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REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019  
FOR  
INSTITUTE OF WELSH AFFAIRS

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

**INSTITUTE OF WELSH AFFAIRS**

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FOR THE YEAR ENDED 31 MARCH 2019**

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What we know, think we know and still don't know about Brexit and its impact on all areas of life in Wales has continued to dominate the public policy sphere in 2018-19, occupying ever-increasing resources in both London and Cardiff and negatively impacting on both governments' ability to conduct day to day business.

In Wales, all the party leaders changed, bar the Liberal Democrats, over the 12 month period. In April, Carwyn Jones announced his intention to stand down as Leader of Welsh Labour, and First Minister, after nearly nine years in the role, and to leave the Assembly at the next election. In August, Gareth Bennett took over as UKIP Leader in Wales. In September, Adam Price was elected leader of Plaid Cymru, succeeding Leanne Wood, and Paul Davies was elected leader of the Welsh Conservatives and replaced Andrew RT Davies. In December, Mark Drakeford was elected leader of Welsh Labour and took over as First Minister.

At the IWA, our policy project work has continued to focus on longer-term issues amidst the turbulence of political changes. We have responded to Brexit-related policy issues when they are within our area of expertise - such as governance - and have deliberately used our pioneering energy project, *Re-energising Wales*, to show how Wales can ride out the potentially choppy waters that are ahead, and create a more sustainable, environmentally-friendly and economically successful future for itself. More details of the nine evidence papers published throughout the year are set out in the trustees' report that follows. Our final report '*A plan for Wales' renewable energy future*' was published in March and sets out the 10 most important areas we judge would allow Wales to make the greatest possible progress towards becoming 100% renewable by 2035. We are grateful to the Jane Hodge Foundation, the Friends Provident Foundation the Polden-Puckham Charitable Foundation for supporting this work. Our new partnership with the Carnegie (UK) Trust continued as we developed our innovative *Understanding Welsh Places* project, designing a website to bring together publicly available data about all communities in Wales with more than a thousand inhabitants. This will launch later in 2019.

We also spotted key short-term opportunities to embark on two new short projects - *Our Smart Region* and *Common Purposes* - which both completed within the year, and influenced decision-makers at the moment that thoughtful and evidence-informed external input was required. Each one brought in new academic and commercial partners and developed new links between partners and stakeholders.

In addition, we have spent the year developing new strands of work out of ideas that have come from our policy groups - one strand focussed on governance with a first part looking at inter-parliamentary relations and a second part looking at how citizens can be better involved in local democratic decision-making. These new pieces of scoping research are funded by the Legal Education Foundation. Our other new strand has been on land policy in Wales post Brexit and we spent much of the year drafting and testing our initial proposal with partners and seeking funds.

Internally, we were pleased to attract new core funding from the Waterloo Foundation, building on their support for our student marketing placement last year. Our internal priority during the year has been on laying the foundations to boost our communications and engagement capacity and we plan to recruit to a new role in 2019/20.

As ever, I'd like to thank the IWA Board of Trustees for their guidance and support this year, and welcome our six new trustees in particular. I'd also like to thank our staff team for their hard work and commitment.

Thanks are also due to our growing membership for their continued support. Our intention is to engage even more with both long standing and new members over the coming year, and to provide a welcoming and inclusive space - online and offline - for people who want to get involved in public policy. We warmly welcome new members to join us as we all have a part to play in Making Wales Better.

**Helen Molyneux**  
Chair, IWA

## INSTITUTE OF WELSH AFFAIRS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

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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 2019. 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 2015).

#### OBJECTIVES AND ACTIVITIES

##### Objects and aims

Our objectives are as follows:

To promote in Wales research into (and the publication of the results therefore) 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:

- The effect of moral, social, political and scientific factors on public policy; and
- 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

##### Highlights at a glance

##### Stimulating constructive 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 2018/19:

- We ran 17 events in line with our strategic themes, and 2 networking events purely for members including our AGM;
- Events took place in Bangor, Blaenau Ffestiniog, Newtown, Narbeth, Swansea, Barry, Pontypridd, Cardiff and London;
- Over 1,240 tickets were issued across our events programme;
- 15 were free events and 2 were paid events; and
- We ran 2 training courses for 25 people, for which feedback was excellent.

##### Events held in alignment with our strategic themes

Providing a platform for independent comment and debate:

On 26 April 2018 we held a major one day international symposium in partnership with the British Council in Wales on the topic of "Building a global Wales after Brexit: international perspectives on small nations and soft power". 147 people attended. The symposium pondered Wales's soft power and how Wales might learn and share lessons with other small countries who nurture their soft power capital. Speakers included:

- Professor Iwan Davies, Senior Pro-Vice Chancellor, Swansea University and Chair, Global Wales
- Michel Lafleur, Assistant Deputy Minister, Bilateral Affairs, Quebec Ministry for International relations
- Sophie Howe, Future Generations Commissioner for Wales
- Shona McCarthy, Chief Executive, Edinburgh Festival Fringe Society

The first in the 2018/19 series of IWA/Cardiff University Debates was held in June 2018: 'Phasing out single use plastics - how does Wales get there?' Speakers included Hannah Blythyn AM, Minister for Environment, Professor Steve Ormerod, School of Biosciences, Cardiff University, Gail Tudor of Plastic Free Aberporth and Oliver Hazell, Managing Director of GD Environmental.

