

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

1.9 Pensions

The Charity operates two defined contribution pension schemes and the pension charge represents the amounts payable by the Charity to the funds in respect of the year.

HANSARD SOCIETY LIMITED

Notes to the financial statements

For the year ended 31 December 2009

2. CONFERENCE AND MEETINGS				Total Funds 2009	Total Funds 2008
				£	£
Corporate support/business breakfasts				5,000	8,500
Revitalising politics conference					6,000
Party conferences				-	15,000
PSA annual lecture				5,000	
Other				8,750	8,432
Total				18,750	37,932
3. VOLUNTARY INCOME AND CORE FUNDING				Total Funds 2009	Total Funds 2008
				£	£
Donations				960	5,190
Total				960	5,190
4. INVESTMENT INCOME				Total Funds 2009	Total Funds 2008
				£	£
Interest receivable				1,170	11,472
5. RESOURCES EXPENDED				2009	2008
	Direct staff Costs	Other direct Costs	Support Costs	£	£
	£	£	£		
Charitable activities					
Study and Scholars programme	97,056	230,069	82,869	409,994	424,148
Parliament and Government programme	88,176	74,378	75,287	237,841	188,704
eDemocracy programme	80,313	3,272	68,573	152,158	126,646
Citizenship Education programme	92,385	37,375	78,881	208,641	168,934
Scottish Parliament programme	24,007	6,340	20,498	50,845	63,989
Publications	8,266	554	7,058	15,878	75,453
Conferences and Meetings	15,332	8,002	13,091	36,425	28,518
Total	405,535	359,990	346,257	1,111,782	1,076,392

During 2009, the charity reviewed its publication activity and re-allocated expenditure accordingly.

HANSARD SOCIETY LIMITED

Notes to the Financial Statements

For the year ended 31 December 2009

6. ANALYSIS OF SUPPORT COSTS

	Study and Scholars £	Parliament and Government £	eDemocracy £	Citizenship Education £	Scottish Parliament £	Publication £	Conference and Meetings £	Total Charitable Activities £	Governance £	2009 £	2008 £
Staff costs	45,484	41,322	37,638	43,295	11,251	3,874	7,185	190,049	4,281	194,330	135,987
Depreciation & loss on disposal of assets	1,136	1,032	940	1,081	281	97	179	4,746	107	4,853	8,978
Premises & equipment	27,614	25,087	22,850	26,285	6,830	2,352	4,362	115,380	2,599	117,979	114,320
Stationery, postage & books	1,770	1,608	1,465	1,685	438	151	280	7,397	167	7,564	4,756
Information & research/ communication	1,655	1,504	1,370	1,575	409	141	261	6,915	156	7,071	9,229
Other costs	5,210	4,734	4,310	4,960	1,289	443	824	21,770	490	22,260	36,098
Total	82,869	75,287	68,573	78,881	20,498	7,058	13,091	346,257	7,800	354,057	309,368

HANSARD SOCIETY LIMITED

Notes to the financial statements

For the year ended 31 December 2009

7. GENERATING VOLUNTARY INCOME	Total Funds 2009 £	Total Funds 2008 £
Staff costs	-	18,475
Other costs	-	593
Support costs	-	11,937
Total	-	31,005
8. GOVERNANCE COSTS	Total Funds 2009 £	Total Funds 2008 £
Staff costs	9,136	7,698
Other costs	257	634
Auditors remuneration	6,963	6,394
Support costs	7,800	4,974
Total	24,156	19,700
9. NET INCOMING RESOURCES	2009 £	2008 £
This is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the charity	4,852	3,777
Auditors' remuneration – audit services	6,963	6,394
Pension costs	37,926	32,042

No trustee received any remuneration during the year (2008: £Nil).

During the year, no trustees received any benefits in kind (2008 - Nil). Payment of £3,342 (2008 - £3,030) were made to a Council Member for tutor and speakers' services during the year.

HANSARD SOCIETY LIMITED

Notes to the financial statements

For the year ended 31 December 2009

10. TANGIBLE FIXED ASSETS	Computer Equipment £	Total £
Cost		
At 1 January 2009	8,694	8,694
Additions	2,150	2,150
Disposals	-	-
	<hr/>	<hr/>
At 31 December 2009	10,844	10,844
	<hr/>	<hr/>
Depreciation		
At 1 January 2009	3,777	3,777
Charge for the year	4,852	4,852
On disposals	-	-
	<hr/>	<hr/>
At 31 December 2009	8,629	8,629
	<hr/>	<hr/>
Net Book Value		
At 31 December 2009	2,215	2,215
	<hr/>	<hr/>
At 31 December 2008	4,917	4,917
	<hr/>	<hr/>
	<hr/>	<hr/>
11. DEBTORS	2009	2008
	£	£
Due within one year		
Trade debtors	165,625	152,196
Other debtors	1,001	446
Prepayments	108,906	81,967
Grants receivable	21,625	10,459
	<hr/>	<hr/>
	297,157	245,068
	<hr/>	<hr/>
	<hr/>	<hr/>
12. CREDITORS: amounts falling Due within one year	2009	2008
	£	£
Trade creditors	32,772	18,425
Social security and other taxes	35,528	23,034
Other creditors	21,856	27,280
Accruals	80,948	56,507
Deferred income (see note below)	261,400	178,470
	<hr/>	<hr/>
	432,504	303,716
	<hr/>	<hr/>
	<hr/>	<hr/>
13. DEFERRED INCOME	2009	2008
	£	£
Balance at start of year	178,470	169,079
Amount released to incoming resources	(178,470)	(169,079)
Amount deferred in the year	261,400	178,470
	<hr/>	<hr/>
Balance at end of year	261,400	178,470
	<hr/>	<hr/>
	<hr/>	<hr/>

