

Company registration number: 02151006
Charity registration number: 1078435

INSTITUTE OF WELSH AFFAIRS
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014

Mitchell Meredith Limited
Chartered Accountants
The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
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INSTITUTE OF WELSH AFFAIRS

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INSTITUTE OF WELSH AFFAIRS
REFERENCE AND ADMINISTRATIVE DETAILS

Charity name Institute of Welsh Affairs

Charity registration number 1078435

Company registration number 02151006

Principal office 56 James Street
Cardiff Bay
Cardiff
CF10 5EZ

Registered office 56 James Street
Cardiff Bay
Cardiff
CF10 5EZ

INSTITUTE OF WELSH AFFAIRS
REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr RA David	(Resigned 18 March 2014)
Mr GT Davies	(Resigned 18 March 2014)
Mr PR Davies	(Resigned 18 March 2014)
Mr GW Edwards	(Appointed 18 March 2014)
Ms JM Foster	(Appointed 18 March 2014)
Mr NG Griffiths	
Dr E Ap Gwilym	
Mr GH Holtham	
Mr RC Lewis	(Appointed 18 March 2014)
Mrs RS Marks	(Resigned 18 March 2014)
Professor LJ McAllister	
Ms HC Molyneux	(Appointed 18 March 2014)
Professor KJ Morgan	(Appointed 18 March 2014)
Ms WJ Sadler	
Mr DG Stevens	(Appointed 18 March 2014)
Professor JV Tucker	(Resigned 18 March 2014)
Mr PH Valerio	(Resigned 18 March 2014)
Sir AL Webb	(Resigned 18 March 2014)
Dr R Williams	(Resigned 18 March 2014)

Secretaries

Ms KAM Davies	(Resigned 18 March 2014)
Ms LS Knight	(Appointed 18 March 2014)

Accountant

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INSTITUTE OF WELSH AFFAIRS

CHAIRPERSON'S REPORT

27 years after our formation, the generation that founded the IWA has passed the baton on and, as a consequence, the last year has been a time of significant change for the Institute.

Lee Waters has taken over from John Osmond as Chief Executive and in April, I succeeded Geraint Talfan Davies as Chair. Geraint was one of the IWA's founders in 1987 and was Chair from 1992; John was the IWA's first employee and full-time Chief Executive from 1996. They were the driving force behind the think-tank and Wales owes them both a great debt.

New generations face new challenges. The Strategic Review carried out by Peter Davies for the previous board identified a series of issues that require a response. Over the last year the team has been developing a new strategy to meet those challenges, and has devoted a great deal of energy to defining and refining a new operating model for the charity.

We have been fortunate in attracting a high calibre board of trustees to help guide the transition. The open recruitment process attracted interest from some leading figures in the private and NGO sector. We have been able to retain a number of long-standing board members to retain the institutional memory, whilst recruiting a large number of new Trustees of the Charity to bring a fresh perspective. I would like to take this opportunity to express my thanks to the board particularly our long standing members whose continued support and guidance is very much appreciated

The annual report for 2013-14 sets out our activities during our year of transition. We transformed our staff team, recruiting and training a completely new team, whilst forging a new strategy and approach. We delivered more than 30 events across Wales and published important contributions on sustainability and health, transport and the economy, and the constitution. At a time of great interest in all things constitutional, the IWA was, as ever, at the forefront of the debate.

We have done all this whilst suffering another financially challenging year for the IWA. The costs of transition, a weak economy and increased competition for events and sponsorship have all taken their toll on our reserves. However, we have made great progress in building the foundations for a more sustainable financial model and ended the year with a clear direction and a renewed determination to achieve our charitable mission: a better Wales for all its citizens.

Helen Molyneux

Chairperson, IWA

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' REPORT

The trustees present their report and the financial statements for the year ended 31st March 2014.

Structure, Governance and Management

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 a share capital. Each member of the charitable company undertakes to contribute such amount as may be required (not exceeding £1.00). 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 by a Nominations Committee that is charged with bringing forward recommendations to ensure that, taken together, the knowledge, skills and experience of the trustees fulfil the needs of the organisation.

