



**THE INTERNATIONAL ASSOCIATION OF BUSINESS AND  
PARLIAMENT**

*“A bridge to understanding between parliamentarians and business people –  
strengthening democracy, strengthening national economies”*

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE  
PERIOD 1 JANUARY TO 31 DECEMBER  
2006**

**The International Association of Business and Parliament**

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FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

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**COMPANY INFORMATION  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**LEGAL AND STATUTORY INFORMATION**

The International Association of Business and Parliament was founded in 1997. When the Board decided that the headquarters should remain permanently in London, it was registered on 29<sup>th</sup> July 2004 as a United Kingdom not for Profit Company with Companies House.

**Address:**

14 Great College Street, London SW1P 3RX

**Registered address:**

GB House  
911 Green Lanes  
London N21 2QP

**Company Registration number:** 5193207

**Date of incorporation:** 29 July 2004

**Constitution:** Private Company limited by guarantee with no share capital, with Memorandum and Article (section 30 of the Companies Act)

**DIRECTORS AND OFFICERS**

**Directors:**

The Rt Hon Bruce George MP (President)  
The Rt Hon Sir David Edward KCMG QC (Vice President)  
Fredrick Rignold Hyde-Chambers OBE (Secretary General)  
Joseph Reynolds (Hon Treasurer)  
Jose Luis de La Pena

**Company Secretary:**

Archil Bakuradze

**Bankers:**

The Nat West Bank  
63-65 Piccadilly  
London  
W1J 0AJ

**Solicitors:**

Human Law  
74 Millacres  
Ware  
Herts SG12 9PU

**COMPANY INFORMATION  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**Auditors:**

Graeme Bruce & Partners  
GB House 911 Green Lanes  
London N21 2QP

**Hon Officers:**

*Patron* (2004-2006)  
Josep Borrell-Fontelles MEP  
President of the European Parliament

*President*

The Rt Hon Bruce George MP

*Vice-Presidents*

Willy de C E H Clercq  
The Rt Hon Sir David Edward KCMG QC  
The Rt Hon Jonathan Hunt PC

*Supervisory Board Members:*

The Rt Hon Bruce George MP (President)  
The Rt Hon Sir David Edward KCMG QC (Vice President)  
Sr. Alejo Vidal Quadras-Roca MEP, the Vice-President of the European Parliament  
Fredrick Rignold Hyde-Chambers OBE (Secretary General)  
Joseph Reynolds (Hon Treasurer)  
Ingela Bendrot (Sweden) Sällskapet Politik & Näringsliv/ Society for Politics & Industry  
Jukka Koivisto (Finland) TAT Group/Economic Information Office  
Nina Mees, Voka - Vlaams Economisch Verbond, Belgium (Flanders)  
Jose Luis de la Pena (Spain) Director of Programmes and International Relations, Circulo De Empresarios

*Hon Members:*

Lucila Gomez-Baeza  
Peter Sharp

*Hon Business Advisors:*

Stephen Johnson  
Chris Murray  
Keith Young

**IABP CHAPTERS**

European Business and Parliament Scheme; Armenia – registered representation;  
Belgium; Finland; Georgia – registered representation; Moldova – registered  
representation (since 2007); New Zealand; Spain; Sweden; United Kingdom; Northern  
Ireland; Scotland (in abeyance for six months); Wales; United States (*Affiliate Member*).

**COMPANY INFORMATION  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**OBJECTIVES & PRINCIPLE ACTIVITIES**

1. The International Association of Business and Parliament (IABP) is a not for profit, non-partisan and non-lobbying organisation, which delivers an international protocol for establishing transparent relationships between business and parliamentary leaders. It seeks to establish and foster principles of good governance and dialogue between business and legislators.
2. IABP is a professional international network of the national Business and Parliament Schemes (Chapters), which adhere to the Common Code of Principles, according to which the members operate.
3. IABP provides accreditation, support and international networking, to its members and develops new B&P schemes/chapters globally.
4. The objectives of the IABP are as follows:
  - (a) to improve dialogue between organisations and individuals worldwide who manage study schemes for legislators, business people and public administrators to educate and inform each other about their respective functions;
  - (b) to enhance and facilitate improved interaction between individual Members, Member organizations and their participating personnel with administrators and parliamentarians;
  - (c) to maintain records and information from each individual Member and from each Member organization and act as a point of reference for all calls for information on the Association's activities;
  - (d) to encourage and assist countries demonstrating an interest in establishing study schemes in their own countries;
  - (e) to communicate Members' programme activities and general information at frequent intervals to Members;
5. The first scheme was established in 1977 in the UK to build mutual understanding, develop trust and build non-corrupt, transparent relationship between parliamentarians and business people that informs the development of the economy. The approach has been later copied by respective national schemes in Finland, France, Belgium, Spain, the Netherlands, Sweden, USA and New Zealand. It has also been included as a resource in each of the new Assemblies and Parliament of Northern Ireland, Wales and Scotland. Recently the scheme has been created in Georgia, Armenia and Moldova as well as within the European Parliament.

