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**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2020  
FOR  
INSTITUTE OF WELSH AFFAIRS**

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**INSTITUTE OF WELSH AFFAIRS**

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FOR THE YEAR ENDED 31 MARCH 2020**

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**CHAIR'S REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

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Writing this in the summer of 2020, as the new Chair of the IWA, is an odd experience, while looking back at the previous financial year. The impact of COVID-19 is dominating public discourse and policy making, and casting a long shadow on each part of our lives, personal and professional. Over the last six months the ground has shifted beneath us and policy issues that we already knew to be crucial have been thrown into even starker relief.

At the IWA, our strategic priorities of offering a welcoming and informed space for robust comment and debate, outside of party politics, enabling people to understand how decisions are made and to get their voices heard, and seeking commitments to bright ideas that will transform Wales seem even more apposite than before, if that is possible. And our research and policy priorities of contributing to a strong and confident democracy, high-performing, responsive public services, and a clean, green and fair economy for the people of Wales remain objectives to focus on sharply as, together, we come through this extraordinary period. With the pandemic far from over, and with no clear end in sight, we shall reserve judgement on its impact on Wales until our next report.

In 2019-20, however, political attention was largely focussed on climate change, Brexit and alleviating its impending impact on Wales, and the changing of the guard in Downing Street.

In May, the Welsh Government was one of the first in the world to declare a climate emergency. Another major new development over the course of the year was 16 and 17 year olds in Wales being granted the right to vote from the 2021 Senedd Cymru elections onwards. The Commissioner for Future Generations prepared her first major report on progress since the implementation of the Act.

In the autumn, the National Assembly for Wales supported a motion to rename itself Senedd Cymru/the Welsh Parliament, and Wales acknowledged the continuing maturing of the institution. And the Welsh Youth Parliament started getting into its stride, holding regional meetings.

Elections also laid out the changing picture in Wales. In May, European elections demonstrated the reach of the Brexit Party, and in December, the general election unveiled a new political map across the nation with Labour remaining the largest party but losing six seats to the Conservatives who took a total of seven seats, with three new female MPs winning seats for the first time.

Towards the end of the year, the future of the union of the United Kingdom garnered ever more attention as the impact of coronavirus, and specifically who could do what, when, with whom, and in which part of the country, enabled the different decision making by the devolved governments to cut through the public's awareness in a totally new way.

Our new Inter-Parliamentary Relations report, due in 2020, will hopefully make a valuable and practical contribution as to how relations and ways of working between the legislatures might be improved, bringing benefits to all our citizens.

Like many others in Wales, we remain intensely frustrated by the inability of most of the mainstream media to distinguish which government and minister was responsible for what decision. At the same time, we are conscious that Wales will not be immune to the rise of fake news and misinformation in public discourse. We look forward to our Media Audit and 5th IWA Cardiff Media Summit setting out the evidence that should underpin key media policy priorities for the next government and Senedd Cymru committees.

The themes are clear: our democracy, public services and our economy will be at the heart of Wales' priorities in 2020 and in the run up to the next Senedd Cymru elections. The work that we have done in 2019, collaboratively with our diverse group of partners, lays a strong foundation from which to further develop, and we are proud to set this out in the trustees report below.

As the new Chair of the IWA, I would like to thank Helen Molyneux for her invaluable contribution as Chair over the last five years, as well as my other fellow trustees for their warm welcome. I am looking forward to working with the staff team, providing challenge and support in equal measure, so that our members can indeed be confident that we are intensely focussed on Making Wales Better.

**Bethan Darwin**  
**Chair, IWA**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2020**

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The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

Our objectives are as follows:

To promote in Wales research into (and the publication of the results thereof and the education of the public in the economic, social and political sciences and in science and technology, including but without prejudice to the generality of the foregoing:

1. The effect of moral, social, political and scientific factors on public policy; and
2. The effect of economic, social, financial, political environmental and international factors on the living standards of all sections of the community.

**Strategy**

We are the Institute of Welsh Affairs; Wales' leading think tank. We challenge, inspire and drive change, and make Wales a better place to live and work for everyone.

We are independent of government and political parties.

We bring together experience and expertise from all backgrounds to collaborate on the most important issues facing Wales.

We come up with ambitious but practical and informed ideas to improve the economy, education, governance, health and social care, and the media.

Our vision is to create a Wales where everyone can thrive.

**ACHIEVEMENTS AND PERFORMANCE**

This is the first report aligned with our new strategy agreed by trustees in May 2019.

To deliver on our mission of 'Making Wales Better', our new strategy seeks to contribute to achieving three key outcomes:

- People who care about Wales have access to informed and independent spaces for debate, discussion and the exploration of ideas
- People in Wales are supported to be active, engaged citizens who have a shared stake in Wales' bright future
- People in Wales see and feel real life benefits from new ideas which will help Wales to thrive.

To achieve this, we focus our resources on our three strategic priorities:

1. Providing an open, inclusive and informed platform for robust debate
2. Providing opportunities for people in Wales to increase their knowledge of how decisions are made and to make their voices heard
3. Developing and securing commitment to implementing ideas that can transform Wales in three priority areas, contributing to:
  - A strong, confident democracy
  - High-performing, responsive essential public services
  - A successful, clean, green and fair economy for Wales.

**Highlights at a glance**

- We ran 7 events in line with our strategic priorities, and 2 networking events for members including our AGM;
- We ran fewer events than normal, as events were affected by the General Election and Cardiff by-election in late 2019, and the purdah periods surrounding both;
- Our own events took place in Kidwelly, Newtown, Narberth, Cardiff and London and we contributed to events in Bangor, Llanrwst, Colwyn Bay, Wrexham, Llandrindod Wells, Merthyr Tydfil, Lampeter, Hensol, Newport, Treorchy and Neath;
- Over 800 tickets were issued across our events programme;
- This year, all our events were free, as they were part of either funded partnership or policy projects;
- We also ran 4 training courses for 55 people, doubling our intake while retaining excellent feedback;
- We revamped our website and transformed our *click on wales* blog into the *welsh agenda online*;
- We followed through on our commitment and developed a New Voices Fund to be better able to commission freelancers and emerging writers to share their perspectives on issues that matter;
- We focussed our efforts on preparing funding proposals to develop our pipeline of new policy projects conceived by our former policy groups and were successful in attracting new funding;
- We advertised openly for new Board members, including with financial qualifications, and proactively sought to improve representation from Black, Asian and Minority Ethnic backgrounds, as part of our succession planning.