Geraint Talfan Davies, one of the IWA's founders and an exemplary Chair retired after twenty seven dedicated years. Helen Molyneux, entrepreneurial CEO of NewLaw became Chair of the IWA in March 2014.

A number of new trustees also joined the Board:

- David Stevens, Chief Operating Officer and co-founder of Admiral Insurance plc
- Graham Edwards, CEO, Wales and West Utilities and ex-chairman CBI Wales
- Jo Foster, former special adviser to the Deputy Prime Minister
- Professor Kevin Morgan, Dean of Engagement, Cardiff University
- Roger Lewis, Group Chief Executive, Welsh Rugby Union
- Frances Beecher, Chief Executive of homeless charity Llamau

These complement the retention of experienced trustees Gerald Holtham, Plaid Cymru chief economic adviser Eurfyl ap Gwilym, Sports Wales Chair Prof Laura McAllister, Blake Morgan Partner Eve Piffaretti and Treasurer Nigel Griffiths.

Trustee Induction and Training

New Trustees are inducted and trained by the continuing Trustees of the charity and senior staff. All directors are also Trustees of the charity.

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' REPORT

Risk Management

The directors, who are also trustees of the IWA, conducted a review of the major risks to which the charity is exposed in their 2012 Strategic Review. A new CEO, Chair of Trustees, staff team have been put in place since then, along with a major refresh of the board.

The trustees believe that the IWA continues to face a number of significant income challenges and risks:

- Depletion of reserves.
- Dependence on a small number of Trusts for core funding.
- Pressure on sponsorship making reliance on events and awards ceremonies less profitable.

Over the past two years the IWA has managed to strip £50,000 of costs, with further savings identified. The new CEO and team will launch its new strategy to strengthen and diversify the income base and focus efforts on four priority areas economy, education, health and governance. This strategic focus will be integrated with a new fundraising plan. The charity is developing a fundraising strategy, informed by specialist advice, to better engage existing supporters and recruit new members. Over the next year the IWA will aim to:

- Better understand, grow and develop the membership base, resulting in increased long-term unrestricted income.
- Seek funding from a wide variety of Trusts whose objectives align with the strategic themes.
- Deliver fewer events that are more profitable.
- Continue to exercise strict control of overhead costs.

Organisational Structure

The board of trustees meets every 8 weeks and a small finance and general purposes committee meets every month. The directors oversee all the activities of the IWA.

Our Aims and Objectives

The objects of the charity are to provide an independent platform for the development of strategies, plans and programmes for the well being of Wales and its people. It is an independent public policy research institute.

Our role is to act as a catalyst to generate an intelligent debate about Wales' future.

We are an independent charity with a broad membership base. We aim to bring people together from across the spectrum in a safe space where ideas can collide and solutions can be forged.

We discharge this mission by:

Generating ideas

- Providing a platform for people to put forward innovative ideas to improve the wellbeing of Wales.
- Bringing together experts and practitioners to critically examine the evidence in key areas and to suggest improvements.

Discussing

- Holding a diverse series of events across Wales where ideas are explored and challenged.
- Providing a central 'meeting place' for networking both digitally and through regular high quality events to bridge the worlds of politics, business, public service and academia.

Influencing

- Working with policy makers to translate new ideas into workable proposals.

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' REPORT

— Working with partners to spread best practice.

How our activities deliver 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 extending the policy community and its reach into the wider public. The way in which this has been achieved over the past year is detailed below.

Financial Review, Achievements and Performance

The IWA has undergone a transitional year during 2013-2014. There was a strong response to the charity's search for a new CEO and Chair, indicating that the IWA is highly regarded and influential.

Despite there being many changes the IWA has continued its prolific output, whilst also developing new strands of work.

In addition to organising more than 30 events across the country we published three major pieces of work during the year. A full-length book by Conservative Assembly Member, David Melding, *The Reformed Union: The UK as a Federation*, was a prescient intervention into the debate over the future of the UK. We accompanied the publication with debates in London and Aberystwyth.