**COMPANY INFORMATION  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**OPERATING ENVIRONMENT**

- a) Main activities of the IABP include organising networking activities for its Members, enhancing communication and interchange through information and communication technology, managing study programmes for Parliamentary and business practitioners in new schemes, promoting the business and parliament concept, conducting research, publication and any other activities contributing towards reaching the objectives of the organisation.
- b) IABP operates in a number of jurisdictions and uses national currencies of those countries. Therefore, it ensures that the activities of organisation are carried out in accordance with the country's law.
- c) Income of the IABP is from Membership fees, sponsorships, grants and service provision.
- d) The Membership fees cover the basic costs of servicing the membership, salary for International Coordinator, two meetings of Members, the web site, audit and related operational costs.
- e) IABP headquarters in London is supported by Mr. Keith Young, Honorary Advisor to IABP, founder of Parliamentary Communications and E-Politix, which provides the help in kind through the provision of an office space.
- f) Organisation's work in emerging democracies is supported by international and bilateral donors such as the EU Commission, OSCE, governments of Luxembourg, the United Kingdom and the Republic of Ireland as well as by corporate social investment (BP in Georgia).

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**Overview**

The IABP was founded in 1997 in Helsinki by six national schemes as an independent organisation being provided with operational support by a member scheme. In May 2003 it was agreed that the IABP would develop from being operationally supported by one of its members to a fully financially sustainable Association. Following the decision that the headquarters should remain permanently in London on July 29<sup>th</sup> 2004 the Association was registered as a UK not for Profit Company (registered No 5193207). The assets and liabilities of the Association were acquired by the International Association of Business and Parliament Ltd, which commenced trading on the 1<sup>st</sup> of January 2005.

The Association's activity and finances have continued to grow considerably since May 2003, particularly with the development of the Emerging Democracies programme and the European Business and Parliament Scheme.

**Activities**

The Associations activities and programs are based on the Code of Principles which defines an IABP national chapter and which underpins all the activities. The approach of all the diverse activities reflects the basic philosophy of practitioners sharing their experience and knowledge within the neutral forum of the IABP for the benefit of their national Parliaments and economies.

The actual activities range from company placements tailored to the needs of Parliamentarians to Pre-Legislative Inquiry Committees for up to seventy Parliamentarians and business people over a period of days. A significant new development is the production of publications specifically dealing with issues relevant to Parliaments in establishment of a the Business and Economic Centre of the Georgian Parliament, which gives a physical form to the concept and strengthens the programmes with practical business and economic research for Members. The IABP is developing publications the first is 'Ten Steps towards a transparent Parliament' and the Handbook for Parliamentarians.

In addition to delivering the programmes through the IABP emerging democracy chapters the IABP is responsible for the development and management of the European Business and Parliament Scheme under its own Board chaired by Alejo Vidal Quadras-Roca MEP, the First Vice-President of the Parliament: Other Board members are: John Bowis MEP, Lena Ek MEP, Edit Herczog MEP, Manuel Medina Ortega, MEP, Dirk Sterckx MEP.

The Board have agreed that this IABP scheme needs strengthening through additional staff members, adequate funding and the establishment of a company membership. A pan-European company membership will provide opportunities for the twenty seven EU countries' MEPs without national schemes and additional business learning opportunities for those with national schemes.

**Funding**

Funding has continued from the Irish Aid for the development of the IABP chapters in Armenia, Moldova, Georgia and Ukraine, in addition to the Luxembourg Government and earlier EU Commission's grants for these projects. BP Georgia provided funding for creation of the Business and Economic Centre in the Parliament of Georgia. The grant has also co-financed IABP core programme activities in Georgia.