**Priority 1: Providing an open, inclusive and informed platform for robust debate**

As part of our ongoing work contributing to an increase in the quantity and quality of public debate on issues that matter to Wales, we again ran a successful programme of events and training in 2019/20.

**'Brain Drain or Growing Wings?: should more be done to ensure Welsh students study in Wales?'**

The first in our series of debates in partnership with Cardiff University took place on 1 May 2019 and was entitled 'Brain Drain or Growing Wings?: should more be done to ensure Welsh students study in Wales?'

The event considered whether Wales was in the grip of a 'brain drain' after figures from the Resolution Foundation in 2017 had suggested we were experiencing thousands more graduates leaving Wales than arriving between 2013 and 2016. Had that changed with recent socio-economic factors? Was there more we could be doing to incentivise young Welsh people to study and live in Wales? Conversely did it benefit Wales to have our young people leave Wales to gain knowledge and experience and then bring the fruits of their labours home?

Chaired by Bethan Lewis, Education & Family Correspondent at BBC Cymru Wales, speakers were:

- Theo Davies Lewis, Co-Founder, Darogan
- Dr Frances Gerrard, Clinical Senior Lecturer, Cardiff University School of Medicine
- Ami Jones, HR Consultant, Aible
- Iwan Thomas, CEO, PLANED.

**Hay Festival 2019**

At the Hay Festival in May, IWA Editor and outgoing Hay International Fellow Dylan Moore chaired our Bank Holiday Monday event which explored the idea of 'Cool Cymru' and the 20 years since devolution. The panel featured some of the people who were at the heart of it in both culture and politics: writer Rachel Trezise, radio and TV presenter Bethan Elfyn, David Melding MS and writer Rhian E. Jones.

**Eisteddfod 2019 - Llanrwst**

We held a lecture and discussion on community energy schemes at the 2019 Eisteddfod in Llanrwst, as part of our ongoing work to raise awareness of the potential economic contribution to be made to Wales by renewable energy. Chaired by Gareth Wyn Jones, panellists Meleri Davies (Ynni Ogwen) and Keith Jones (National Trust) presented their work in this sector and were challenged by the audience on local energy schemes.

**'Devolution at 20: is Brexit the end of devolution?'**

The second in the 2019/20 series of IWA/Cardiff University Debates was held in partnership with the University of Edinburgh on 9 October 2019. Hosted by IWA member Arup at their London HQ, it was entitled "Devolution at 20: is Brexit the end of devolution?"

As Wales and Scotland marked 20 years of devolution, experts from both nations met to reflect on their country's devolution journeys and what the road ahead may hold.

Reflecting on how the Brexit referendum exposed deep divisions between the approach of the four governments of the UK, and fractures in the UK's current constitutional arrangement, the panellists and audience considered what might hold the 4 nations together in the future without the framework of EU law and funding. Would plans for a post-Brexit 'Shared Prosperity Fund' upset the careful balance of power between the UK Government and the devolved administrations? Was independence on the cards in Scotland and Wales, or could a new federal model offer constitutional stability?

Chaired by Ciaran Jenkins, Channel 4 News' Scotland Correspondent, panellists were:

- Stephen Crabb MP, Member of Parliament for Preseli Pembrokeshire
- Professor Ailsa Henderson, Professor of Political Science, The University of Edinburgh
- Sir Paul Silk KCB, Chair of the Commission on Devolution to Wales 2012 to 2014
- Professor Richard Wyn Jones, Director, Wales Governance Centre, Cardiff University.

**'Qualified for the Future: What should qualifications for the next generation look like?'**

On 19 November, in partnership with independent regulator Qualifications Wales, we convened an event entitled 'Qualified for the Future: What should qualifications for the next generation look like?'

Qualifications Wales' recently launched consultation looked at how to complement the new Welsh curriculum by designing qualifications that went beyond demonstrating knowledge and skills, with the aim of introducing globally respected qualifications that inspire and prepare people for life, learning and work. In this event we discussed how qualifications could inspire ambition, creativity and curiosity, and help build confidence and offer a brighter future for our young people.

Chaired by IWA Director, Auriol Miller, speakers included:

- Dr Rachel Bowen, Director of Policy and Public Affairs, Colegau Cymru
- Gareth Evans, Director of Education Policy, University of Wales Trinity St David.
- Tracey Handley, Programme Manager, Parentkind Cymru
- Lynn Pamment, Senior Partner, PWC.

**'Is there a role for prisons in modern Wales?'**

Our third debate in partnership with Cardiff University was held on 13 February 2020 and was entitled 'Is there a role for prisons in modern Wales?'

The 2019 Thomas Commission recommended that 'justice should be determined and delivered in Wales so that it aligns with its distinct and developing social, health and education policy and services and the growing body of Welsh law. Policy would be developed and funding allocated to meet the needs of and provide greater benefit for the people of Wales.'

Noting that Welsh prisons are stretched to capacity, reoffending rates are on the rise, and there is no provision at all for female prisoners in Wales, this event discussed whether Wales could abolish prisons altogether and create a new justice system based around the principles of the Wellbeing of Future Generations Act.

Chaired by Jenny Rees, Home Affairs Correspondent, BBC Cymru Wales, the panel comprised:

- Ruth Coombs, Head of Wales, Equality and Human Rights Commission
- Professor Sally Holland, Children's Commissioner for Wales
- Dr Robert Jones, Research Associate, School of Law and Politics, Cardiff University
- Rhys Thomas, Barrister and Mediator, Iscoed Chambers

**'Brave New Wales: Challenges for lifelong education in changing times'**

**'Cymru Ddewr Newydd: Heriau i ddysgu gydol-oes mewn cyfnod o newid'**

Education was again the theme for our final event of the financial year, this time in partnership with The Open University in Wales, on 10 March 2020.

In the 50 years since Harold Wilson first introduced the idea of a 'University of the Air', The Open University has provided opportunities for people of all ages, backgrounds and incomes to choose an education that fits around their needs and lifestyle and open doors to better employment options.

Since the introduction of the new student finance system known as Diamond, thousands more people across Wales now have access to flexible, part-time education, making a significant contribution not only to their own lives, but also to their communities and the nation.

This event looked at what might come next for education and lifelong learning in Wales, exploring the challenges and opportunities Wales faces over the next 50 years - such as automation, increased life expectancy, and more people changing career more often - and how we all need to adapt.

Co-chaired by IWA Director, Auriol Miller, and OU in Wales Director, Louise Casella, the event included a keynote speech by Welsh Government Minister for Education, Kirsty Williams AM, followed by an in-depth interview with Bethan Lewis Education and Family Correspondent, BBC Cymru Wales.