## INSTITUTE OF WELSH AFFAIRS

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The second in the 2018/19 series of IWA/Cardiff University Debates was held in partnership with Wales in London on 20 November 'Can UBI work for Wales?' attracted a vocal and engaged audience of around 50 people who came to hear:

- Anna Coote, Principal Fellow, New Economics Foundation;
- Professor Calvin Jones, Professor of Economics and Deputy Dean for Public Value and External Relations, Cardiff University;
- Mark Hooper, Founder, Indycube; and
- Polly Mackenzie, Chief Executive, Demos.

The discussion was chaired by David Phillips of the Institute for Fiscal Studies.

#### **The Economy**

"Smarter Wales: A Fairer Energy Future?" was a free event held in partnership with Smart Energy GB on 10 July in Newport. Discussions looked at how to tackle fuel poverty whilst also moving to decarbonise the energy sector, and the potential of local energy schemes. Speakers included:

- Fflur Lawton, Head of Policy & Communications Wales, Smart Energy GB;
- Harriet Sansom, Communities Project Manager, Centre Sustainable Energy;
- Chris Blake, Director, Energy Local and Community Energy Wales;
- Mark Bramah, Consultant, Robin Hood Energy;
- Andrew Padmore, Chief Executive, Egnida; and
- Peter Smith, Director of Policy and Research, National Energy Action.

In October, we partnered with Arup, Capital Law, Cardiff University on the 'Metro and Me' event that considered the South Wales Metro plans and opportunities, particularly ensuring that feedback from delegates on the day was reviewed by key decision-makers subsequently.

#### **Education**

This year's Education event was the launch of our Common Purposes report and was held in February 2019.

#### **Governance**

On 4 February 2019 we worked with Citizens Cymru Wales on the 'Governance of Wales Citizens Assembly', having previously contributed to shaping the event. Auriol Miller questioned the new First Minister, Mark Drakeford AM, on his priorities, covering topics such as bridging the divides that have arisen due to Brexit, making Wales a real living wage economy, and promoting citizen participation in our democracy.

#### **Media Policy**

Our August IWA Eisteddfod lecture was called "Dyfodol Cyfryngau Cymru: Sut gallwn ni sicrhau cynaliadwyedd y gwaith o gynhyrchu cynnwys brodorol yng Nghymru" / "The Future of Welsh Media: How can we secure the sustainability of native content production in Wales?". The discussion was led by Elis Owen, freelance producer and Chair of the training program It's My Shout.

#### **Membership Events**

The IWA Members Summer Meeting was held at Cardiff School of Management at Cardiff Metropolitan University and was attended by 88 people who had the opportunity to get to know some of our newly appointed Board members and find out more about why they were interested in supporting the IWA.

Our AGM was held on 27 November 2018 and featured roundtable discussions that engaged our membership in the development of our new strategy.

#### **Digital reach in FY2019**

We have contributed to analyse contributors to *click on wales* and are pleased that over 200 people have written for the blog since April 2018, a 10% rise on 2017-18.

- Over 60,000 people visited *click on wales* and the IWA website over the year which led to over 120,000 hits.
- Our 27 podcasts over the year were listened to over 4,300 times, i.e. an average of 160 listeners per podcast.
- Over 15,000 people now follow the IWA on Twitter.
- Over 1,100 people like our Facebook page.
- We have decided to move away from hosting a LinkedIn group to hosting a LinkedIn page instead. There are now over 200 people following this page.

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

As previously, we held a strategy day for our joint Editorial Group in November to consider the year ahead and the redesign of the magazine. Plans are in place to give the same kind of attention to *click on wales* as was given to *the welsh agenda* prior to its revamp during 2018.

*the welsh agenda* issue 60 led with a series of articles on women in public life – an article on the topic by Shazia Awan-Scully, and interview with then Plaid Cymru leader Leanne Wood and historian Angela V. John – that in many ways showed how far the magazine has come in restoring gender balance in terms of contributors. Another series featured 'Wales and the World', with contributions from Martin Pollard, Susie Ventris-Field and Brett John. Emyr Jones-Parry wrote on Wales and Brexit, and Uzo Iwobi about the rise in hate crime.

Issue 61 led on the seventieth anniversary of the National Health Service, featuring articles from the Older People's Commissioner Helena Herklots and Children's Commissioner Sally Holland writing on challenges facing the NHS at each end of the age spectrum. Jonathan Cox and Colin Thomas looked at historical aspects of the service, while Jennifer Dixon and Gerry Holtham wrote on contemporary issues, particularly around social care. Elsewhere, Welsh Secretary Alun Cairns was interviewed by Anthony Pickles, and Owen Sheers talked to Culture Editor Merlin Gable. Ben Rawlence wrote about the founding of Black Mountains College and Georgina Campbell-Flatter on entrepreneurialism.