The Blue Route by Professor Stuart Cole was a joint report with the Chartered Institute of Logistics and Transport in Wales. It outlined an alternative route to the proposed new section of motorway across the Gwent levels, and proved a significant intervention in a major debate about economic development, transport and sustainability in Wales.

In January 2014 the IWA launched a new series of papers in partnership with the Presiding Officer of the National Assembly to generate ideas to inform the development of party manifestos. The IWA *Senedd Papers* are designed to be a platform for leading experts and practitioners to put forward practical ideas for Welsh policymakers to consider. The first paper by Andy Bevan on a 'Real Citizen Service for Wales' was well received. The IWA followed-up the launch by bringing together all the key stakeholders to discuss the practicality of implementing the proposals in the paper.

The IWA also launched an innovative 'crowd sourcing' pilot project as part of the UK's Changing Union Project, our partnership project with Cardiff University and Cymru Yfory. The three month project involved 53 participants debating the issues surrounding the devolution of policing and justice policy over seven weeks on a private website. It covered topics from the devolution of policing, to probation, a separate legal jurisdiction and youth justice, amongst others. The project was chaired by former Independent Police Complaints Commissioner, Tom Davies, and included Assembly Members, MPs, PCCs, Academics, Lawyers, Civil Servants, and third sector organisations. The debates attracted significant media attention and formed our evidence to the Silk Commission on further devolution.

In addition to publishing major report the IWA continues to publish its highly regarded magazine *the Welsh Agenda* (distribution of 2,400 copies per issue), a diverse, daily news analysis website ClickonWales.org.uk, (20,000 website visits a month), podcasts (www.audioboo.fm/iwa), regular Tweets (9,500 Twitter followers) and a weekly newsletter.

The charity also delivers a varied programme of events that are designed to engage the wider public and civil society. From March 2013 – 2014, a total of 4300 delegates attended 32 events, covering a range of subjects including the Welsh economy, prudent health, education and devolution. Sponsored by Aberystwyth University, the first in the *IWA Debates* series proved popular and saw a stimulating university tuition fees discussion divide the audience. The charity also launched a suite of training courses to 200 delegates and successfully delivered two national award ceremonies to an audience of over 800 people.

The IWA has a number of branches based throughout Wales, and their work continues to complement the IWA and ensures that the charity is represented across the country. The charity receives a significant amount of local, regional and national press coverage, and the CEO's political analysis and opinion is often sought.

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' REPORT

Our events programme has again been diverse, however, the main thrust has been around the IWA's four priority headings:

Economy

At the National Eisteddfod in Montgomeryshire in August 2013 Conservative MP Guto Bebb delivered the IWA lecture examining the impact of EU funding on the Welsh economy. His speech 'Wales' latest dependency culture?' provided a thoughtful critique of the way EU aid has been used in Wales.

In September we partnered with Cardiff Business School for their Welsh Economy Research Unit Conference and in October joined with the new centre-right Welsh think-tank Gorwel to organise their first conference, 'Can Welsh public services thrive without the market?'.

We continued our focus on the development of City Regions at our own annual Economy Conference in March. Bristol Mayor, George Ferguson, and the Chair of the South East Wales city region board Roger Lewis in March discussed best practice with a range of experts.

Health

In October we partnered with the Bevan Foundation and BBC Radio Wales to hold a conference to discuss the policy of the Cardiff & the Vale Health Board to require obese patients and smokers to undergo a course of treatments before they could join a waiting list. Part of 'A right to be treated? Taking personal responsibility for health was broadcast live on BBC Radio Wales Jason Mohammad show and allowed callers to engage with experts at the conference.

Education

The IWA Gwent branch held a successful event at Coleg Gwent in Crosskeys in November on 'Building a World Class Education System in Wales'. The well-attended event brought a regional focus to the debate around school performance.