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**Membership fee**

Income from membership fees of national chapters has remained virtually the same, with the full members' fees remaining at the previous year's level and the Associates slightly increasing. Income from the Memberships is restricted to the servicing of national members. The Association is seeking to develop additional funding streams which will be unrestricted and provide a firm base for core funding and the development of reserves appropriate to the organisation.

**Officers**

The Annual General Meeting of June 19<sup>th</sup> 2006 elected Lucila Gomez-Baeza as an Honorary Member for her invaluable contribution to IABP since its establishment in 1997. There have been no other elections or appointments.

**Patron**

In 2006, Josep Borrell Fontelles MEP, President of the European Parliament, has continued the Association's Patronage in succession to Pat Cox MEP, previous President of the European Parliament.

**Governance**

At the Annual General Meeting of the 19<sup>th</sup> June 2006 due to the organisational growth the new organisational structure was approved, according to which company directors formed the Executive Board which meets on the quarterly basis and international members of the Board became members of the Supervisory Board, which meets twice a year.

**Reserves**

The Association's policy is to provide support for the Headquarters from personnel based in the emerging democracies, so ensuring that headquarters costs are minimised and that the reserves necessary to meet any statutory liabilities are kept to the necessary minimum. The policy of the Board is to develop the reserves so that they cover six months of operating costs and any statutory liability.

**Personnel**

Recruitment is carried out through a transparent process in the countries which have IABP Chapters. The Association's personnel policies reflect a recognition that the delivery of the IABP's activities and services is dependent on the skills, expertise and motivation of its small national teams. So the Association invests in the development and training of staff. It also provides employment reflecting the best practise of the country concerned combined with European standards and policies of employment practise. The association employs one full time person and one part time and four staff members based in Georgia, for its London Office; seven staff members in Georgia, three in Armenia and two staff members for Moldova. Representative in Ukraine has been employed on the consultancy basis. These are supplemented on occasion by interns.

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**Investments**

There are no specific restrictions on the investment powers available to the Board, in the situation where the Association has significant excess funds it aims to invest such funds to enable funding of future activities.

**Dividends**

The Association is prohibited by its Articles of Association from distributing income by way of a dividend.

**Risk management**

The Association undertakes annual reviews of financial risk and compliance. Systems have been established to mitigate these risks (see above) and appropriate procedures are established to minimise the potential impact on the Association should any of these risks materialise.

**Future**

The relevance of the Association's work to Parliaments in established and emerging democracies is underlined by the extraordinary growth in its activity over the past twelve months and the confidence placed in it by international donors. Just after the year end BP signed a contract with the Association for a two year project to establish a Business and Economic Centre in the Georgian Parliament and the Sultanate of Oman wishes to enter into a contract for support of its upper House. These developments and that of the European Business and Parliament Scheme, providing regular annual business contributions will move the Association to a new level of activity on a financially sustainable basis.

**Statement of the Director's responsibilities**

Company Law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association, the surplus and deficit of the Association for that year. In preparing these Statements the Directors are required to: select suitable accounting policies and then apply them consistently; make judgements and estimates that are prudent and reasonable; state whether the applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect other irregularities.

**Statement as to Disclosure of Information to Auditors**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**Auditors**

The auditors, Graeme Bruce & Partners, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**On Behalf of the Board:**

**The Rt Hon Bruce George MP  
Chairman**

**IABP CODE OF PRINCIPLES**

- The programmes are independent and non-partisan;
- The programmes are mutually educational and informative;
- The participants undertake to honour the time commitment required by the study programme;
- The programmes ensure that participants will not promote partisan views while on attachment;
- The schemes support those outside the Parliament (businesses) to be actively engaged in the democratic process in the legitimate, non-corrupt and transparent way;
- The programmes ensure that enterprises undertake not to use their relationship for lobbying;
- The programmes ensure that enterprises undertake to be as open and frank as possible;
- While participants undertake to keep in confidence information of a sensitive nature;
- It is the responsibility of each national organisation to monitor its programmes and develop their quality;
- The participants must receive no fee or be liable for any expenses related to the programmes.

**REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD OF MEMBERS OF THE INTERNATIONAL ASSOCIATION OF BUSINESS & PARLIAMENT**

We have audited the financial statements of The International Association of Business & Parliament for the period ended 31 December 2006 on pages 14 to 20. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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

**Respective responsibilities of directors and auditors**

As described on page 9 the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We read the Report of the Directors 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 director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE BOARD OF  
MEMBERS OF THE INTERNATIONAL ASSOCIATION OF BUSINESS &  
PARLIAMENT**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Director is consistent with the financial statements.

Graeme Bruce & Partners  
Chartered Accountants & Registered Auditors  
911 Green Lanes  
London  
N21 2QP

Date: .....

The International Association of Business and Parliament

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

	Notes	Unrestricted	Restricted	2006 Total	2005 Total
		£	£	£	£
<b>Turnover / Incoming Resources:</b>	8				
National Members' Subscriptions		0.00	8,033.75	8,033.75	10,629.55
Donor Funding		0.00	300,445.20	300,445.20	173,954.39
Development Fund Donations		29,823.88	0.00	29,823.88	20,000.00
Consultancy Services Fee		0.00	0.00	0.00	3,769.00
		29,823.88	308,478.95	338,302.83	208,352.94
Interest Receivable and Similar Income		-	14.26	14.26	17.78
<b>Total Turnover / Incoming Resources</b>		29,823.88	308,493.21	338,317.09	208,370.72
<b>Administrative Expenses and Resources Used;</b>					
Wages		0.00	0.00	0.00	(18,584.86)
Directors Remuneration		(13,600.00)	(43,400.00)	(57,000.00)	(33,250.00)
Social Security		(2,528.90)	(4,126.60)	(6,655.55)	(3,890.46)
Management Fees		(10817.46)	(91,511.10)	(102328.56)	(65,791.52)
Board Expenses		(1,453.51)	(122.00)	(1,575.51)	(3,332.45)
Hospitality		(1,828.20)	(4,084.11)	(5,912.31)	(3,385.03)
Travel		(6,800.48)	(16,667.08)	(23,467.56)	(31,019.37)
Legal/Professional Fees		(198.68)	(522.03)	(720.71)	(1,518.81)
Utilities		(286.87)	(396.72)	(683.59)	(397.43)
Communication (tel., Internet)		(1,379.48)	(8,137.91)	(9,517.39)	(5,011.63)
Stationery/Office Supplies/Printing and Postage		(243.32)	(2,115.41)	(2,358.73)	(1,580.38)
Office Rent		0.00	(11,326.70)	(11,326.70)	(7,297.75)
Web Site and IT Costs		(413.61)	(1,043.88)	(1,457.49)	(359.56)
Sundries		(522.02)	(2,145.57)	(2,667.59)	(2,986.90)
Bank/Credit Card Charges		(896.63)	(2,989.29)	(3,885.92)	(2,345.86)
Accountancy		0.00	0.00	0.00	(1,821.25)
Audit Fee		(3,525.00)	0.00	(3,525.00)	(4,053.75)
Staff Training		0.00	(841.44)	(841.44)	(1,788.89)
Seminars/Publications (programmed costs) excl HR		(184.10)	(29,660.31)	(29,844.41)	(13,029.20)
Depreciation	9	(451.24)	(4,463.61)	(4,914.85)	(1,865.19)
Construction and Renovation project		0.00	(29,906.74)	(29,906.74)	0.00
Profit or Loss on Exchange		(4,226.75)	(383.15)	(4609.90)	117.24
Other Costs		0.00	0.00	0.00	(1.05)
<b>Total Expenditure</b>		(45,831.25)	(257,368.65)	(303,199.90)	(203,194.10)
<b>Surplus on Ordinary Activities Before Taxation</b>		(16,007.37)	51,124.55	35,117.19	<b>5,176.62</b>
<b>Tax on Surplus on Ordinary Activities</b>	3	-	-	-	-
<b>Surplus for the Financial Period After Taxation</b>		(16,007.37)	51,124.55	35,117.19	<b>5,176.62</b>
<b>Total Funds brought forward</b>		(6,664.40)	13,602.01	6,937.61	1,760.99
<b>Accumulated Fund balance carried forward at 31 December 2006</b>		<b>(22,671.77)</b>	<b>64,726.56</b>	<b>42,054.80</b>	<b>6,937.61</b>