Issue 62 led with a feature on writer Eric Ngalle Charles by Literature Wales CEO Lleucu Siencyn, and also included an interview with former first minister Carwyn Jones conducted by Shazia Awan-Scully, backed with an analysis of Jones' time in office by Laura McAllister. There was also a look back at the 'Cool Cymru' cultural explosion that coincided with the advent of devolution from academic Rhian E. Jones, an article about secessionist movements in Scotland, Catalonia and Quebec by activist Adam Johannes, and a pair of articles looking at the fiftieth anniversary of Prince Charles' investiture by Robert Jobson, royal correspondent of the London *Evening Standard*, and Plaid Cymru AM Bethan Sayed.

In December we were also pleased to secure the next tranche of funding from the Welsh Books Council to fund both publications for 2019-2023, although this was less than had been anticipated.

The redesign of *the welsh agenda* continued to attract positive feedback from members, and was praised by the Welsh Books Council's grants panel. Issues published in FY19 have bedded in new approaches to commissioning, making fuller use of the wider Editorial Group as well as a core team within the IWA staff.

#### **Policy and project work**

The policy groups for each of our strategic themes continued to develop a pipeline of ideas and projects. In September 2018, the Board decided to press pause on the five groups to enable the IWA strategy to be updated. A new strategy will be launched in FY2020 and it is likely that the current five policy groups (Economy, Education, Governance, Health and Social Care, and Media Policy) will be reconfigured accordingly.

#### **The Economy**

Our Economy Policy Group, chaired by Professor Gerry Holtham, developed a series of papers on the Foundational Economy which were published on *click on wales* in February 2019.

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

We published a number of papers as part of our flagship project, *Re-energising Wales*, and the final report 'A plan for Wales' renewable energy future' was launched on 14 March 2019 at an event in Cardiff in which the new First Minister, Mark Drakeford AM, made his first substantive energy policy speech.

*Building a Picture of Energy Demand in Wales* is a detailed report on the energy demand of buildings in Wales in 2016, first published in April 2018. The report presents a framework to collect and report on operational energy demand data across a year in Wales to help better understand what drives and causes energy demand and so help develop options for reducing our energy demand and increasing energy efficiency. A summary of the full report is also available.

*Swansea Bay City Region: A Renewable Energy Future Energy system vision for 2035* presented options on how the Swansea Bay City Region can make the most of their renewable energy potential. In partnership with Regen, we developed an energy system vision for a Welsh city region to present a case study of the targets, challenges and actions that would be needed to achieve a radical transformation of an energy system at a local level. These insights can then be applied to other Welsh regions and at a national level. This was published in April 2018.

In June, *Decarbonising Transport in Wales* highlighted opportunities that could significantly improve and decarbonise the transport sector in Wales.

*The Economic Impact of Energy Transition in Wales: A Renewable Energy System Vision for Swansea Bay City Region* was published in September and built on the above Swansea Bay City Region report to outline the economic opportunity that arises with a truly transformative approach to energy generation and domestic refurbishment. We then translated this regional picture to a national level and analysed the economic costs and benefits of a renewable energy transition in Wales in *The Economic Costs and Benefits of Renewable Energy Transition in Wales* (published in November).

In November, *A Framework for Action: Next steps for Regulatory and Policy Powers over Energy in Wales* outlined the key regulatory and policy powers that we need to use in Wales to maximise renewable energy.

On community and local ownership, we undertook qualitative research through interviews with local and community organisations across Wales to capture their experiences of developing renewable energy projects in Wales. The evidence and analysis are captured in *Factors influencing local and community engagement in renewable energy in Wales*, which was due to be published in April 2019. We also published *How to protect, promote and achieve scale in community and local ownership of renewable energy in Wales*, which highlighted actions to protect, promote and achieve scale in community and local ownership of renewable energy in Wales.

### **Understanding Welsh Places**

The aim of this collaborative project, funded by the Carnegie (UK) Trust, is to create a website that is the first point of call for statistical information about Welsh towns and communities with populations of more than 1,000 people. The Understanding Welsh Places (UWP) website will 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 CUKT and the Welsh Government. UWP is inspired by the success of the existing Understanding Scottish Places website ([www.usp.scot](http://www.usp.scot)), but will respond to the particular needs of communities in Wales.

Our UWP project officer joined us in April 2018 and set up a cross-sector group of interested people (including data experts, town and community council representatives, community organisations, representatives of businesses, towns practitioners and others) to shape the content and design of the UWP website. Over 2018-19 this group met regularly and took a range of key decisions on the project, including defining its aims and objectives, agreeing the target users of the website, helping to draft the web specification and assessing tenders from contractors interested in developing the UWP website and performing the required data processing.

The IWA engaged with local partners in Barry, Blaenau Ffestiniog, Cardiff, Narbeth and Newtown during the autumn of 2018 to find out more about the data requirements of people working and volunteering within the sectors for which the UWP website is being designed. Participants included staff from social enterprises, voluntary organisations and community anchor organisations, regeneration professionals, town and community councillors and representatives from community voluntary councils, towns' teams and local authorities. Feedback from these conversations helped to shape the specification for the website.

In January 2019, the contract for developing the UWP website and performing the associated data processing was awarded to a consortium led by the Wales Institute of Social and Economic Research, Data and Methods (WISERD) hosted by Cardiff University. This consortium has worked with the Centre for Local Economic Strategies – a Manchester-based think tank – to deliver analysis of the inter-relationships between places to be presented on the new website. Consultation with and testing by target user groups continued as the web build progressed.