Governance

In September we held our first IWA Professional Masterclass on the role of Special Advisers and their duty is to assist and advise government ministers. A half-day CPD certified event aimed at public affairs professionals featured talks by Zoe Gruhn, from the Institute for Government, Jo Kiernan, Chief of Staff for the First Minister, Jo Foster, Deputy Chief of Staff to the Deputy Prime Minister, and Richard Hazlewood, a former Special Adviser, Wales Office.

We held a further Masterclass in March, just days after the publication of the Silk Commission report into further devolution. Commission Chair, Paul Silk, Commission member Eurfyl ap Gwilym and Gerald Holtham gave a comprehensive briefing of the Commission report and debated its findings.

Broader themes

The IWA's remit extends across the whole range of issues that impact on the quality of life in Wales, and our event programme reflected our diverse outlook.

In June we held a packed conference on food policy. In partnership with the Soil Association and Cardiff Food Council we explored the obstacles and opportunities for action, and showcased innovation and promote a new level collaboration on healthy and sustainable food.

At the Eisteddfod in August we debated the role of the Welsh language media in sustaining the future of the language. Radio Cymru Editor Betsan Powys debated with campaigner Simon Brooks, independent TV executive Angharad Mair, S4C Head of Programmes Dafydd Rhys and Ofcom's Rhodri Williams.

In March, as a consequence of our project on the issues surrounding the devolution of justice and policing, we held a lively debate in Wrexham on the plans to create Europe's second largest prison in the town. Frances Crook, Chief Executive of the Howard League for Penal Reform joined local politicians and academics to discuss the controversial plans before campaigners and citizens.

In a move away from formal conference speeches and presentations the IWA also held a number of events adopting the 'in conversation' format. In Wrexham IWA Director Lee Waters interviewed Plaid Cymru Leader Leanne Wood before a local audience, and the event was recorded and shared widely via YouTube.

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' REPORT

Similarly, in partnership with Public Affairs Cymru, we hosted a conversation with Professor Ian Hargreaves, Professor of Digital Economy at Cardiff University's School of Journalism on the subject 'An open internet: do we really want it and if so, is it available?'. And our Swansea branch held an evening with poet Nigel Jenkins, one of his last before his untimely death. The event at the city's Dylan Thomas Centre marked the end of the touring exhibition of Wales 25/25 photographs and focused on the identity of Swansea 'the second City of Wales?'

We held a number of other successful events on a cultural theme. In February we held an event in the players dressing room of the Millennium Stadium on the eve of Wales' match with France for an evening with the WRU's poet in residence, Owen Sheers. More than 80 guests heard Felicity Evans, TV journalist from BBC Wales discuss Sheer's 12 months with the Welsh rugby team.

The art historian Peter Lord made a passionate argument for the importance of the recognition of a distinct visual culture for Wales in one of our Coffee Shops debates at Cardiff's Chapter Art Centre. Other events in our Coffee Shop debate series included a Women in Science discussion with Prof Julie Williams Welsh Chief Scientist held on International Women's Day; a discussion with Angela V. John on the story of pioneering feminist Lady Rhondda and her role in 'Big Business in the 1920s'; and a very well attended debate aimed at fathers of daughters who want equality for their children.

Awards

Two highly successful awards ceremonies were also organised during the year, the *Inspire Wales Awards*, celebrated individuals and organisations who brought special qualities to their businesses or communities. And the Business Awards Wales, which marked the achievements of Welsh businesses and businesspeople. Both events were held in association with the IWA's main media partner, the Western Mail, the strong support of which is gratefully acknowledged.

Reserves Policy

The Board prepare budgets and cashflow forecasts for the forthcoming financial year, and continually monitor the amount of reserves available.

The objective of the directors had historically been to build a level of reserves equal to the averaged fixed commitments for the ensuing 12 months, amounting to approximately £200,000. However, the one-off costs of restructuring, and a fall in income from research led to a level of unrestricted reserves at 31 March 2014 of £45,123.

Restricted fund reserves reflect projects for which specific funding has been received but which have not yet been completed at the year-end.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board and signed on its behalf by:



Ms LS Knight
Secretary

Date: 10/11/2014



Ms HC Molyneux
Trustee

Date: 10/11/14

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of Institute of Welsh Affairs for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the 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 income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

I report on the accounts of the company for the year ended 31 March 2014, which are set out on pages 11 to 20.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of (named body).

