

THE INSTITUTE FOR FISCAL STUDIES
(A Company Limited by Guarantee not having
a Share Capital and a Registered Charity)

**EXECUTIVE COMMITTEE REPORT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2010

THE INSTITUTE FOR FISCAL STUDIES
(A Company Limited by Guarantee not having
a Share Capital and a Registered Charity)

Company Number: 954616

EXECUTIVE COMMITTEE REPORT AND
FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

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EXECUTIVE COMMITTEE REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

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THE INSTITUTE FOR FISCAL STUDIES
(A Company Limited by Guarantee not having a Share Capital)
COMPANY INFORMATION

COMPANY REGISTERED OFFICE: 7 Ridgmount Street
London
WC1E 7AE

COMPANY REGISTERED NUMBER: 954616

REGISTERED CHARITY NUMBER: 258815

COMPANY BANKERS: National Westminster Bank plc
City of London Office
1 Princes Street
London
EC2R 8PA

COIF Charities Deposit Fund
CCLA Investment Management Ltd
80 Cheapside
London
EC2V 6DZ

AUDITORS: PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

SOLICITORS: Penningtons Solicitors LLP
Bucklersbury House
83 Cannon Street
London
EC4N 8PE

THE INSTITUTE FOR FISCAL STUDIES
(A Company Limited by Guarantee not having a Share Capital)
(Company Registered Number: 954616)
Registered Charity: 258815
7 Ridgmount Street, London, WC1E 7AE
REPORT OF THE EXECUTIVE COMMITTEE
YEAR ENDED 31 DECEMBER 2010

The Executive Committee presents the report and financial statements of the Institute for Fiscal Studies for the year ended 31 December 2010.

Structure, Governance and Management

CONSTITUTION

The Institute for Fiscal Studies was incorporated by guarantee on 21 May 1969. It has no share capital and is a registered charity. The guarantee of each member is limited to £1. The governing document is the Memorandum and Articles of Association of the company and members of the Executive Committee are the Directors of the company.

MEMBERS OF THE EXECUTIVE COMMITTEE

The Executive Committee, which had four scheduled meetings during the year, is established by the IFS Council. The Members of the Council are elected by Members of the Institute in General Meeting. Committee membership during the year was:

F Cairncross (Chairman of the Executive Committee)	R Lomax (President)
J F Chown	J J Maynes
C Davidson	I Menzies-Conacher (Honorary Company Secretary)
Prof J Freedman (to 30 January 2011)	V Pryce (from 22 November 2010)
W J Hopper	A Redston (to 25 January 2011)
D Lievesley	M Robson

INDUCTION AND TRAINING OF TRUSTEES

During 2004 a programme of training and induction of Trustees was developed and approved by the Executive Committee. A major feature of keeping Trustees up to date with IFS research is covered by a rolling programme of research presentations made at each meeting of the Executive Committee. An induction programme for the new Member of the Committee who joined in late 2010 was held early in 2011.

ORGANISATION STRUCTURE OF THE INSTITUTE AND DECISION MAKING PROCESS

The operational responsibilities of the Institute are delegated to the Director of the Institute via a "Scheme of Delegation" who in turn delegates various duties to senior staff via an "Internal Scheme of Delegation". During the year there were no changes to the Principal Officers.

Director	R Chote (to 30 September 2010)
Director	P Johnson (from 1 January 2011)
Acting Director	C Emmerson (from 1 October 2010)
Executive Administrator	R H Markless

The Institute employed directly an average of 50 (2009: 48) full and part-time staff based at its offices in London. Research staff are divided into sectors and a small core of administrative and secretarial staff provide support facilities. The Institute also employed indirectly 20 (2009: 20) senior academic staff based at UK universities on a part-time basis. In addition, a number of other academics from both UK and overseas institutions work with the staff as Research Fellows and Research Associates on an *ad-hoc* collaborative basis. IFS also offers support to PhD scholars who are normally registered at UCL. During 2010 the Institute supported 10 Scholars (2009: 8 Scholars).