The first version of the UWP website will be launched in October 2019. UWP is an ongoing project and the website is intentionally a work in progress. We will update what is online in response to feedback from users of the site and the availability of statistical and geographic information about places in Wales and will add extra datasets to the website in 2020.

Our *Smart Region* project ran from April to November 2018 and aimed 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. The report was launched at an event at the University of South Wales in Pontypridd in September.

### **New projects**

We continued to develop a new project proposal with CREW, the Centre for Regeneration Excellence in Wales, focussing on the Foundational Economy. We anticipate that this will begin in FY2020.

We also continued to develop a new project proposal focussing on land policy in Wales for submission to donors.

### **Education**

Chaired by Professor Chris Taylor of Cardiff University, this group oversaw our *Common Purposes* project. The report shared observations from a Scotland field trip undertaken in December 2018, highlighting lessons learnt from implementing their new curriculum which Professor Graham Donaldson also played a crucial role in developing. The report also reflected observations from interviews with the further education, higher education, business and skills communities in Wales, summarising what their engagement has been with the new curriculum to date, as well as their hopes and fears for the future. We made eight recommendations to help ensure the four key communities are involved during the design and implementation of Wales' new curriculum. These recommendations were on practice, communication, accountability, resource and engagement. This report was published at an event at Eastern High School in February 2019 attended by over 70 people at which the Minister Kirsty Williams AM spoke, announcing that the Welsh Government would be undertaking a National Mission Roadshow to engage directly with non-school audiences and stakeholders, building upon the work that has been done in schools. This was an immediate policy commitment arising directly from the issues raised in our report.

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## INSTITUTE OF WELSH AFFAIRS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2019

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#### **Governance**

Under the guidance of our Governance group, chaired by Sir Paul Silk, we submitted a response to the Thomas Commission on Justice in June 2018. We also delivered a focus group for the Wales Governance Centre to support their ESRC/Welsh Government work on the justice system in Wales, exploring the challenges of accountability on justice issues in Wales with National Assembly for Wales' staff.

#### **Health and Social Care**

Our Health and Social Care group developed a concept note for potential future funding, chaired by Professor Marcus Longley.

#### **Media Policy**

Auriol Miller chaired this group during 2018-19. We held our 4<sup>th</sup> IWA Cardiff Media Summit on 21 February 2019. With support from members of the IWA Media Policy Group, BBC Cymru Wales, ITV Cymru Wales, S4C and Orchard Media the event opened with a speech on the future of news in Wales from Rhodri Talfan Davies, Director, BBC Cymru Wales, and was followed by discussions on audience viewing decisions, diversity, sustainable Welsh media production and information on the new Clwstwr Creadigol scheme which was due to start shortly.

We also began to prepare for our next IWA Media Audit, to update the 2015 edition. We hope to publish this and hold our 5<sup>th</sup> IWA Cardiff Media Summit in 2020.

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

The IWA's work was mentioned over 130 times during 2018/19 across a range of outlets in Wales and beyond including:

- Radio (BBC Radio Wales, BBC Radio Cymru, Swansea Sound, Real Radio, Bayside Radio)
- TV (BBC News: Wales Today, BBC2 Wales: Sunday Politics, ITV Wales: Wales at Six, Made in Cardiff TV, Swansea Bay TV)
- Print (Western Mail, TES, South Wales Echo, South Wales Argus, South Wales Evening Post)
- Online (Wales Online, BBC online, ITV Wales News online, Insider Media, South Wales Argus, Business News Wales, Environmental Journal, Senedd Home, New Civil Engineer, Politics Home).

#### **Engagement**

At the end of FY2019, our membership included:

- 44 Young Professional members
- 680 Individual members
- 42 Fellows
- 77 Life Fellows
- 16 Honorary Life Fellows
- 122 Corporate members, of whom 55 are charities, 48 are standard businesses and 19 are large businesses.

We are pleased that membership continues to grow across the board. We plan to create a new category of patrons of the IWA in FY2020, people who are willing to commit to supporting the IWA's growth over the next five years.

This year, the IWA Director also contributed to a number of partner and stakeholder events. Auriol Miller gave a keynote speech at WISERD's annual research conference and at the Geldards-Brewin Dolphin annual charity conference; chaired a day's discussion on key current issues for BMA Cymru with participants the NHS Confederation, a number of royal colleges and the General Medical Council; spoke at the Royal Statistical Society's annual conference and chaired Community Housing Cymru's Nominations Committee, recommending potential new members to its Board.

#### **Plans for future periods**

##### **Strategy**

In 2018/19 we reviewed our overall strategy, given the changing context and in the run up to Brexit, and considered how best to focus our resources and enable us to deliver against our mission of Making Wales Better. Our new strategy was submitted to the Board in May 2019 and will be launched at the Members Meeting in July 2019.

Over the course of 2019/20 our main focus will therefore be on implementing our new strategy and securing sufficient resources to enable us to act boldly on this. Internally, we will realign our work to our new strategy and concentrate on communicating our new direction clearly externally with members, partners and other stakeholders.