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act ;
- follow the procedures laid down in the General Directions given by the Charity Commission under section 145 (5) (b) of the 2011 Act ; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

.....
M L Barnes
Mitchell Meredith Limited
Chartered Accountants
Date: 19/11/14.....

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LD1 5HG

INSTITUTE OF WELSH AFFAIRS

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2014

		Unrestricted Funds	Restricted funds	Total Funds 2014	Total Funds 2013
	Note	£	£	£	£
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	140,740	30,000	170,740	168,027
Investment income	3	1,023	-	1,023	1,893
Incoming resources from charitable activities					
Other incoming resources	4	154,737	50,000	204,737	245,396
	5	6,198	-	6,198	12,430
Total incoming resources		<u>302,698</u>	<u>80,000</u>	<u>382,698</u>	<u>427,746</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income					
	6	49,905	-	49,905	50,068
Charitable activities	6	298,069	90,000	388,069	383,375
Governance costs	6	29,114	-	29,114	28,143
Total resources expended		<u>377,088</u>	<u>90,000</u>	<u>467,088</u>	<u>461,586</u>
Net movements in funds		(74,390)	(10,000)	(84,390)	(33,840)
Reconciliation of funds					
Total funds brought forward		<u>119,513</u>	<u>10,000</u>	<u>129,513</u>	<u>163,356</u>
Total funds carried forward		<u>45,123</u>	<u>-</u>	<u>45,123</u>	<u>129,516</u>

All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 20 form an integral part of these financial statements.

INSTITUTE OF WELSH AFFAIRS (REGISTRATION NUMBER: 02151006)

BALANCE SHEET AS AT 31 MARCH 2014

		2014		2013	
	Note	£	£	£	£
Fixed assets					
Tangible assets	11		19,872		20,195
Current assets					
Debtors	12	52,016		44,363	
Cash at bank and in hand		95,653		133,573	
		<u>147,669</u>		<u>177,936</u>	
Creditors: Amounts falling due within one year					
	13	<u>(122,418)</u>		<u>(68,615)</u>	
Net current assets			<u>25,251</u>		<u>109,321</u>
Net assets			<u>45,123</u>		<u>129,516</u>
The funds of the charity:					
Restricted funds in surplus			-		10,000
Unrestricted funds					
Unrestricted income funds			<u>45,123</u>		<u>119,516</u>
Total charity funds			<u>45,123</u>		<u>129,516</u>

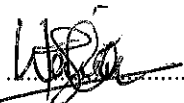
For the financial year ended 31 March 2014, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

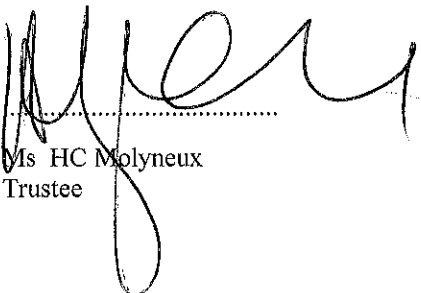
The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved by the Board on 12/11/14 and signed on its behalf by:


 Ms LS Knight
 Secretary


 Ms HC Molyneux
 Trustee

The notes on pages 13 to 20 form an integral part of these financial statements.

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities (SORP 2005)', issued in March 2005, applicable accounting standards and the Companies Act 2006.

Fund accounting policy

Unrestricted income funds are general funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Further details of each fund are disclosed in note 17.

Incoming resources

Voluntary income including donations and grants that provide core funding or are of a general nature is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Incoming resources from tax reclaims are included in the statement of financial activities at the same time as the gift to which they relate.

Investment income is recognised on a receivable basis.

Income from charitable activities includes income recognised as earned (as the related goods or services are provided) under contract.

Resources expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Costs of generating funds are the costs associated with attracting voluntary income.

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.