THE INSTITUTE FOR FISCAL STUDIES
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REPORT OF THE EXECUTIVE COMMITTEE
YEAR ENDED 31 DECEMBER 2010

RISKS AND INTERNAL CONTROL

The Executive Committee has overall responsibility for ensuring that the Institute has appropriate systems of control, both financial and operational. These systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

During the year, the Executive Committee continued to review the major financial and operational risks facing the Institute. It continues to monitor, on an annual basis, the implementation of any changes necessary to ensure that, as far as is reasonable, controls are in place to protect the Institute, its Members, its staff, the general public and other stakeholders.

The primary risks relate to financial issues and in particular to the reliance on the Economic and Social Research Council (ESRC) for more than half of the Institute's research funds (see Financial Results below on page 5). However, this funding represents a mix of long-term and short-term funding, which reduces the immediate risk. Additionally, a significant proportion of our staffing costs relate to staff from UK universities whose funding is explicitly aligned with ESRC funding, meaning that these costs can be reduced or terminated in line with the funding stream. Finally, the Institute continues to seek to diversify its funding sources in order to spread the risk.

Objectives and Activities

OBJECTS OF THE INSTITUTE

To advance education for the benefit of the public by promoting on a non-political basis the study and discussion of and the exchange and dissemination of information and knowledge concerning national economic and social effects and influences of existing taxes and proposed changes in fiscal systems.

So as to advance this objective, IFS expects to retain the right to publish its reports openly in order to inform public debate and policy making. As such, in February 2001, the Executive Committee reiterated its commitment to this policy (see <http://www.ifs.org.uk/about/guidelines.pdf>). The Executive Committee confirm that they have complied with the duty in Section 4 of the Charities Act 2006 and have taken due regard of the Charity Commission's general guidance on public benefit. Examples as to how the Institute has aimed to meet its Public Benefit are given below where Institute's achievements are reported.

STRATEGIC DEVELOPMENT

IFS operates within a strategic framework agreed by the Executive Committee in 2005. The six areas covered by the framework are maintaining excellence in research, preserving independence and impartiality in policy analysis, engaging with a wide range of stakeholders, financial viability and good management, good governance and supporting Institute Members. The framework can be found on the IFS website at <http://www.ifs.org.uk/about/strategy.pdf>.

HOW HAS THE INSTITUTE TRIED TO FURTHER THESE AIMS?

During the year the Institute has carried out a wide range of research and has publicised the resulting findings as widely as possible through publications, conference participation, on its own web site and in the media.

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REPORT OF THE EXECUTIVE COMMITTEE
YEAR ENDED 31 DECEMBER 2010

Achievements and Performance

WHAT HAS THE INSTITUTE ACHIEVED DURING THE YEAR?

IFS aims to carry high quality, policy-relevant research which it publishes; it aims to inform the public debate to a wide audience, producing reports tailored to different groups and contributing to public policy debate in different arenas. 51(2009: 36) research projects have been completed this year and, in addition to providing final reports to funders, the Institute has produced a range of outputs. With an academic audience in mind, during the year 78 (2009: 51) articles were published in peer-reviewed journals and 24 (2009: 31) working papers were produced. Over 200 papers and talks were given by IFS researchers over the year to both academic and policy audiences. In addition to a quarterly journal, *Fiscal Studies*, which publishes articles about applied economic policy, IFS staff produced 28 (2009: 28) non-academic reports and briefings. It held 90 (2009: 54) conferences, seminars and briefings at IFS, attended by an audience of policymakers, journalists, practitioners and academics; staff took part in many more external events to different audiences across the UK and abroad. In addition, 11(2009: 9) training courses aimed particularly at civil servants and 3 (2009: 5) masterclasses aimed at postgraduate researchers were held under the auspices of the Centre for Microdata Methods and Practice (cemmap). IFS staff continue to serve on a range of committees and editorial boards, to give evidence to select committees and to advise on policy issues wherever possible; meetings were also held with senior representatives from the IMF, the European Commission and representatives from a range of countries. Much of this work has been widely reported in the media and referred to frequently in Parliament. During 2010 IFS staff made around 100 appearances on radio and television; IFS was mentioned over 2,500 (2009: 1,000) times in the printed press. Researchers have published 35(2009: 23) short policy-related topical briefings ('Observations') online throughout the year. These have been syndicated via RSS and Atom feeds and have been widely used, both in the traditional media and the blogosphere.