In the meantime, we will continue our work:

##### Stimulating constructive debate

- We will continue our successful debate series in partnership with Cardiff University, having secured another two years of funding
- We will recruit a new Media, Communications and Engagement Co-ordinator to support the delivery of our communications strategy and boost our public profile

## INSTITUTE OF WELSH AFFAIRS

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- We will continue to run a varied, high quality programme of events and training for members and non-members alike, the majority of which are free
- We will publish two further editions of *the welsh agenda* in 2019-20 and redesign *click on wales*. We anticipate our new post of Media, Communications and Engagement Co-ordinator will be central to delivering on these ambitious ideas in 2019-20, as is the instigation of a new collaborative way of working across both print and online, in order better to integrate content. These plans will culminate in a relaunch of the IWA's online platform for debate as a 'magazine' (as opposed to a daily blog), responding positively to feedback
- We will review and strengthen our Welsh language policy as an organisation.

#### Undertaking our own policy and project work

- 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.
- We will continue to work on our current portfolio of funded policy projects.
- Our flagship Re-energising Wales project will run until the end of 2019, supported by the Polden-Puckham Charitable Foundation, after which it will conclude.
- Our Understanding Welsh Places 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.
- 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.
- We will aim to secure funding for our new land use project.
- We will aim to secure funding to update our IWA Media Audit.

#### Engaging our membership

- We will review our membership offer in 2019-20 and discuss this with our members.
- We will continue to expand and diversify our membership.

#### Developing our resources

- We will continue to develop our staff and encourage them to try out new skills.
- We will continue to encourage new people to get involved in our work.
- We will continue to use interim resources to bolster capacity in the short term.

#### Ensuring effective governance

- We will review and update our Articles of Association and Memorandum of Understanding.
- As Helen Molyneux has indicated her intention to step down as Chair of the IWA at the 2019 AGM, we will appoint a new Chair to our Board through an open process.

#### **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 FY2019 we:

- Successfully attracted new core funding from the Waterloo Foundation for a three year period.
- Successfully delivered a new short project *Our Smart Region*, which considered the potential impact of smart technology in the Cardiff Capital City Region.
- Successfully attracted a Fast Stream Civil Service placement and welcomed Halima Begum to run our second short, education project *Common Purposes*.
- Continued to increase our membership, in particular attracting younger new members, and continued to decrease transactional and administrative costs by streamlining membership processes.

### 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 FY2019, membership fees and donations accounted for 31.3% of receipts, with self-generated income from conferences, training and debates totalling 16.7%. Short- to medium-term grant funding therefore totalled 52% of our income.
- We received funding from the Welsh Books Council, the Jane Hodge Foundation, Friends Provident Foundation, the Polden-Puckham Charitable Foundation and the Carnegie (UK) Trust and successfully attracted new funding from The Waterloo Foundation (2.5%).
- Policy project funding was 42.95% in FY2019.

While our budget for FY2019 anticipated a year-end surplus of £86, we finished the year with a surplus of £3,389.

### 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 2019/20.

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. We have also reviewed our reserves policy. As at the balance sheet date the organisation had free reserves of £112,131 (2018: £70,280).

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

The charity is controlled by its governing document, a deed of trust, 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.

### 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 in 2018/19 we welcomed six new Board members (David Clubb, Alison Copus, Anthony Pickles, Nina Ruddle, Marc Thomas and Valerie Livingston) based on the full review of skills and competences undertaken in May 2017. David Stevens stepped down in 2018/19. Auriol Miller had been erroneously registered as a director, and this was corrected in 2018/19.

### 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 and volunteer team has again grown and changed over the course of 2018/19. Eddie Cooke, on placement from Cardiff Business School, left us in May 2018. Merlin Gable became the volunteer Culture Editor of *the welsh agenda*. Elinor Shepley was recruited to the new Understanding Welsh Places Project Officer role in April and Keith Watts joined the team for seven months as Smart Region Project Co-Ordinator from April – November. Halima Begum also joined on secondment from the Civil Service Fast Stream from September – March as our Common Purposes Project Officer. Shea Buckland-Jones, our Re-energising Wales Project Co-Ordinator, left in March 2019.

#### 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 Trustees' Report in our FY2018 year end accounts previously identified that we would seek to:

##### What we said

Revise our new Business Strategy for FY2018-2020, ensuring clear targets for income generation, including core funding.

Convene a new Membership, Marketing and Communications Board subgroup to advise on the development of a Communications and Marketing Strategy and Plan.

Continue to seek funding from a variety of trusts, corporate partners and others against clearly identified project priorities in line with our strategic themes.

Review and strengthen our Welsh language policy and boost our internal capacity to communicate in Welsh.

Continue to exercise strict control of overhead costs.

In 2017 we also said we would:

Create a page on our website offering a rolling programme of internships against identified policy and back office priorities.

We continue to develop our full cost recovery approach openly and transparently with potential partners. In particular, IWA staff are regularly sought out as a potential partner with other organisations, whether as contributors, facilitators or to chair discussions. We will seek to capitalise further on this in FY2020.

However, there remain ongoing challenges and risks for the IWA including:

- Ongoing pressure on membership income to cover core costs.
- The need to strengthen both our Welsh language policy and capacity, as well as our communications and marketing capacity in general.