The notes form part of these financial statements

**BALANCE SHEET  
AS AT 31 DECEMBER 2006**

	Notes	31.12.06 £	31.12.06 £	31.12.05 £	31.12.05 £
<b>Fixed Assets:</b>					
Equipment & Furniture	9		12,879.37		5,595.57
<b>Current Assets:</b>					
Debtors	10	19,823.88		27,639.64	
Cash at bank and in hand		<u>29,465.91</u>		<u>4,326.61</u>	
		49,289.79		31,966.25	
<b>Creditors:</b> Amounts falling due within one year	11	<u>20,114.36</u>		<u>30,624.21</u>	
<b>Net Current Assets</b>			<u>29,175.43</u>		<u>1,342.04</u>
<b>Total Assets less Current Liabilities</b>			<u>42,054.80</u>		<u>6,937.61</u>
<b>Reserves:</b>					
Total Fund	12		<u>42,054.80</u>		<u>6,937.61</u>

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

Approved by the Board of Directors

.....  
**The Rt Hon Bruce George MP**  
Chairman

.....  
**Joseph Reynolds**  
Hon Treasurer

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**1. Principle Accounting Policies**

- i) The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).
- ii) The Association maintains two types of fund:  
Restricted - where the purposes for which the funds may be used are restricted by the project contract with the donor or by decision of National Members; Unrestricted – funds for IABP other activities, including European Business and Parliament Scheme, consultancy projects and other funds where the fund is not restricted as to use (the Development Fund).
- iii) All income is included in the accounting period on a receivable basis where there is a legal entitlement and the amount can be quantified with a reasonable accuracy. When income is received in advance it is treated as deferred income.
- iv) Expenditure is included in the accounts on an accruals basis. Activities in furtherance of the Association's objectives comprise all costs directly related to the programmes and projects taking place throughout the year. This includes any reimbursement of expenses to participants and the direct cost of staff involved in organising and managing programmes and projects and other association activity. Staff costs are apportioned between administration and other expenditure on the basis of time spent.
- v) Costs of operating leases are charged on a straight line basis over the lease term; The IABP does not currently have any such leases.
- vi) Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:
  - Fixtures & fittings - 25% on cost
  - Computer equipment - 25% on cost

**2. Operating Surplus**

The operating surplus is stated after charging:

	31.12.06	31.12.05
	£	£
Auditors' remuneration	3,525.00	4053.75
Depreciation	4,914.85	1,865.19
Director's emoluments and other benefits etc	57,000.00	33,250.00

**3. Taxation**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the period. The company is a mutually trading company and is therefore only liable to corporation tax on its investment income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**4. Currency Exchange**

IABP receives part of its restricted income in foreign currencies. For the grants from international donors the IABP applies currency exchange rates of the date when the transfer of funds took place. The IABP minimizes foreign exchange risk exposure by naturally hedging receipts in foreign currency with the liabilities in the same currency. Currency exchange rates applied in overseas operations are based on the actual exchange rate for the date of a monthly transfer of instalments. In case of multiple currency exchange operations during a month an aggregate average exchange rate applies.

**5. Transfer Between Funds**

The transfer of funds from the restricted to unrestricted fund represents the surplus arising from restricted activity, and the donors are aware that such a transfer should be made.

**6. Director's Expenses**

Expenses have been paid to directors on a strict reimbursement basis only.

**7. Staff Costs**

Secretary General received the remuneration of more than £50,000. The IABP incurred a tax liability of £10,092.90 by the end of 2006, which will be repaid within 2007. PAYE liabilities from 2005 have been restructured, repaid up to schedule to be fully repaid by the end of September 2007. The IABP is now able to meet the current employment tax costs and is repaying the outstanding tax debt.

**8. Donors and Other Income**

National Members' Subscriptions for 2006:

Countries	Member Organisations	Paid in 2006	Paid in 2005
Belgium FL	 Voka - Vlaams Economisch Verbond	£1,410.44	£1,254.61
Belgium WAL	Wallonia - Business and Parliament Scheme	£360.08	£0.00
Finland	 TAT Group/Economic Information Office	£1,410.44	£1,264.77
France	 L'Institute d'Enterprise	£360.08	£0.00
Netherlands	 Stichting Maatschappij en Onderneming	£0.00	£1,611.84
New Zealand	 New Zealand Business & Parliament Trust	£361.00	£336.44
Nor. Ireland	Northern Ireland Assembly & Business Trust	£623.00	£0.00
Portugal	 Forum de Administadores de Empresas	£366.90	£331.40
Scotland	Scottish Parliament and Business Exchange	£0.00	£567.83
Spain	 Circulo de Empresarios	£1,385.73	£0.00
Sweden	 Sallskapet Politik&Naringsliv	£1,403.58	£0.00
UK	 Industry and Parliament Trust	£1,417.00	£0.00
Wales	 Industry & National Assembly Wales Assoc.	£623.00	£0.00
Total Subscriptions		£9,721.25	£5,366.89