A fuller account of the Institute's activities can be found on its web site (www.ifs.org.uk).

IMPORTANT EVENTS DURING 2010

The UK general election and the new coalition Government's policy measures aimed at helping to bring borrowing back to a sustainable level over the course of this parliament led to high demand for the expertise of IFS researchers. In the run up to the general election the Institute published backwards-looking assessments of Labour's record over the last 12 years and forward-looking assessments of the three main UK party's manifestos in a number of policy areas. These briefing notes were downloaded a total of 50,000 times and the research was cited three times in the final Prime Ministerial television debate. The Green Budget was for the first time done in collaboration with Barclays Capital and Barclays Wealth: IFS researchers examined the outlook for the public finances and possible decisions on tax and spending, while Barclays' analysts looked at the outlook for the macro-economy, and the implications for markets. IFS researchers were also heavily involved in the debates on the March 2010 Budget, the June 2010 Budget and the October 2010 Spending Review.

The policy debate was also influenced by work by IFS researchers in areas such as the impact of having married parents on the outcomes of young children; the Government's proposed welfare reforms; the possibility of a minimum price for alcohol; the funding of higher education; the design of the pupil premium; reform of public-service pensions; and the tax treatment of wealthy individuals' pension contributions. The first volume of the Mirrlees Review "Dimensions of Tax Design" was published, and the findings of the 2nd Volume launched (with the book "Tax by Design" to be published by OUP in 2011).

After eight years as IFS Director Robert Chote left to become as Chairman of the Office for Budget Responsibility at the end of September 2010 and Carl Emmerson stood in as Acting Director until the end of December 2010. The Committee is grateful for the support of both these members of staff. The Executive Committee appointed Paul Johnson as the new Director to take up the post from 1 January 2011.

THE INSTITUTE FOR FISCAL STUDIES
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REPORT OF THE EXECUTIVE COMMITTEE
YEAR ENDED 31 DECEMBER 2010

Financial Review

FINANCIAL RESULTS FOR THE YEAR

The results for the year are shown in the Statement of Financial Activities on page 7 and show a modest increase in expenditure.

The financial policy laid down by the Executive Committee for 2010 was that the Institute should aim to break even at the operating level with any investment income and foreign exchange movements added to reserves. The investment policy of the Executive Committee has been to invest cash reserves in interest-bearing accounts and not to risk any of the principal.

The Statement of Financial Activities on page 9 shows that a surplus of **£6,103** was made in 2010 (2009: £8,178) representing investment income of **£4,344** (2009: £11,483), a foreign exchange gain of **£68** (2009: loss of £4,946) and a surplus on operating activities of **£1,691** (2009: £1,641).

The Institute attempts to raise its research funds from a range of organisations so that it is not dependent upon a single source of funding. Although **54%** was provided by the Economic and Social Research Council (55% in 2009) it covers a range of projects. With regard to its publishing and mainstream conference activities, the Institute aims to break even, whilst keeping prices as low as possible to maximise public access to its findings. Conferences run by its Centre for Microdata, Methods and Practice (*cemmap*) aim to make a moderate surplus which contributes to the overhead recovery of the Centre. Expenditure in these areas includes the relevant proportion of staff costs involved.

RESERVES POLICY

This policy is subject to active review in the light of prevailing circumstances and during the year the Executive Committee concluded that under current expenditure patterns the Institute continued to hold adequate cash reserves for working capital requirements. Working capital is necessary because most of IFS' income is receivable in arrears whilst many payments are made quarterly in advance, such as for rent and for payments to Research Fellows and Scholars.

In 2007 it was considered prudent to establish a General Risks Reserve, to cover unexpected and exceptional costs. Since there had been no call on this reserve the Executive Committee decided to redesignate this Reserve as a Fixed Asset Reserve and transfer sufficient funds from the General Fund such that this Reserve would be equivalent in value to the net book value of the Institute's fixed assets.