In FY2020 we will therefore:

- Review our membership offer.
- Significantly boost our media, communications and engagement capacity.

##### What we did

Instead of revising our Business Strategy, given the significant contextual changes we decided instead to review and update our overall strategy and invest significantly in media, communications and engagement capacity.

We recruited, through an open process, 6 new Board members with considerable digital, communications and marketing experience. We convened our new Membership, Marketing and Communications subgroup, successfully managed the GDPR requirements, reviewed progress to date and outlined the priority actions to be picked up by our new Media, Communications and Engagement Co-Ordinator once recruited.

We received increased funding from the Carnegie (UK) Trust, and attracted new core funding from the Waterloo Foundation. We received new funding from the Learned Society of Wales and WISERD, and submitted funding applications to two other donors.

This is on hold pending the appointment of a Welsh speaker to our new Media, Communications and Engagement Co-Ordinator. It will be actioned in FY20.

Our overhead costs remain low at 10% of our total expenditure.

2018 update:

We do not yet have the capacity to offer a rolling programme of advertised internships. However, the Board approved new Volunteers and Interns policies, and a new Safeguarding policy. The Board also agreed to implement the Sutton Trust's guidelines on unpaid internships. We have also continued to engage with both the WEN Wales and EYST mentoring schemes aiming to support a more diverse group of people into public life.

**INSTITUTE OF WELSH AFFAIRS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2019**

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**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.

**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 H C Molyneux	Chair	
Mr N G Griffiths		
Ms A J V Miller		- resigned 4/5/2018
Dr E Ap Gwilym		
Mrs F Beecher		
Dr D O Clubb		- appointed 24/5/2018
Ms A J Copus		- appointed 24/5/2018
Professor G H Holtham		
Ms V E Livingston		- appointed 24/5/2018
Professor L J McAllister		
Professor K J Morgan		
Ms H F Mortlock Pearce		
Mr A Pickles		- appointed 24/5/2018
Ms N Ruddle		- appointed 24/5/2018
Mr M Thomas		- appointed 24/5/2018
Mr D G Stevens		- resigned 6/12/2018

**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

**INSTITUTE OF WELSH AFFAIRS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2019**

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**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Institute of Welsh Affairs for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

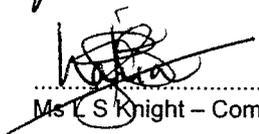
Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by order of the Board of Trustees on ..... 26 / 9 / 2019 ..... and signed on its behalf by:

  
.....  
Ms H C Molyneux – Trustee

  
.....  
Ms L S Knight – Company 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 2019.

**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

23 October 2019

INSTITUTE OF WELSH AFFAIRS

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted fund £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	134,053	138,556	272,609	250,656
<b>Charitable activities</b>	5				
General		97,404	25,000	122,404	76,140
Investment income	4	<u>373</u>	<u>-</u>	<u>373</u>	<u>212</u>
<b>Total</b>		231,830	163,556	395,386	327,008
<b>EXPENDITURE ON</b>					
Raising funds	6	43,842	-	43,842	36,187
<b>Charitable activities</b>	7				
General		<u>152,177</u>	<u>202,018</u>	<u>348,155</u>	<u>277,981</u>
<b>Total</b>		196,019	202,018	391,997	314,168
<b>NET INCOME/(EXPENDITURE)</b>		41,851	(38,462)	3,389	12,840
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		70,280	50,410	120,690	107,850
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>112,131</u>	<u>11,948</u>	<u>124,079</u>	<u>120,690</u>

The notes form part of these financial statements

INSTITUTE OF WELSH AFFAIRS

BALANCE SHEET  
AT 31 MARCH 2019

	Notes	Unrestricted fund £	Restricted funds £	Total £	2019 funds £	Total £	2018 funds £
<b>FIXED ASSETS</b>							
Tangible assets	14	3,423	-	3,423		3,913	
<b>CURRENT ASSETS</b>							
Debtors	15	5,978	6,245	12,223		28,752	
Cash at bank and in hand		<u>127,237</u>	<u>20,616</u>	<u>147,853</u>		<u>156,443</u>	
		133,215	26,861	160,076		185,195	
<b>CREDITORS</b>							
Amounts falling due within one year	16	(24,507)	(14,913)	(39,420)		(68,418)	
<b>NET CURRENT ASSETS</b>		<u>108,708</u>	<u>11,948</u>	<u>120,656</u>		<u>116,777</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>112,131</u>	<u>11,948</u>	<u>124,079</u>		<u>120,690</u>	
<b>NET ASSETS</b>		<u>112,131</u>	<u>11,948</u>	<u>124,079</u>		<u>120,690</u>	
<b>FUNDS</b>	18						
Unrestricted funds				112,131		70,280	
Restricted funds				<u>11,948</u>		<u>50,410</u>	
<b>TOTAL FUNDS</b>				<u>124,079</u>		<u>120,690</u>	

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2019 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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 special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved for issue by the Board of Trustees on 26/9/19 and were signed on its behalf by:

  
Ms H C Molyneux -Trustee

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 2015)', 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.

Institute of Welsh Affairs meets the definition of a public benefit entity as demonstrated within the Report of the Trustees.

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.