Mark Stevenson, Reluctant Futurologist, challenged delegates on what the future might look like, while other contributors included:

- Ali Abdi, Community Gateway Partnership Manager, Cardiff University
- Momena Ali, Founder, Ethnic Youth Support Team
- Moawia Bin Sufyan, Magistrate
- Dave Clubb, Partner, Afallen
- David Hagendyk, Director for Wales, Learning and Work Institute
- Nesta Lloyd Jones, Assistant Director, NHS Confederation
- Debbie McVitty, Editor, Wonkhe
- Andy Middleton, Founder, TYF
- Claire O'Shea, Partnership Manager, Hub Cymru Africa
- Kathryn Robson, Chief Executive, Adult Learning in Wales
- Dafydd Trystan, Registrar and Senior Academic Manager, Coleg Cymraeg Cenedlaethol
- Tim Williams, CEO, Welsh Automotive Forum.

***the welsh agenda and click on wales***

Issue 63 of the *welsh agenda* was published in October 2019 and featured interviews with the four leaders of Wales' main political parties: Prof. Mark Drakeford AM, Paul Davies AM, Adam Price AM and Jane Dodds. We also ran a 'Climate Emergency Special' featuring pieces from Extinction Rebellion, Kate Hamilton, Saskia Pagella and an interview with Sophie Howe. Other highlights included a detailed look at issues around independence.

In March 2020 we launched our revamped website [www.iwa.wales](http://www.iwa.wales) and transformed our former blog, known as *click on wales*, into a new online magazine, the *welsh agenda* (online). Drawing from our new strategy, we introduced four new strands focussing on articles relating to politics and policy, people and places, culture, and voices. Following feedback, we followed through on our commitment to developing a New Voices Fund to be better able to commission freelancers and unpaid writers to share their perspectives on issues that matter. We value our role as an open, inclusive platform for comment and debate and are determined to nurture new thinkers and writers as best we can.

Due to the website revamp, we postponed our publication of *the welsh agenda* 64 to May 2020.

**Priority 2: Providing opportunities for people in Wales to increase their knowledge of how decisions are made and to make their voices heard**

We delivered our Decision Making in Wales and Influencing in Wales courses to a total of 55 delegates over the course of three sessions in May, October and February. We also delivered a bespoke course for mentees of the Ethnic Youth and Minorities Support Team in May 2019.

We know from feedback at our AGM that members wish us to do more to involve young people in the work of the IWA, so we will explore this in FY2021.

We continued our involvement with the WEN Wales mentoring scheme and supporting the EYST mentoring scheme.

We will be developing this strand of our work further in FY21.

**Priority 3: Developing and securing commitment to implementing ideas that can transform Wales in three priority areas**

We have now moved away from our previous model of permanent, topic-specific policy groups in order to implement a more flexible, and less resource intensive approach.

All our policy and project work is now aligned to our three priority areas:

**A strong, confident democracy**

**IWA Media Audit**

We know that having a strong media is a key ingredient in enabling citizens to understand the world around them, make sense of what is happening and discern how to play their own part. The media can play a central role in addressing the democratic deficit in Wales. The ability of the traditional Welsh media to report on Wales, and represent Wales to itself and to the rest of the UK, has declined over the life course of devolution: reduced Public Service Broadcasting budgets, declining print circulation and job cuts being amongst the reasons. However, new forms of media including social media and community journalism are creating new spaces for debate and scrutiny. In short, the media landscape in Wales is shifting rapidly and we do not have a clear, shared understanding from which to derive potential solutions and positive policy actions.

Funded by the University of South Wales, this year we commissioned and supported Dr Marlen Komorowski to undertake the update of our 2015 Media Audit with a view, originally, to holding our 5th IWA Cardiff Media Summit in June 2020. Due to the coronavirus pandemic, the publication of this research and the Summit itself was postponed until Autumn 2020.

**Understanding Welsh Places (UWP)**

The aim of this collaborative project, for which we are funded by the Carnegie (UK) Trust, is to create a website ([www.understandingwelshplaces.wales](http://www.understandingwelshplaces.wales)) as the first port of call for statistical information about Welsh towns and communities with populations of more than 1,000 people. The Understanding Welsh Places (UWP) website aims to support and inspire communities, place makers and policy makers to make positive changes in the places where they live and work. People will be able to use and interpret the open data presented to identify opportunities in their areas now and in the future. The development of the website itself is funded by both Carnegie UK Trust and the Welsh Government.

UWP is an ongoing project and the website has been developed so that it can continuously evolve in response to feedback from users in communities across Wales. In 2019-20, together with our contractor team, we held testing workshops in Narberth, Newtown and Cardiff to identify bugs and gather initial feedback from target users. The launch event took place at the Cardiff Bay Pierhead in October 2019, and combined speeches and a panel on the website's wider policy context (ie the place of towns and smaller communities in the Welsh policy and funding environment) with opportunities for attendees to try out the site.

We presented the website at the One Voice Wales Annual Conference for town clerks and town and community councillors, the Bevan Foundation's Beyond Cities conference and ran a workshop for staff from local authorities, town councils and the voluntary sector in Colwyn Bay, in north Wales. A packed schedule of awareness raising and training events for spring 2020 was postponed due to the pandemic, some of which were moved online. Work is ongoing to identify new datasets to include in the second version of the website in response to feedback from users of the site and the availability of statistical and geographic information about places in Wales.



#### **Inter-parliamentary relations**

This scoping project grew out of discussions within our previous Governance Policy group and has been funded by the Legal Education Foundation. Margaret Amott, Professor in Public Policy at the University of West Scotland was awarded the tender to deliver the fieldwork for this project and undertook a literature review and interviews with key individuals in the four UK parliaments between Autumn 2019 and Spring 2020. Overseen by an independent project advisory group that includes current or recent clerks from constitutional committees of all four UK legislatures as well as Sir Paul Silk KCB, Professor Laura McAllister, Dr Ruth Fox of The Hansard Society, Professor Diana Stirbu of London Metropolitan University, Dr Elin Royles of Aberystwyth University and Valerie Livingston of newdirect Wales, the publication of this research report was also postponed due to the pandemic and is due in Autumn 2020.

#### **High performing, responsive essential public services**

We mainly focussed on using our events programme to deliver against this priority in 2019-20 as we did not currently have the capacity to fundseek new stand alone projects in this space.

Since lockdown in March 2020, however, we have convened a new collaboration of third sector, academic and private sector partners to help gather and identify good practice from the myriad changes in public service delivery that have taken place. We will report on this in 2021.