IABP Supervisory Board decided to write-off the debt of SMO for its membership fee of £1687.50. Subscriptions for 2007 (£1706.63) have been paid by two national schemes, which has been recorded as deferred income.

The activities carried out by the IABP are made possible through the generosity of donors who provided grants for specific projects or general organisational support.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

We thank the following donors for funds received in 2006

- o BP funding for Business and Economic Centre in the Parliament of Georgia
- o Irish Aid (for Emerging Democracies Programme)
- o OSCE Office in Yerevan, Armenia for publication of brochure on Members' Outside Interests

**For time contribution to the programmes:**

- o The Rt Hon Bruce George MP
- o Keith Cunningham, Deputy Librarian, House of Commons

**For in-kind contribution to the programmes:**

- o Keith Young, Honorary Business Advisory of IABP (space for IABP London office)
- o the UK Embassy to Georgia (by hosting the exchange programmes).

<b>Donors</b>	<b>31/12/2006</b>	<b>31/12/2005</b>
	<b>£</b>	<b>£</b>
Irish Aid (Emerging Democracies)	81,150.41	0.00
BP Georgia for IABP Georgia and Business and Economic Centre	218,306.69	0.00
OSCE Office in Yerevan, Armenia	988.10	0.00
BP funding for regional conference in London	0.00	5,895.00
Development and Cooperation Ireland (Emerging Democracies)	0.00	112,502.97
Foreign Commonwealth Office Reunited Europe Programme – (ukraine)	0.00	11,450.00
Grant of the Government of Luxemburg – Georgia	0.00	34,209.11
EU Commission RRM Project - Georgia	0.00	9,897.31
<b>Total Donor Funding</b>	<b>300,445.20</b>	<b>173,954.39</b>

<b>Development Fund Donations</b>	<b>31/12/2006</b>	<b>31/12/2005</b>
	<b>£</b>	<b>£</b>
Total Revenue	20,000.00	20,000.00
Receivable in 2005	(10,000.00)	
Accrued Income EBPS Membership Subscription	19,823.88	
<b>Total Development Fund Donations</b>	<b>29,823.88</b>	<b>20,000.00</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**9. Tangible Fixed Assets**

	Unrestricted Fixtures, Fittings & Equipment £	Restricted Fixtures, Fittings & Equipment £	Total £
<b>Cost:</b>			
As at 01/01/2006	350.84	7,109.92	7,460.76
Additions	<u>1,454.12</u>	<u>10,744.53</u>	<u>12,198.66</u>
At 31 December 2006	<u>1,804.96</u>	<u>17,854.45</u>	<u>19,659.42</u>
<b>Depreciation:</b>			
As at 01/01/06	87.74	1,777.48	1,865.19
Change for year	<u>451.24</u>	<u>4,463.61</u>	<u>4,914.85</u>
At 31 December 2006	<u>538.95</u>	<u>6,241.09</u>	<u>6,780.04</u>
<b>Net Book Value:</b>			
At 31 December 2006	<u>1,266.01</u>	<u>11,613.36</u>	<u>12,879.37</u>
At 31 December 2005	<u>263.13</u>	<u>5,332.44</u>	<u>5,595.56</u>

**10. Debtors**

	31.12.06		31.12.05	
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Trade Debtors	19,823.88		19,823.88	15,895.00
Other Debtors	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,744.64</u>
Total Debtors	<u>19,823.88</u>	<u>0.00</u>	<u>19,823.88</u>	<u>27,639.64</u>

**11. Creditors and Accrued Expenses**

	31.12.06		31.12.05	
	Unrestricted	Restricted	Total	Total
	£	£	£	£
Taxation and social security	2,708.41	4,418.97	7,127.38	20,664.77
Other Creditors	7,343.75	3,116.60	10,460.35	9,959.44
Deferred Income	<u>£0.00</u>	<u>2,526.63</u>	<u>2,526.63</u>	
Total Creditors	<u>10,052.16</u>	<u>10,062.20</u>	<u>20,114.36</u>	<u>30,624.21</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY TO 31 DECEMBER 2006**