**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 include 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.

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

	2019	2018
	£	£
Donations	27,264	49,759
Gift aid	3,024	3,630
Grants	148,556	108,500
Subscriptions	<u>93,765</u>	<u>88,767</u>
	<u>272,609</u>	<u>250,656</u>

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

	2019	2018
	£	£
Jane Hodge Foundation	75,000	75,000
Polden-Puckham Charitable Foundation	18,200	5,000
Friends Provident Foundation	39,316	22,000
The Waterloo Foundation	10,000	6,500
Wales Governance Centre	1,540	-
Learned Society of Wales	1,500	-
WISERD	<u>3,000</u>	<u>-</u>
	<u>148,556</u>	<u>108,500</u>

4. INVESTMENT INCOME

	2019	2018
	£	£
Deposit account interest	<u>373</u>	<u>212</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£	£
Event income	53,895	28,234
Training income	11,009	11,786
Carnegie UK Trust	31,250	5,000
Grants	25,000	25,000
Other income	<u>1,250</u>	<u>6,120</u>
	<u>122,404</u>	<u>76,140</u>

Included in income from charitable activities is an amount of £31,250 (2018: £5,000) from the Carnegie Trust UK towards the Understanding Welsh Places project.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019

5. INCOME FROM CHARITABLE ACTIVITIES - continued

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

	2019 £	2018 £
Welsh Books Council	<u>25,000</u>	<u>25,000</u>

6. RAISING FUNDS

Raising donations and legacies

	2019 £	2018 £
Staff costs	38,226	30,941
Staff training	222	-
Support costs	<u>5,394</u>	<u>5,246</u>
	<u>43,842</u>	<u>36,187</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8) £	Support costs (See note 9) £	Totals £
General	<u>294,230</u>	<u>53,925</u>	<u>348,155</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019 £	2018 £
Staff costs	197,499	159,860
Direct project costs	95,582	68,229
Staff training	<u>1,149</u>	-
	<u>294,230</u>	<u>228,089</u>

9. SUPPORT COSTS

	Other £	Governance costs £	Totals £
Raising donations and legacies	5,394	-	5,394
General	<u>27,876</u>	<u>26,049</u>	<u>53,925</u>
	<u>33,270</u>	<u>26,049</u>	<u>59,319</u>

10. NET INCOME/(EXPENDITURE)

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

	2019 £	2018 £
Depreciation - owned assets	490	1,128
Independent examination fee	2,450	2,025
Other fees paid to independent examiners	<u>526</u>	<u>537</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 or for the year ended 31 March 2018.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2019 or for the year ended 31 March 2018.

12. STAFF COSTS

	2019 £	2018 £
Wages and salaries	224,588	183,661
Social security costs	19,137	15,398
Other pension costs	<u>11,112</u>	<u>7,213</u>
	<u><u>254,837</u></u>	<u><u>206,272</u></u>

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

	2019	2018
Charitable activities	<u>8</u>	<u>6</u>

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

	2019	2018
£70,001 - £80,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £121,976 (2018: £112,417).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	2018 Unrestricted fund £	2018 Restricted funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	99,656	151,000	250,656
<b>Charitable activities</b>			
General	51,140	25,000	76,140
Investment income	<u>212</u>	<u>-</u>	<u>212</u>
<b>Total</b>	151,008	176,000	327,008
<b>EXPENDITURE ON</b>			
Raising funds	36,187	-	36,187
<b>Charitable activities</b>			
General	<u>142,391</u>	<u>135,590</u>	<u>277,981</u>
<b>Total</b>	178,578	135,590	314,168
<b>NET INCOME/(EXPENDITURE)</b>	(27,570)	40,410	12,840
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>97,850</u>	<u>10,000</u>	<u>107,850</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>70,280</u></u>	<u><u>50,410</u></u>	<u><u>120,690</u></u>

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31 MARCH 2019

14. TANGIBLE FIXED ASSETS

	Website £	Fixtures and fittings £	Office equipment £	Totals £
<b>COST</b>				
At 1 April 2018 and 31 March 2019	<u>9,310</u>	<u>5,520</u>	<u>16,681</u>	<u>31,511</u>
<b>DEPRECIATION</b>				
At 1 April 2018	9,310	2,260	16,028	27,598
Charge for year	<u>-</u>	<u>326</u>	<u>164</u>	<u>490</u>
At 31 March 2019	<u>9,310</u>	<u>2,586</u>	<u>16,192</u>	<u>28,088</u>
<b>NET BOOK VALUE</b>				
At 31 March 2019	<u>-</u>	<u>2,934</u>	<u>489</u>	<u>3,423</u>
At 31 March 2018	<u>-</u>	<u>3,260</u>	<u>653</u>	<u>3,913</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	5,951	19,320
Prepayments and accrued income	<u>6,272</u>	<u>9,432</u>
	<u>12,223</u>	<u>28,752</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	12,949	18,790
Social security and other taxes	5,995	5,538
VAT	2,935	1,729
Other creditors	858	603
Accruals and deferred income	<u>16,683</u>	<u>41,758</u>
	<u>39,420</u>	<u>68,418</u>

**17. LEASING AGREEMENTS**

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

	2019 £	2018 £
Within one year	6,582	7,356
Between one and five years	3,955	4,523
In more than five years	-	74
	<u>10,537</u>	<u>11,953</u>