#### **A successful, clean, green and fair economy for Wales**

The purpose, nature and composition of Wales' economy remains a key priority under our new strategy.

#### **Re-energising Wales**

While our final report was published in March 2019, we continued to share our research findings and recommendations widely:

- Regular discussions continued on implementing our main recommendations with the First Minister, other ministers, Natural Resources Wales, Ofgem and the various political parties.
- We presented our findings at various conferences, including for Marine Energy Wales and Community Energy Wales. We also contributed to discussions with the Climate Change Commission and UK2070.
- We undertook a series of roundtables with the National Infrastructure Commission for Wales, helping inform their initial priorities.
- Advanced plans to hold a joint briefing for BEIS-Welsh Affairs Committee in October 2019, hosted by Stephen Kinnock MP, had to be shelved due to the Queen's speech and subsequent General Election.
- We engaged directly with Housing Associations and Local Authorities, sharing our *Re-energising Wales* work as part of our outreach.

#### **Foundational Economy**

Funded by the Centre for Regeneration Excellence in Wales (CREW), our new Project Lead joined the team in January 2020 to begin a period of scoping work as to where we could best add value over the next two years to policy discussions already taking place in relation to the Foundational Economy.

An advisory group comprising representatives from academia, business, housing and the voluntary sector will be convened in July 2020. The project will involve political influencing up to the May 2021 Welsh Parliament election and the development of policy recommendations through 2021.

#### **New projects**

In 2019-20 we focussed considerable effort on seeking funds to develop the ideas generated by our previous policy groups. We were pleased to be awarded funding as follows:

- Jointly, by the Friends Provident Foundation and the Esmée Fairbairn Foundation, to scope out a major new collaborative project on land use policy in Wales provisionally entitled 'Our Land: connecting Wales' land and communities for a sustainable future'. This is scheduled to begin in Autumn 2020.
- By the Friends Provident Foundation for resources to enable us to undertake more proactive economic policy analysis.

### Membership Events

The IWA Members Summer Meeting was held on 10 July 2019 at the offices of new organisational member, Orchard Media, in Cardiff. Over 80 people joined us at the launch of our new strategy and we were delighted to award Honorary Life Fellowships to Rocio Cifuentes, Chief Executive of the Ethnic Youth and Minorities Support Team, to recognise her work highlighting the impacts of policy making on the lives of Black, Asian and Minority Ethnic people in Wales, and Professor Calvin Jones, Deputy Dean for Public Value and External Relations at Cardiff Business School, Cardiff University, for his ongoing contribution to challenging economic policy making.

We held our AGM at the National Dance Company of Wales on 20 November 2019 and welcomed members for an informal reception before and after AGM business, including a number of members who had never attended an AGM before. We thanked Helen Molyneux as outgoing Chair and welcomed Bethan Darwin who was formally elected as the new Chair. Gerald Holtham, Eurfyl ap Gwilym, Nigel Griffiths and Professor Laura McAllister were re-elected for a further year and Frances Beecher was re-elected for a second 4-year term. The report of the Directors and the financial statements of the Company for the year ended 31 March 2019 were received. Watts Gregory were reappointed as our independent examiners. Marc Thomas and Laura McAllister joined IWA Director Auriol Miller for our review of the year and a look ahead to 2020.

### Digital reach in FY2020

We have continued to analyse contributors to *click on wales / the welsh agenda* online and are pleased that over 150 different people have written over 200 times for the blog since April 2019.

- Over 70,000 people (up 10%) visited the IWA website over the year which led to over 127,000 total hits (up 5%)
- We published 14 new podcasts over the year and, overall, there were 4,300 'listens' - the same as 2018-19
- At the end of March 2020, over 16,000 people followed the IWA on Twitter, 1,000 more people than in March 2019
- Over 1,200 people like our Facebook page which is a 10% increase on 2019
- At the end of March 2020, there were over 300 people following our LinkedIn page, which is around a 50% increase on the previous year.

What we said	What we did
We will engage with the 80+ members of our policy groups to ascertain the most appropriate way of transforming the five standalone groups (Economy, Education, Governance, Health and Social Care, and Media Policy) into networks focussed on our new policy themes, so that their ideas form the pipeline for future policy ideas.	This work was held over until 2020-21 partly due to capacity and partly due to the global pandemic
We will continue to work on our current portfolio of funded policy projects.	We have continued to develop our portfolio of funded policy projects
Our flagship <i>Re-energising Wales</i> project will run until the end of 2019, supported by the Polden-Puckham Charitable Foundation, after which it will conclude.	We have continued to advocate for the implementation of our recommendations and are seeking funds to progress these further
Our <i>Understanding Welsh Places</i> project, supported by the Carnegie UK Trust, will continue in 2019-20 and the first phase will run until the end of 2020. We aim to launch the first version of the website in October 2019 and continue to improve it iteratively based on stakeholder feedback.	The UWP website launched as planned in October 2019 and a new, expanded version is already in development.  Since its launch on 8 October 2019, the Understanding Welsh Places website has been visited by 4,920 users (up to April 2020), 81% of whom were in the UK.

What we said	What we did
Our new research scoping governance issues, funded by the Legal Education Foundation, will begin in 2019-20. One part will be looking at inter-parliamentary relations post-Brexit, the other at local citizen involvement in democratic decision-making.	Professor Margaret Arnott undertook the fieldwork for this research. Part 2, focussing on local citizen involvement, was put on hold to enable us to focus our resources on inter-parliamentary relations at a crucial juncture in the run up to Brexit.
We will aim to secure funding for our new land use project.	This was successfully achieved.
We will aim to secure funding to update our IWA Media Audit.	This was successfully achieved.

#### Media coverage of the IWA's work

The IWA's work was mentioned 65 times during 2019/20 across a range of outlets in Wales and beyond including:

- Radio (BBC Radio 4, BBC Radio Wales)
- TV (BBC Wales)
- Print (Western Mail, Daily Express, South Wales Argus, South Wales Evening Post, Wrexham Leader)
- Online (Wales Online, BBC Online, Wales Business Insider, Nation.Cymru, Golwg 360, Politics Home)

#### Engagement

At the end of FY2020, our membership included:

54 Young Professional members

667 Individual members

44 Fellows

75 Life Fellows

19 Honorary Life Fellows

126 organisational members, of whom 63 are charities, 41 are standard businesses and 22 are large businesses.

We are pleased that membership continues to grow across the board. We have delivered on our plan to create a new category of patrons of the IWA in FY2020 and are delighted to welcome five patrons who have committed to supporting the IWA's growth over the next five years.