Governance costs

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustee meetings and the cost of any legal advice to trustees on governance or constitutional matters.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Website Development	Straight line over 7 years
Fixtures & Fittings	10% of Net Book Value
Office Equipment	25% of Net Book Value
Computer Equipment	Straight line over 4 years

Operating leases

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Pensions

The charity operates a defined contribution pension scheme. Contributions are charged in the statement of financial activities as they become payable in accordance with the rules of the scheme.

2 Voluntary income

	Unrestricted Funds £	Restricted funds £	Total Funds 2014 £	Total Funds 2013 £
Appeals and donations	625	-	625	137
Gift Aid tax reclaimed	1,047	-	1,047	7,354
Trusts and foundations	55,000	30,000	85,000	70,000
Subscriptions	84,068	-	84,068	90,536
	<u>140,740</u>	<u>30,000</u>	<u>170,740</u>	<u>168,027</u>

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

..... continued

3 Investment income

	Unrestricted Funds £	Restricted funds £	Total Funds 2014 £	Total Funds 2013 £
Interest on cash deposits	1,023	-	1,023	1,893

4 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted funds £	Total Funds 2014 £	Total Funds 2013 £
Publication Income	1,851	10,500	12,351	23,195
Conference Income	152,678	9,000	161,678	158,865
Research Income	208	30,500	30,708	63,336
	154,737	50,000	204,737	245,396

5 Other incoming resources

	Unrestricted Funds £	Restricted funds £	Total Funds 2014 £	Total Funds 2013 £
Other income				
Seconded staff	6,198	-	6,198	12,430

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

6 Total resources expended

	Members	Research	Publications	Conferences	Governance	Total 2014	Total 2013
	£	£	£	£	£	£	£
Direct costs							
Direct costs	-	4,898	19,623	105,699	-	130,220	151,172
Support costs							
Employment costs	38,512	46,215	25,676	127,092	19,259	256,754	235,320
Establishment costs	2,345	2,814	1,562	7,737	1,173	15,631	19,547
Repairs & maintenance	62	75	41	205	31	414	1,184
Office expenses	1,330	1,596	887	4,389	666	8,868	7,725
Printing, post & stationery	1,399	1,679	933	4,617	699	9,327	10,005
ISO Quality assurance	-	-	-	-	560	560	560
Equipment hire	454	545	302	1,498	227	3,026	4,180
Sundry costs	2,085	2,503	1,391	6,884	1,043	13,906	5,819
Cleaning	135	161	90	444	67	897	716
Travel and subsistence	773	928	515	2,551	387	5,154	6,141
Marketing	850	1,019	566	2,803	424	5,662	4,879
Accountancy fees	-	-	-	-	3,600	3,600	3,110
Legal and professional costs	86	103	58	284	43	574	5,070
Bad debt expense	382	459	256	1,263	192	2,552	(973)
Bank charges	232	278	155	766	116	1,547	1,728
Depreciation	922	1,106	615	3,042	461	6,146	5,403
Loss on sale of fixed assets	338	405	226	1,115	166	2,250	-
	<u>49,905</u>	<u>59,886</u>	<u>33,273</u>	<u>164,690</u>	<u>29,114</u>	<u>336,868</u>	<u>310,414</u>
	<u>49,905</u>	<u>64,784</u>	<u>52,896</u>	<u>270,389</u>	<u>29,114</u>	<u>467,088</u>	<u>461,586</u>

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

7 Trustees' remuneration and expenses

During the year, the Institute of Welsh Affairs did not incur any expenses of behalf of the trustees.

No trustee received any remuneration or benefits in the year ended 31st March 2014.

8 Net expenditure

Net expenditure is stated after charging:

	2014	2013
	£	£
Hire of plant and machinery - operating leases	3,026	4,180
Loss/(profit) on disposal of tangible fixed assets	2,250	-
Depreciation of owned assets	6,146	5,403
	<u>6,146</u>	<u>5,403</u>

9 Employees' remuneration

The average number of persons employed by the charity (including trustees) during the year was as follows:

	2014	2013
	No.	No.
Charitable activities	<u>6</u>	<u>6</u>

The aggregate payroll costs of these persons were as follows:

	2014	2013
	£	£
Wages and salaries	213,157	195,738
Social security	20,936	20,808
Other pension costs	17,813	15,518
	<u>251,906</u>	<u>232,064</u>

10 Taxation

The company is a registered charity and is, therefore, exempt from taxation.