Following the winding up of IFS NW in 2006 a designated reserve to support activities of Pro-Manchester which related to the objects of the Institute was established for a period of five years in the first instance from 10 May 2006. During 2010 no Pro-Manchester reserves were spent.

Plans for the Future Period

FUTURE DEVELOPMENTS

The welcome continuation of the existing ESRC Research Centre for the Microeconomic Analysis of Public Policy for five years from October 2010 will be the foundation for all IFS research going forwards over this period. In addition IFS researchers will be building on the significant investment made in the Mirrlees Review. We are also seeking to expand the scope of our research to cover analysis relating to the reform of public services, which is a crucial policy issue not least given the size of the public service spending cuts planned over the next four years. The 2011 IFS Green Budget will once again be produced in collaboration with Barclays Capital and Barclays Wealth. The Institute's online presence will be expanded by posting news and publications feeds on Twitter.

THE INSTITUTE FOR FISCAL STUDIES
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STATEMENT OF RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE
YEAR ENDED 31 DECEMBER 2010

STATEMENT OF RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

The trustees are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

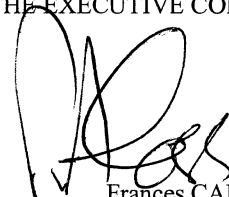
Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those 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 judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

BY ORDER OF THE EXECUTIVE COMMITTEE,



Frances CAIRNCROSS

(Chairman of the Executive Committee)
9 May 2011

THE INSTITUTE FOR FISCAL STUDIES
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE INSTITUTE FOR FISCAL STUDIES
YEAR ENDED 31 DECEMBER 2010

We have audited the financial statements of The Institute for Fiscal Studies for the year ended 31 December 2010 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).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Executive Committee Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
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Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.




Charles Cox (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK

17 May 2011

THE INSTITUTE FOR FISCAL STUDIES
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BALANCE SHEET
YEAR ENDED 31 DECEMBER 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		£	£
FIXED ASSETS			
Tangible assets	7	109,731	172,913
CURRENT ASSETS			
Debtors	8	1,363,989	1,138,091
Bank deposits (COIF)		737,679	883,597
Cash at bank and in hand		1,000,759	88,685
		<u>3,102,427</u>	<u>2,110,373</u>
CREDITORS			
Amounts falling due within one year	9	<u>1,985,987</u>	<u>1,063,218</u>
NET CURRENT ASSETS		1,116,440	1,047,155
NET ASSETS		<u>1,226,171</u>	<u>1,220,068</u>
UNRESTRICTED FUNDS			
General Funds	10	1,103,228	1,166,856
General Risk Reserve	10	0	40,000
Fixed Asset Reserve	10	109,731	0
Pro-Manchester Reserve	10	13,212	13,212
		<u>1,226,171</u>	<u>1,220,068</u>

Approved and authorised for issue by the Executive Committee on 9 May 2011


 Rachel TOMAX


 Frances CAIRNCROSS

Members of the Executive Committee

THE INSTITUTE FOR FISCAL STUDIES
(A Company Limited by Guarantee not having a Share Capital)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010

1 ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards. They have also been prepared in accordance with the recommendations contained in the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005.

Total incoming resources including interest amounted to **£5,434,018** (2009: £5,138,077).

The principal accounting policies applied in the preparation of the accounts are as follows:-

- (a) Accounting convention**
The accounts have been prepared under the historical cost convention.
- (b) Tangible fixed assets and depreciation**
All tangible fixed assets costing more than £250 are capitalised and depreciated. Depreciation of fixed assets is calculated to write off the cost of each asset over the term of its estimated useful life.