**18. 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>			
the 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	<u>2,600</u>	<u>(2,600)</u>	-
	50,410	(38,462)	11,948
	<u>120,690</u>	<u>3,389</u>	<u>124,079</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	231,830	(189,979)	41,851
<b>Restricted funds</b>			
the 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	-	(2,600)	(2,600)
Education Project	<u>6,040</u>	<u>(6,040)</u>	-
	163,556	(202,018)	(38,462)
	<u>395,386</u>	<u>(391,997)</u>	<u>3,389</u>

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/17 £	Net movement in funds £	At 31/3/18 £
<b>Unrestricted Funds</b>			
General fund	97,850	(27,570)	70,280
<b>Restricted Funds</b>			
the welsh agenda and click on wales	-	8,041	8,041
Re-energising Wales	10,000	(10,000)	-
Smart Region Project	-	39,769	39,769
Cardiff Business School Placement	-	2,600	2,600
	<u>10,000</u>	<u>40,410</u>	<u>50,410</u>
<b>TOTAL FUNDS</b>	<u>107,850</u>	<u>12,840</u>	<u>120,690</u>

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	151,008	(178,578)	(27,570)
<b>Restricted funds</b>			
the welsh agenda and click on wales	25,000	(16,959)	8,041
Re-energising Wales	102,000	(112,000)	(10,000)
Smart Region Project	42,500	(2,731)	39,769
Cardiff Business School Placement	6,500	(3,900)	2,600
	<u>176,000</u>	<u>(135,590)</u>	<u>40,410</u>
<b>TOTAL FUNDS</b>	<u>327,008</u>	<u>(314,168)</u>	<u>12,840</u>

**18. MOVEMENT IN FUNDS - continued**

**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 has been provided by Jane Hodge Foundation, Polden-Puckham Foundation and Friends Provident Foundation during the year 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.

**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 previous 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.

**Waterloo Foundation**

Grant provided by the Waterloo Foundation to support the core costs of the IWA in line with its objects.

**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 £11,112 (2018: £7,213).

Contributions totalling £858 (2018: £603) were payable to the scheme at the end of the period and are included in creditors.

**20. RELATED PARTY DISCLOSURES**

The total unconditional donations made to the charity by its trustees amounted to £250 (2018: £nil).

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

21. FINANCIAL INSTRUMENTS

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>154,512</u>	<u>177,787</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>22,048</u>	<u>26,580</u>

Financial assets measured at amortised cost comprises of cash at bank, trade debtors and accrued income.  
Financial liabilities measured at amortised cost comprises of trade creditors, accruals and other creditors.

INSTITUTE OF WELSH AFFAIRS

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	27,264	49,759
Gift aid	3,024	3,630
Grants	148,556	108,500
Subscriptions	<u>93,765</u>	<u>88,767</u>
	272,609	250,656
<b>Investment income</b>		
Deposit account interest	373	212
<b>Charitable activities</b>		
Event income	53,895	28,234
Training income	11,009	11,786
Carnegie UK Trust	31,250	5,000
Grants	25,000	25,000
Other income	<u>1,250</u>	<u>6,120</u>
	<u>122,404</u>	<u>76,140</u>
<b>Total incoming resources</b>	395,386	327,008
<b>EXPENDITURE</b>		
<b>Raising donations and legacies</b>		
Wages	33,688	27,549
Social security	2,871	2,310
Pensions	1,667	1,082
Staff training	<u>222</u>	<u>-</u>
	38,448	30,941
<b>Charitable activities</b>		
Wages	174,056	142,337
Social security	14,831	11,933
Pensions	8,612	5,590
Direct project costs	95,582	68,229
Staff training	<u>1,149</u>	<u>-</u>
	294,230	228,089
<b>Support costs</b>		
<b>Finance</b>		
Establishment costs	1,508	1,349
Office expenses	2,605	2,122
Travel & subsistence	414	548
Marketing	504	774
Legal & professional	5	5
Bank charges	285	279
Carried forward	5,321	5,077

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INSTITUTE OF WELSH AFFAIRS

DETAILED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
<b>Finance</b>		
Brought forward	5,321	5,077
Fixtures and fittings	<u>73</u>	<u>169</u>
	5,394	5,246
<b>Other</b>		
Establishment costs	7,792	9,261
Office expenses	13,462	8,666
Travel and subsistence	2,137	2,832
Marketing	2,605	4,000
Legal and professional	27	26
Bank charges	1,474	1,443
Fixtures and fittings	<u>379</u>	<u>874</u>
	27,876	27,102
<b>Governance costs</b>		
Wages	16,844	13,775
Social security	1,435	1,155
Pensions	833	541
Establishment costs	754	674
Office expenses	1,303	1,061
Travel and subsistence	207	274
Marketing	252	387
Legal and professional costs	1,154	2,136
Bank charges	143	140
Independent examiner fees	2,976	2,562
Staff training	111	-
Fixtures and fittings	<u>37</u>	<u>85</u>
	26,049	22,790
<b>Total resources expended</b>	391,997	314,168
	<u>3,389</u>	<u>12,840</u>
<b>Net income</b>		

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