#### Public benefit

In preparing this report the trustees have paid due regard to the Charity Commission's guidance on the reporting of public benefit. We intend that the totality of our activity should assist in the strengthening of civil society in Wales by improving the flow of quality information on public policy into the public domain and by bringing together interested parties in research groups, seminars and conferences to advance debate, thereby developing the policy community and extending its reach into the wider public. The way in which this has been achieved over the past year is detailed below.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### FINANCIAL REVIEW

##### Financial position

The Board prepares budgets and cash flow forecasts for the forthcoming financial year and continually monitors the amount of reserves available.

In FY2020 we:

- Successfully attracted new funding for a Foundational Economy project from the Centre for Regeneration Excellence in Wales (CREW)
- Submitted bids for new short- and medium-term project and core funding to a number of donors
- Continued to increase our individual and organisational membership and continued to decrease transactional and administrative costs by streamlining membership processes.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Principal funding sources**

The IWA receives its income from three main sources of funding: membership fees and donations; self-generated income; and external trusts, foundations and other institutions for project work.

In FY2020, membership fees and donations accounted for 50% of receipts, with self-generated income from conferences, training and debates totalling 10%. Short- to medium-term grant funding totalled 40% of our income.

We received funding from the Books Council of Wales, the Jane Hodge Foundation, the Carnegie (UK) Trust, the Centre for Regeneration Excellence in Wales (CREW), the Legal Education Foundation, the University of South Wales and The Waterloo Foundation.

Policy project funding was 42.95% in FY2019.

While our budget for FY2020 anticipated a year-end planned deficit of £46,000, we finished the year with a deficit of £26,967 on unrestricted funds, and a timing deficit on restricted funds of £11,630.

**Reserves policy**

The Trustees have examined the charity's requirements for reserves in the light of the main risks to its operation. We have reviewed our reserves policy and established that unrestricted funds not committed or invested should be equivalent to £70,000 to allow the charity to continue to operate in the event of an unexpected drop in funding. Our reserves policy will continue to be kept under close review in 2020/21.

We continue to work towards achieving a sustainable financial model that includes a variety of short- and medium-term funding from diverse sources, as well as core funding. As at the balance sheet date the organisation had free reserves of £82,157 (2019: £108,708).

**PLANS FOR FUTURE PERIODS**

**Strategy**

In 2020-21 we will continue to deliver against our new strategic priorities, keeping under close review to what extent we may need to pivot our activities as a result of the ongoing coronavirus pandemic.

At the time of writing, planned work includes:

Providing an open, inclusive and informed platform for robust debate

- The online delivery of our agenda-setting events programme, with sessions in partnership with Cardiff University, Cardiff Council, BBC Cymru Wales and others
- Publishing two editions of *the welsh agenda* and further developing its strong online presence, while maintaining high quality contributions from an increasingly diverse set of authors
- Reviewing all our work to ensure it is inclusive, accessible and welcoming to new members and participants
- Engaging our members more broadly through various feedback mechanisms, and launching our new membership offer

Providing opportunities for people in Wales to increase their knowledge of how decisions are made and to make their voices heard

- Continuing our training programme, and moving it online during the lockdown period if necessary
- Continuing to mentor new policy leaders

Developing and securing commitment to implementing ideas that can transform Wales in three priority areas:

- Engaging our previous policy group members in shaping our new networks focussing on our priority themes of democracy, public services and economy
- Delivering against our funded policy project commitments, communicating our findings clearly and imaginatively in bite-size chunks so that they reach new audiences
- Continuing to convene across policy boundaries and sectors, reaching out to connect others, cross-pollinating ideas and minimising silo working or duplication of effort

Organisationally

- Developing our team by encouraging and supporting them to try new ways of doing things and learn new skills
- Appointing new trustees, ensuring strong succession planning for long standing trustees who have indicated their intention to step down, and diversifying our Board by seeking new trustees from Black, Asian and Minority Ethnic groups
- Developing our organisational Welsh Language policy and action plan
- Ensuring our draft new Articles of Association are future proofed and approved by both our members and our regulatory bodies.

## **INSTITUTE OF WELSH AFFAIRS**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2020**

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#### **Governing document**

The charity is controlled by its governing documents, the Memorandum and Articles of Association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The Institute of Welsh Affairs (IWA) was incorporated as a company on 22 July 1987. The present Articles of Association were adopted by Special Resolution passed on 21 January 1989. The Memorandum of Association was amended by Special Resolution on 20 June 1999 and the IWA was registered as a charity on 1 December 1999.

The Articles of Association were further amended by a special resolution on 6 December 2006, following a review of corporate governance. The changes were designed to bring our governance arrangements into line with best practice, to reflect the recent introduction of new categories of membership and to limit length of service to ensure regular refreshment of the Executive Board.

The charitable company is limited by guarantee and does not have any share capital. Each member of the charitable company undertakes to contribute such amount as may be required (not exceeding £1). The company is registered as a charity under the Charities Act 1960 and in the opinion of the directors is not liable to taxation.

In FY2020 we undertook the preparatory work of updating our Articles of Association to reflect existing and planned governance changes so that they are futureproofed. We aim for Board and membership approval of these by the 2020 AGM.

#### **Recruitment and appointment of trustees**

The directors of the company are also charity trustees for the purposes of charity law.

The work of the charity is supervised by a board of directors elected by the members of the charitable company at the Annual General Meeting. Board membership is regularly reviewed and at the 2019 AGM we welcomed Bethan Darwin as the new Chair, succeeding Helen Molyneux.

We advertised openly for new trustees in March 2020, with interviews scheduled for May 2020. We particularly sought trustees with financial qualifications and with lived experience of race and migration issues.

#### **Organisational structure**

The Board of Trustees meets 4 times a year and a small Finance and General Purposes Committee precedes it. The directors oversee all the activities of the IWA.

The IWA staff team has again grown and changed over the course of 2019/20. Llŷr Wilson-Price joined in July in a new role as Membership, Marketing and Communications Lead, while Andy Regan succeeded Rhea Stevens as Policy and External Affairs Manager in September. Dr Jack Watkins joined to lead our Foundational Economy project from January 2020, and Ellen Jones succeeded Elinor Shepley as Understanding Welsh Places Project Lead role in February.

#### **Induction and training of new trustees**

New trustees are inducted and trained by the continuing trustees of the charity and senior staff. This induction covers their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and informs them of the content of the Memorandum and Articles of Association, the Board and decision-making processes, the business plan and recent financial performance of the IWA. Trustees are encouraged to attend IWA events and other appropriate external events where these will facilitate the undertaking of their role. All directors are also trustees of the charity.