**12.Reconciliation of Movements in Reserves**

			31.12.06	31.12.05
	Unrestricted Funds	Restricted Funds	Total	Total
	£	£	£	£
Total Incoming Resources	29,823.88	308,493.21	338,317.09	208,370.72
Total Resources Used	(45,831.25)	(257,368.65)	(303,199.90)	(203,194.10)
Acquisition of General Reserves	-	-	-	1,760.99
Fund Balance Brought Forward 01.01.2006	(6,664.40)	13,602.01	6,937.61	-
Balance carried forward at 31 December 2006	(22,671.77)	64,726.56	42,054.80	6,937.61

**13.Company Limited by Guarantee and has no Share Capital**

The association is a company limited by guarantee by its members, whose liability is limited to the amount of £10.

**14.Acquisition of Reserves**

The International Association of Business and Parliament company took over the financial affairs of The International Association of Business and Parliament on 1 January 2005. All assets and liabilities were transferred at their book value. No acquisitions took place in 2006.

**15. Related Party Transactions**

During the period the company paid £5,691.56 (£18,632 - 31.12.05) of management fees to Fredrick Rignold Hyde-Chambers, a director of the company.

## The International Association of Business and Parliament

### Restricted Funds

	BPBEC	DCI 2006	MAF	OSCE	DEV	Adjust*	Total	DCI 2005	DCI Total
Personnel Costs	71,273.24	59,308.60	4,877.97		30,524.25		165,984.06	62,345.03	£121,653.63
Board Expenses			122		1453.51		1,575.51		
Hospitality	843.42	265.58	2975.1		1828.2		5,912.30	481.32	£746.90
Travel	13595.69	3004.38	67.01		6800.48		23,467.56	8,617.68	£11,622.06
Legal/Professional Fees	316.05	202.99	3		198.68		720.72	559.21	£762.20
Utilities	172.04	224.69			286.87		683.60	298.43	£523.12
Communication (tel., Internet)	4384.07	3696.54	57.30		1379.48		9,517.39	2,998.78	£6,695.32
Stationery/Office Supplies	1160.93	954.48			243.32		2,358.73	1,257.63	£2,212.11
Office Rent	4879.04	6447.66			0		11,326.70	6,242.70	£12,690.36
Web Site and IT Costs	209.42	544.23	290.23		413.61		1,457.49	77.17	£621.40
Sundries	1116.19	917.75	111.63		522.02		2,667.59	1,304.41	£2,222.16
Bank/Credit Card Charges	1948.52	1008.47	32.31		896.63		3,885.93	1,535.66	£2,544.13
Accountancy							0.00		
Audit Fee					3525		3,525.00		
Staff Training		841.44					841.44	1,691.66	£2,533.10
Seminars/Publications (progr. costs)	16760.31	12053.27	15.58	831.14	184.1		29,844.40	9,827.87	£21,881.14
Equipment and Furniture	10744.53				1454.12	-7283.8	4914.85*	6950.72*	£6,950.72*
Construction and Renovation	29906.74						29,906.74		
Profit or Loss on Exchange	£383.15				4226.75		4,609.90		
<b>Total Expenses</b>	<b>157,693.34</b>	<b>89,470.08</b>	<b>8,552.13</b>	<b>831.14</b>	<b>53,937.02</b>		<b>303,199.90</b>	<b>104,188.27</b>	<b>£193,658.35</b>

\* Adjustment – total figure excludes the value of fixed assets, but it includes the amount of depreciation. In the column DCI 2005 and DCI Total the full amount of fixed assets (equipment and furniture) is shown in order to reflect the real spending of grant amount from Irish Aid.

Source Codes:

BPBEC	BP funding for Business and Economic Centre in Georgia
DCI 2005	Development and Cooperation Ireland/Irish Aid 2005
DCI 2006	Development and Cooperation Ireland/Irish Aid 2006
DCI Total	Development and Cooperation Ireland/Irish Aid Total
MAF	Main Fund – Members' Subscriptions
OSCE	OSCE Office in Yerevan (Armenia) grant
DEV	Development Fund and European Business and Parliament Scheme

This page does not form part of the statutory financial statements