The Executive Committee had determined that all costs relating to refurbishment of the premises and any furniture be depreciated over five years and all other assets depreciated over three years. Assets are written off on a straight-line basis commencing from the quarter after the date of purchase.
- (c) Subscriptions and donations**
These are credited to the Statement of Financial Activities to the year to the extent that they are received by the time the accounts are prepared.
- (d) Publication sales**
Sales of books and publications are credited to the Statement of Financial Activities in respect of sales for the year. No value is placed on book stocks.
- (e) Research contract grants**
The Institute is usually legally entitled to income from research contract grants in stages over the course of each project, which approximates to when related expenditure was expected to be incurred. Accordingly, all research contract grant income is credited to the Statement of Financial Activities when it falls due to be received to the extent that it is matched by relevant expenditure. Any income received in advance of expenditure is treated as deferred income.
- (f) Allocation of expenses**
Direct and indirect expenses are included when incurred. The majority of expenses are directly attributable to specific activities
- (g) Governance costs**
Governance costs are those incurred in connection with the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.
- (h) Pension costs**
The pension cost charge represents contributions payable by the Institute to employees' personal pension plans in respect of the year.
- (i) Operating leases**
Leasing charges in respect of operating leases are charged to the Statement of Financial Activities as they are incurred.
- (j) Foreign currency**
IFS opened a Euro account in 2004 and a Dollar account in 2008 and the value of the balance at the end of the year was based on the exchange rate as at 31 December 2010. Transactions in foreign currencies are calculated at the exchange rate ruling at the date of the transaction and the Institute-wide foreign exchange gain made during the year has been taken as part of the Incoming Resources from Generated Funds.

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	<u>2010</u>	<u>2009</u>
	£	£
2 MEMBERSHIP SUBSCRIPTIONS		
Corporate	42,849	44,342
Partnerships	9,850	10,850
Individuals	13,465	9,980
	<hr/>	<hr/>
	66,164	65,172
	<hr/> <hr/>	<hr/> <hr/>

3 EXPENDITURE ON RESEARCH ACTIVITIES

Staff costs	3,397,738	3,302,601
Direct Project costs	1,067,909	780,771
Premises	417,754	445,917
IT and office costs	198,666	194,488
Insurance and professional fees	45,230	42,646
Public relations and events	14,402	11,699
Irrecoverable VAT	-52	23
Miscellaneous	10,203	13,399
	<hr/>	<hr/>
	5,151,850	4,791,544
	<hr/> <hr/>	<hr/> <hr/>

“Direct project costs” includes payments to outside bodies which work together with the IFS on particular projects. Where the Institute is the lead organisation it receives funding from the grant giving body for all participating organisations for onward transmission. During 2010 these payments included **£274,298** received from the Department for Education and redistributed to two partners in relation to one project, and **£164,268** from the ESRC for a large data collection exercise in Colombia. In 2009 similar payments included £187,872 received from the European Commission and redistributed to four partners.

4 GOVERNANCE COSTS

Staff costs	15,318	15,218
Audit remuneration	7,900	7,700
Trustee indemnity insurance, Companies House fees, Certificates	3,348	3,444
Meeting costs and Council Members’ travel costs	820	603
	<hr/>	<hr/>
	27,386	26,965
	<hr/> <hr/>	<hr/> <hr/>

Members of the Executive Committee received no remuneration in respect of their duties as members of the Executive Committee but are able to claim travel expenses in furtherance of their duties. In 2010 no Members made any claims in respect of their travel expenses (2009: £19).

RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (none in 2009).

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5 TOTAL RESOURCES EXPENDED

	Staff costs	Depreciation	Other	Total <u>2010</u>	Total <u>2009</u>
	£	£	£	£	£
Research activities	3,397,738	78,862	1,675,250	5,151,850	4,791,544
Publications	38,133	885	14,910	53,928	54,525
Conferences	41,166	955	88,125	130,247	176,394
Membership	55,913	1,298	7,293	64,504	80,471
Governance	15,318	356	11,712	27,386	26,965
	<u>3,548,268</u>	<u>82,356</u>	<u>1,797,291</u>	<u>5,427,915</u>	<u>5,129,899</u>

6 STAFF COSTS

	<u>2010</u>	<u>2009</u>
Wages and salaries	1,968,823	1,885,573
Social security costs	212,896	204,080
Pension costs (see note 13)	285,981	268,205
	<u>2,467,700</u>	<u>2,357,858</u>
Staff from universities	891,143	783,705
Research Fellows and Research Associates, Graduate Scholars and other associated research staff costs	189,425	315,468
	<u>3,548,268</u>	<u>3,457,031</u>

Staff costs have been allocated to expenditure headings where they can be specifically identified as in note 5. The average number of employees (FTE) analysed by function, was:

	<u>2010</u>	<u>2009</u>
Research activities	37.00	36.69
Publications	0.84	0.75
Conferences	0.95	0.70
Membership	0.49	0.75
	<u>39.28</u>	<u>38.89</u>

The emoluments of the employees (excluding pension contributions) fell in the following ranges in excess of £60,000.