### Risk management

Our risk management approach is reviewed on a regular basis throughout the year.

The Trustee's report in our FY2019 year end accounts previously identified that we would seek to:

What we said	What we did
Review our membership offer	We undertook all the preparatory work and were ready to launch this in April 2020 when the global COVID-19 pandemic hit the UK, so we put this on pause for the foreseeable future.
Significantly boost our media, communications and engagement capacity.	With the appointment of our bilingual, new Media, Communications and Engagement Coordinator in July 2020, this new role has enabled us to revamp our website and online blog.
Continue to exercise strict control of overhead costs.	Our overhead costs remain low at or under 10% of our total expenditure.
Review and strengthen our Welsh language policy and boost our internal capacity to communicate in Welsh.	We have boosted our capacity to communicate publicly in Welsh, and our Welsh language policy is in development. This will be presented to the Board in FY2021 for approval.

We continue to develop our full cost recovery approach openly and transparently with potential partners. In particular, the IWA is regularly sought out as a potential partner with other organisations, and staff are sought out as contributors, facilitators or to chair discussions on our issues related to our priorities including energy policy, governance, Brexit and Wales, citizens assemblies, leadership, and the role of civil society in democracy. Some of this we undertake on a consultancy basis, to cover our core costs. We will seek to develop this further in FY2021.

However, the key ongoing challenges and risks for the IWA relate to the potential impact of coronavirus on our work, mainly on membership income, our income-generating public-facing events, and on staff wellbeing.

### Impact of COVID-19

As a small, flexible team, with some staff already used to working from home regularly, the whole IWA team moved out of the office and to work from home on 16 March 2020 in anticipation of the general lockdown announced a week later on 23 March. The transition was relatively smooth as all documentation was already securely available online.

The early few weeks of the lockdown included a rapid assessment of which activities would most likely be at risk for the foreseeable future and the impact of these on IWA finances and commitments. We postponed all public facing and partnership events until at least the autumn, set up online engagement sessions with our members and others more widely, connecting across policy areas (our Rethinking Wales sessions), and assessed which of our ongoing project and policy work could continue relatively unimpeded. Some of our project engagement could easily move online, with the advantage that this meant we could engage more participants from across Wales more easily. We redeployed one member of staff accordingly, with additional and flexible support from the Carnegie (UK) Trust. At the end of April, we furloughed three staff members whose work either could not immediately continue or was not urgent. They remained on furlough till mid-June.

As a registered charity that does not provide direct services to people and one that was therefore not at risk of significant additional demand created by coronavirus, and without the exposure of some organisations to the loss of income generated by the fundraising events and individual sponsorship on which they rely, we judged our greatest immediate risk to our finances as the loss of membership income and of events income. We re-forecast our FY2021 budget accordingly and continued to monitor this closely. Our Finance and General Purposes Committee met on two additional occasions to scrutinise our plans.

### **Risk management**

With existing bids for both new project and core funding already well advanced, we focussed on securing sufficient additional funds to counterbalance the loss of planned event income as a result of lockdown, continuing to engage with individual and organisational members, and to secure the organisation's future sustainability at least through to the summer of 2021 by which time it may be clear whether we are able to hold events in person. All three existing funding bids were successful, as was a new application to the WCVA Third Sector Resilience Fund, and we also secured new project funding from The National Lottery Community Fund for a collaborative COVID-19 related learning project, which we are convening with 9 other partners across Wales over FY2021 and beyond.

We are confident that the IWA is a going concern for the foreseeable future and this will be kept under close review.

In FY2021 we will therefore:

- Maintain our budgeted income and expenditure under close review and adjust accordingly.
- Review our risk table in light of our experience of the existing and ongoing impact of coronavirus on the organisation
- Consult carefully and take a prudent approach to returning to our small office, likely maintaining a blend of office and homeworking
- Move our public-facing events online and ensure they are as accessible to as many people as possible, while covering our costs
- Maintain our reputation for a high standard of delivery of our existing commitments and policy projects, providing reassurance to our donors
- Seek to involve more young people in the work of the IWA

### **Objectives and policies**

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

#### **Credit risk**

The charity's principal financial assets are bank balances and cash, trade and other receivables.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

**INSTITUTE OF WELSH AFFAIRS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**  
02151006 (England and Wales)

**Registered Charity number**  
1078435

**Registered office**  
56 James Street  
Cardiff Bay  
CARDIFF  
CF10 5EZ

**Trustees**

Ms B Darwin	Chair from 20 November 2019	Nominated 23.05.19
Ms H C Molyneux	Chair until 20 November 2019	
Mr N G Griffiths	Treasurer	
Dr E Ap Gwilym		
Mrs F Beecher		
Dr D O Clubb		
Ms A J Copus		
Professor G H Holtham		
Ms V E Livingston		
Professor L J McAllister		
Professor K J Morgan		
Ms H F Mortlock Pearce		
Mr A Pickles		
Ms N Ruddle		Resigned 12.12.19
Mr M Thomas		
Ms L S Farhat		Appointed 29.07.20
Ms S Williams		Appointed 29.07.20
Ms S J May-Hill		Appointed 29.07.20
Ms A E C Wride		Appointed 29.07.20

**Company Secretary**  
Ms L S Knight

**Independent examiner**  
Watts Gregory LLP  
Chartered Accountants  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

**Senior Management Team**  
Ms A J V Miller

**Bankers**  
Lloyds Bank PLC

Approved by order of the Board of Trustees on 27/10/20 and signed on its behalf by:

  
.....  
Ms L S Knight - Secretary



**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF  
INSTITUTE OF WELSH AFFAIRS**

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**Independent examiner's report to the trustees of Institute of Welsh Affairs ('the Company')**

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2020.

**Responsibilities and basis of report**

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

**Independent examiner's statement**

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ACCA which is one of the listed bodies

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities [applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)].