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

..... continued

11 Tangible fixed assets

	Website £	Fixtures & Fittings £	Computer Equipment £	Office Equipment £	Total £
Cost					
As at 1 April 2013	25,789	9,217	17,482	16,681	69,169
Additions	-	5,520	2,786	-	8,306
Disposals	-	(9,217)	-	-	(9,217)
As at 31 March 2014	<u>25,789</u>	<u>5,520</u>	<u>20,268</u>	<u>16,681</u>	<u>68,258</u>
Depreciation					
As at 1 April 2013	11,419	6,734	16,889	13,932	48,974
Eliminated on disposals	-	(6,734)	-	-	(6,734)
Charge for the year	3,684	552	1,223	687	6,146
As at 31 March 2014	<u>15,103</u>	<u>552</u>	<u>18,112</u>	<u>14,619</u>	<u>48,386</u>
Net book value					
As at 31 March 2014	<u>10,686</u>	<u>4,968</u>	<u>2,156</u>	<u>2,062</u>	<u>19,872</u>
As at 31 March 2013	<u>14,370</u>	<u>2,483</u>	<u>593</u>	<u>2,749</u>	<u>20,195</u>

12 Debtors

	2014 £	2013 £
Trade debtors	50,966	36,349
Prepayments and accrued income	1,050	8,014
	<u>52,016</u>	<u>44,363</u>

13 Creditors: Amounts falling due within one year

	2014 £	2013 £
Trade creditors	35,854	8,973
Taxation and social security	17,594	14,204
Accruals and deferred income	68,970	45,438
	<u>122,418</u>	<u>68,615</u>

14 Members' liability

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £nil towards the assets of the charity in the event of liquidation.

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

..... *continued*

15 Pension scheme

Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the charity to the scheme and amounted to £17,813 (2013 - £15,518).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

16 Related parties

Controlling entity

The charity is controlled by the trustees who are all directors of the company.

17 Analysis of funds

	At 1 April 2013	Incoming resources	Resources expended	At 31 March 2014
	£	£	£	£
General Funds				
Unrestricted income fund	119,513	302,698	(377,088)	45,123
Restricted funds				
Esmee Fairbairn Foundation	-	30,000	(30,000)	-
Waterloo Foundation Grant	10,000	-	(10,000)	-
Agenda	-	8,000	(8,000)	-
Big society book	-	2,500	(2,500)	-
International Womens Day	-	9,000	(9,000)	-
Cardiff University	-	30,500	(30,500)	-
	<u>10,000</u>	<u>80,000</u>	<u>(90,000)</u>	<u>-</u>
	<u>129,513</u>	<u>382,698</u>	<u>(467,088)</u>	<u>45,123</u>

Esmee Fairbairn Foundation - Grant towards the salary of a researcher

Waterloo Foundation - Grant towards the Food project completed within the year.

Agenda - Welsh Books Council grant towards the English language magazine "Welsh Agenda"

Big Society Book - Grant from Lord Griffiths of Fforestfach towards the publication of "The Big Society in a Small Country" by Dan Boucher

International Womens Day - Grant from WEN towards the awards for International Womens Day

Cardiff University - Funding from the UK Changing Union project administered by Cardiff University

INSTITUTE OF WELSH AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

..... *continued*

18 Net assets by fund

	Unrestricted Funds	Total Funds 2014	Total Funds 2013
	£	£	£
Tangible assets	19,872	19,872	20,195
Current assets	147,669	147,669	177,936
Creditors: Amounts falling due within one year	<u>(122,418)</u>	<u>(122,418)</u>	<u>(68,615)</u>
Net assets	<u>45,123</u>	<u>45,123</u>	<u>129,516</u>