HANSARD SOCIETY LIMITED

Notes to the financial statements

For the year ended 31 December 2009

14. STAFF COSTS AND NUMBERS

	2009 £	2008 £
Staff costs were as follows:		
Wages and salaries	522,302	531,657
Social security costs	48,772	51,091
Pension costs	37,926	32,042
	<u>609,000</u>	<u>614,790</u>

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

	No.	No.
Study and Scholars programme	3	3
Parliament and Government programme	3	3
eDemocracy programme	2	2
Citizenship and Education programme	3	2
Scottish programme	1	1
Other programmes	5	6
	<u>17</u>	<u>17</u>

One employee received remuneration of between £60,000 and £70,000 and associated employer's pension contributions were £4,345 (2008: £Nil).

15. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources expended £	Transfers In/(out) £	Carried forward £
Designated funds					
Fixed Asset Fund	4,917			(2,702)	2,215
Research and Development fund	37,734				37,734
Pension Fund	6,023		(6,023)		-
Removal and Reorganisation fund	40,000			(20,000)	20,000
	<u>88,674</u>		<u>(6,023)</u>	<u>(22,702)</u>	<u>59,949</u>
General funds					
General Funds	191,438	1,022,711	(1,061,903)	12,969	165,215
Total Unrestricted Funds	<u>280,112</u>	<u>1,022,711</u>	<u>(1,067,926)</u>	<u>(9,733)</u>	<u>225,164</u>

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

HANSARD SOCIETY LIMITED

Notes to the financial statements

For the year ended 31 December 2009

15. STATEMENT OF FUNDS (continued)

	Brought Forward £	Incoming Resources £	Resources expended £	Transfers In/(out) £	Carried forward £
Restricted funds					
Parliament and Government programme	-	38,585	(28,180)	-	10,405
Citizenship Education	-	30,099	(39,832)	9,733	-
Total	-	68,684	(68,012)	9,733	10,405

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

Summary of funds	Brought Forward £	Incoming Resources £	Resources expended £	Transfers In/(out) £	Carried Forward £
Designated funds	88,674		(6,023)	(22,702)	59,949
General funds	191,438	1,022,711	(1,061,903)	12,969	165,215
	280,112	1,022,711	(1,067,926)	(9,733)	225,164
Restricted funds	-	68,684	(68,012)	9,733	10,405
Total of funds	280,112	1,091,395	(1,135,938)	-	235,569

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2009 £	Unrestricted Funds 2009 £	Total Funds 2009 £	Total Funds 2008 £
Tangible fixed assets		2,215	2,215	4,917
Current assets	10,405	655,453	665,858	578,911
Creditors due within one year	-	(432,504)	(432,504)	(303,716)
Total	10,405	225,164	235,569	280,112

17. PENSION COMMITMENTS

The Society operated defined contribution schemes for some of its employees making a contribution of 7% of the gross salary. The assets of the schemes are held separately from those of the Society in independently administered funds. The pension cost charge represents contributions payable by the Society amounted to £37,926 (2008 - £32,042). £6,417 was paid to The Pension Trust on the final withdrawal from that Scheme. Contributions totalling £2,579 (2008 - £2,676) were payable to the fund at the balance sheet date and are included in creditors.

HANSARD SOCIETY LIMITED

Notes to the financial statements

For the year ended 31 December 2009

18. OPERATING LEASE COMMITMENTS

At 31 December 2009, the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2009	2008
	£	£
Expiry date:		
Within 1 year		-
Between 1 and 5 years	63,850	63,850
After more than 5 years		-
	<u>63,850</u>	<u>63,850</u>

19. RELATED PARTY NOTE

Professor The Lord Norton of Louth is a member of the Hansard Society Advisory Council. He is not a member of the Executive Committee (Trustee). Lord Norton received £3,342 for services as the Director of Studies for the Hansard Society Scholars Programme.

Kate Jenkins is a member of the London School of Economics Court of Governors and a member of the Hansard Society Executive Committee (Trustee). The Hansard Society paid the London School of Economics £22,714 for services delivered as part of the Hansard Society Scholars Programme, IT and printing services. Kate Jenkins abstains from any contractual decisions made by the Trustees concerning the London School of Economics.