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

Julia Mortimer FCCA  
Watts Gregory LLP  
Chartered Accountants  
Elfed House  
Oak Tree Court  
Cardiff Gate Business Park  
CARDIFF  
County of Cardiff  
CF23 8RS

11 November 2020

INSTITUTE OF WELSH AFFAIRS

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	161,181	21,134	182,315	272,609
<b>Charitable activities</b>	5				
General		102,046	17,500	119,546	122,404
Investment income	4	<u>475</u>	<u>-</u>	<u>475</u>	<u>373</u>
<b>Total</b>		263,702	38,634	302,336	395,386
<b>EXPENDITURE ON</b>					
Raising funds	6	41,952	-	41,952	43,842
<b>Charitable activities</b>	7				
General		<u>248,717</u>	<u>50,264</u>	<u>298,981</u>	<u>348,155</u>
<b>Total</b>		290,669	50,264	340,933	391,997
<b>NET INCOME/(EXPENDITURE)</b>		(26,967)	(11,630)	(38,597)	3,389
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		112,131	11,948	124,079	120,690
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>85,164</u>	<u>318</u>	<u>85,482</u>	<u>124,079</u>

The notes form part of these financial statements

**INSTITUTE OF WELSH AFFAIRS**

**BALANCE SHEET  
AT 31 MARCH 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	14	3,007	-	3,007	3,423
<b>CURRENT ASSETS</b>					
Debtors	15	32,849	1,050	33,899	12,223
Cash at bank and in hand		<u>163,782</u>	<u>4,833</u>	<u>168,615</u>	<u>147,853</u>
		196,631	5,883	202,514	160,076
<b>CREDITORS</b>					
Amounts falling due within one year	16	(114,474)	(5,565)	(120,039)	(39,420)
<b>NET CURRENT ASSETS</b>		<u>82,157</u>	<u>318</u>	<u>82,475</u>	<u>120,656</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>85,164</u>	<u>318</u>	<u>85,482</u>	<u>124,079</u>
<b>NET ASSETS</b>		<u>85,164</u>	<u>318</u>	<u>85,482</u>	<u>124,079</u>
<b>FUNDS</b>	18				
Unrestricted funds				85,164	112,131
Restricted funds				<u>318</u>	<u>11,948</u>
<b>TOTAL FUNDS</b>				<u>85,482</u>	<u>124,079</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Trustees on 27.10.20 and were signed on its behalf by:

  
Ms B Darwin - Chair

The notes form part of these financial statements

**1. STATUTORY INFORMATION**

Institute of Welsh Affairs is a registered charity and private company limited by guarantee. It has no share capital and is incorporated in Wales in the United Kingdom. The registered office is 56 James Street, Cardiff Bay, Cardiff, CF10 5EZ. The nature of the company's operations and principal activities is disclosed within the Report of the Trustees.

Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

There have been no material departures from Financial Reporting Standard 102.

**Small charity concession**

The charity has taken advantage of the concession available to smaller charities that are not subject to a statutory audit given in the Statement of Recommended Practice. It has not analysed either resources expended or incoming resources by activity categories within the Statement of Financial Activities.

**Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity. Details of the impact of Covid-19 have been outlined within the Report of the Trustees.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income is recognised on a receivable basis.

It is not the policy of the charity to show income net of expenditure.

**2. ACCOUNTING POLICIES - continued**

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs include central functions and includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity.

**Government grants**

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

**Tangible fixed assets**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Office equipment	- 25% reducing balance
Fixtures & fittings	- 10% reducing balance
Website	- 7 years straight line

Fixed assets are initially recorded at cost.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as a basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Debtors**

Trade debtors and other debtors are recognised at the settlement amount due after any trade discounts offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Taxation**

The charity is exempt from corporation tax on its charitable activities.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES - continued

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	27,778	27,264
Gift aid	8,243	3,024
Grants	31,134	148,556
Subscriptions	94,152	93,765
Patrons	21,008	-
	<u>182,315</u>	<u>272,609</u>

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Jane Hodge Foundation	-	75,000
Polden-Puckham Charitable Foundation	-	18,200
Friends Provident Foundation	4,684	39,316
The Waterloo Foundation	10,000	10,000
Wales Governance Centre	-	1,540
Learned Society of Wales	-	1,500
WISERD	-	3,000
Legal Education Foundation	16,450	-
	<u>31,134</u>	<u>148,556</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Deposit account interest	<u>475</u>	<u>373</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020

5. INCOME FROM CHARITABLE ACTIVITIES

	2020	2019
	£	£
Event income	19,945	53,895
Training income	10,097	11,009
Carnegie UK Trust	37,525	31,250
CREW - Centre for Regeneration Excellence in Wales	24,986	-
Grants	17,500	25,000
Other income	1,160	1,250
University of South Wales	8,333	-
	<u>119,546</u>	<u>122,404</u>

Included in income from charitable activities is the following:

- an amount of £37,525 (2019: £31,250) from the Carnegie Trust UK towards the Understanding Welsh Places project.
- an amount of £24,986 (2019 - £Nil) from CREW: Centre for Regeneration Excellence in Wales towards the Foundational Economy project.
- an amount of £8,333 (2019 - £Nil) from the University of South Wales to undertake the latest IWA Media Audit to update the 2015 edition.

Grants received, included in the above, are as follows:

	2020	2019
	£	£
Welsh Books Council	<u>17,500</u>	<u>25,000</u>

6. RAISING FUNDS

Raising donations and legacies

	2020	2019
	£	£
Staff costs	36,297	38,226
Staff training	236	222
Support costs	<u>5,419</u>	<u>5,394</u>
	<u>41,952</u>	<u>43,842</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8)	Support costs (See note 9)	Totals
	£	£	£
General	<u>243,934</u>	<u>55,047</u>	<u>298,981</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2020	2019
	£	£
Staff costs	187,536	197,499
Event costs	6,582	18,087
Training costs	2,431	1,827
Direct project costs	45,756	75,668
Staff training	1,220	1,149
Direct recruitment costs	409	-
	<u>243,934</u>	<u>294,230</u>

9. SUPPORT COSTS

	Raising funds	Charitable Activities	Governance costs	Totals
	£	£	£	£
Raising donations and legacies	5,419	-	-	5,419
General	<u>-</u>	<u>28,002</u>	<u>27,045</u>	<u>55,047</u>
	<u>5,419</u>	<u>28,002</u>	<u>27,045</u>	<u>60,466</u>

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	416	490
Independent examination fee	2,448	2,450
Other fees paid to independent examiners	<u>703</u>	<u>526</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 or for the year ended 31 March 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2020 or for the year ended 31 March 2019.



NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020

12. STAFF COSTS

	2020 £	2019 £
Wages and salaries	212,953	224,588
Social security costs	18,381	19,137
Other pension costs	<u>10,648</u>	<u>11,112</u>
	<u>241,982</u>	<u>254,837</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Charitable activities	<u>7</u>	<u>8</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£70,001 - £80,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £126,267 (2019: £121,976).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	134,053	138,556	272,609
<b>Charitable activities</b>			
General	97,404	25,000	122,404
Investment income	<u>373</u>	<u>-</u>	<u>373</u>
<b>Total</b>	<b>231,830</b>	<b>163,556</b>	<b>395,386</b>
 <b>EXPENDITURE ON</b>			
Raising funds	43,842	-	43,842
<b>Charitable activities</b>			
General	<u>146,137</u>	<u>202,018</u>	<u>348,155</u>
<b>Total</b>	<b>189,979</b>	<b>202,018</b>	<b>391,997</b>
 <b>NET INCOME/(EXPENDITURE)</b>	<b>41,851</b>	<b>(38,462)</b>	<b>3,389</b>
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>70,280</u>	<u>50,410</u>	<u>120,690</u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<b><u>112,131</u></b>	<b><u>11,948</u></b>	<b><u>124,079</u></b>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020

14. TANGIBLE FIXED ASSETS

	Website £	Fixtures and fittings £	Office equipment £	Totals £
<b>COST</b>				
At 1 April 2019 and 31 March 2020	<u>9,310</u>	<u>5,520</u>	<u>16,681</u>	<u>31,511</u>
<b>DEPRECIATION</b>				
At 1 April 2019	9,310	2,586	16,192	28,088
Charge for year	<u>-</u>	<u>294</u>	<u>122</u>	<u>416</u>
At 31 March 2020	<u>9,310</u>	<u>2,880</u>	<u>16,314</u>	<u>28,504</u>
<b>NET BOOK VALUE</b>				
At 31 March 2020	<u>-</u>	<u>2,640</u>	<u>367</u>	<u>3,007</u>
At 31 March 2019	<u>-</u>	<u>2,934</u>	<u>489</u>	<u>3,423</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	26,930	5,951
Prepayments and accrued income	<u>6,969</u>	<u>6,272</u>
	<u>33,899</u>	<u>12,223</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	2,080	12,949
Social security and other taxes	7,573	5,995
VAT	5,120	2,935
Other creditors	1,603	858
Accruals and deferred income	<u>103,663</u>	<u>16,683</u>
	<u>120,039</u>	<u>39,420</u>

Included within accruals and deferred income is an amount of £96,170 (2019 - £8,442) in respect of deferred income. The opening balance of deferred income has been released during the year. The closing deferred income relates to the advance receipt of funding for projects in the next financial year.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	5,356	6,582
Between one and five years	<u>11,155</u>	<u>3,955</u>
	<u>16,511</u>	<u>10,537</u>

The total lease payments recognised as an expense in the year was £10,665 (2019 : £8,686).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020

18. MOVEMENT IN FUNDS

	At 1/4/19 £	Net movement in funds £	At 31/3/20 £
<b>Unrestricted funds</b>			
General fund	112,131	(26,967)	85,164
<b>Restricted funds</b>			
Re-energising Wales	11,948	(11,948)	-
Governance Scoping project	-	318	318
	11,948	(11,630)	318
<b>TOTAL FUNDS</b>	<u>124,079</u>	<u>(38,597)</u>	<u>85,482</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	263,702	(290,669)	(26,967)
<b>Restricted funds</b>			
Welsh Agenda and Click on Wales	17,500	(17,500)	-
Re-energising Wales	4,684	(16,632)	(11,948)
Governance Scoping project	16,450	(16,132)	318
	38,634	(50,264)	(11,630)
<b>TOTAL FUNDS</b>	<u>302,336</u>	<u>(340,933)</u>	<u>(38,597)</u>

Comparatives for movement in funds

	At 1/4/18 £	Net movement in funds £	At 31/3/19 £
<b>Unrestricted Funds</b>			
General fund	70,280	41,851	112,131
<b>Restricted Funds</b>			
Welsh Agenda and Click on Wales	8,041	(8,041)	-
Re-energising Wales	-	11,948	11,948
Smart Region Project	39,769	(39,769)	-
Cardiff Business School Placement	2,600	(2,600)	-
	50,410	(38,462)	11,948
<b>TOTAL FUNDS</b>	<u>120,690</u>	<u>3,389</u>	<u>124,079</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2020

## 18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	231,830	(189,979)	41,851
<b>Restricted funds</b>			
Welsh Agenda and Click on Wales	25,000	(33,041)	(8,041)
Re-energising Wales	132,516	(120,568)	11,948
Smart Region Project	-	(39,769)	(39,769)
Cardiff Business School Placement Education Project	-	(2,600)	(2,600)
	6,040	(6,040)	-
	163,556	(202,018)	(38,462)
<b>TOTAL FUNDS</b>	<u>395,386</u>	<u>(391,997)</u>	<u>3,389</u>

***the welsh agenda and click on wales***

Grant funding has been received during the year from the Welsh Books Council towards the commissioning, design and production of English language current affairs magazine, *the welsh agenda* and blog *click on wales*.

**Re-energising Wales**

Grant funding was provided to support the *Re-energising Wales* project; a project which aims to provide a fully worked out plan to enable Wales to meet its projected energy demands entirely from renewable sources by 2035.

**Governance scoping project**

Funded by The Legal Education Foundation to fund a project titled *Support to scope and develop a full project proposal to addressing the organisation's Governance Policy Group priorities*. The project's aim was to resource the organisation over a 4-month period to scope out a fully costed project proposal focussing on two key priorities identified by the organisation's Governance Policy Group. The priorities included strengthening inter-parliamentary relations post Brexit and mapping governance structures in Wales and contributing to shaping local government reform.

**Comparative year only****Our Smart Region Project**

Grants provided by Arup, BT, Cardiff University, Centrica, Microsoft, Next Generation Data and the Open University in the previous year to support the *Our Smart Region Project*, which aims to produce practical short to medium term recommendations and secure commitment to using Smart technology to maximise the positive impact of the Cardiff Capital Region for the people who live and work in the region.

**Cardiff Business School Placement**

Membership, Marketing and Communications Officer, on placement from Cardiff University. Grant provided by The Waterloo Foundation in the 2018 financial year to fund a 5 month student placement from Cardiff Business School's marketing degree course.

**Common Purposes Education Project**

Grants provided by Wales Governance Centre, Learned Society of Wales and WISERD during the year to support the *Common Purposes Education Project*.

## 19. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the charity to the scheme and amounted to £10,648 (2019: £11,112).

Contributions totalling £1,603 (2019: £858) were payable to the scheme at the year end and are included in creditors.

**20. RELATED PARTY DISCLOSURES**

During the year Patron Income of £15,000 (2019 - £Nil) was received from two Trustees. This income is unconditional to support the charity's growth over the next five years.

The total unconditional donations made to the charity by its trustees amounted to £Nil (2019: £250).

There were no further related party transactions requiring disclosure for the year ended 31 March 2020 or the year ended 31 March 2019.