	Number of employees	
	<u>2010</u>	<u>2009</u>
£60,001 - 70,000	2	1
£70,001 - 80,000	-	-
£80,001 - 90,000	-	-
£90,001 - 100,000	-	-
£100,001 - 110,000	2	1
£110,001 - 120,000	-	-
£120,001 - 130,000	-	-
£130,001 - 140,000	-	1

The information above includes a salary increase relating to one member of staff for a temporary period only. Pension contributions were paid by the Institute on behalf of all four employees noted above. The total sum of these contributions was £77,111 (2009: £59,684).

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7 TANGIBLE FIXED ASSETS	Fixtures and improvements to short leaseshold premises	Office equipment	Total
	£	£	£
Cost			
At 1 January 2010	703,713	376,519	1,080,232
Additions	2,150	17,024	19,174
Disposals	0	0	0
At 31 December 2010	<u>705,863</u>	<u>393,543</u>	<u>1,099,406</u>
Depreciation			
At 1 January 2010	658,259	249,060	907,319
Charge for the year	16,173	66,183	82,356
Disposals and assets no longer in use	0	0	0
At 31 December 2010	<u>674,432</u>	<u>315,243</u>	<u>989,675</u>
Net book amounts			
At 31 December 2010	<u>31,431</u>	<u>78,300</u>	<u>109,731</u>
At 31 December 2009	<u>45,454</u>	<u>127,459</u>	<u>172,913</u>

All fixed assets are held for use on a continuing basis for the purpose of charity activities.

8 DEBTORS	2010	2009
	£	£
Research grants receivable (note 1e)	1,184,329	969,268
Prepayments and accrued income	179,660	168,823
	<u>1,363,989</u>	<u>1,138,091</u>

9 CREDITORS		
Amounts falling due within one year		
Grants received in advance of expenditure (note 1e)	1,346,430	747,409
Taxation and social security	65,298	66,973
Accrued expenses	574,259	248,836
	<u>1,985,987</u>	<u>1,063,218</u>

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YEAR ENDED 31 DECEMBER 2010

10 UNRESTRICTED FUNDS

	General Fund	Pro-Manchester Reserve	Fixed Asset Reserve	Total
Reserves at 1 January 2010	1,166,856	13,212	40,000	1,220,068
Movement Between Reserves	-69,731	-	69,731	-
Net Incoming Resources	6,103	-	-	6,103
Reserves at 31 December 2010	<u>1,103,228</u>	<u>13,212</u>	<u>109,731</u>	<u>1,226,171</u>

General funds are unrestricted funds which are available for use at the discretion of the Executive Committee 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 Executive Committee for particular purposes.

The aim and use of each fund is set out in the Report of the Executive Committee.

During the year the General Risk Reserve was renamed The Fixed Asset Reserve and funds were transferred to this Reserve from the General Fund so as to ensure the value of the Fixed Asset Reserve reflected the total value of fixed assets.

11 OPERATING LEASE COMMITMENTS

At the end of the year the Institute had operating lease commitments in respect of buildings running to 21 June 2014 to pay during the following year as follows:

	2010 £	2009 £
Contracts expiring:		
After one year but less than five years	305,000	290,000

12 PENSION SCHEME

The total pension cost to the Institute for the contributions to employees pension shares under group personal pension plans with Scottish Widows and Phoenix Life was **£276,641** (2009: £259,130). In addition one member of staff participates in another personal pension scheme, to which the Institute contributed **£9,340** (2009: £9,075).

Scottish Widows/Phoenix Life	276,641	259,130
Other	9,340	9,075
Total	<u>285,981</u>	<u>268,205</u>