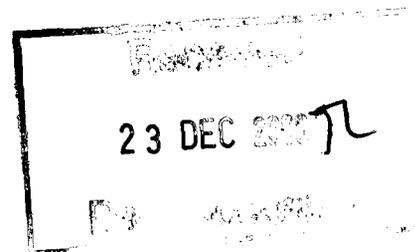




Sefydliad Materion Cymreig
Institute of Welsh Affairs

REGISTERED COMPANY NUMBER: ~~02751006~~ (ENGLAND AND WALES)
REGISTERED CHARITY NUMBER: 1078435

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008
FOR THE
INSTITUTE OF WELSH AFFAIRS



Mitchell Meredith
Chartered Accountants and
Registered Auditors
The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

REGISTERED COMPANY NUMBER: 02151006 (England and Wales)
REGISTERED CHARITY NUMBER: 1078435

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008
FOR
INSTITUTE OF WELSH AFFAIRS

Mitchell Meredith Limited
34 High Street
Brecon
Powys
LD3 7AN

INSTITUTE OF WELSH AFFAIRS
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FOR THE YEAR ENDED 31 MARCH 2008

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INSTITUTE OF WELSH AFFAIRS
CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2008

If the first half of the year 2007-08 in Wales was dominated by politics - the Assembly elections in May, the long aftermath of negotiation between the parties and the advent of new legislative powers for the Assembly - the second half was overshadowed by darker economic clouds.

The creation of the Labour-Plaid coalition government in Cardiff Bay was charted in detail by our Director, John Osmond, in his book *Crossing the Rubicon: Coalition Politics Welsh Style*, which traced the intricate course of the discussions between all parties. It was a remarkable feat to produce the book within a month of the new coalition government being formed, and will, surely, prove an historic text.

The new One Wales government claimed to represent the progressive consensus, but lest differing views should get lost in the search for consensus we decided to test the 'progressive consensus' concept by asking four distinguished commentators to assess the One Wales policy document. We were pleased that Professor John Kay, Will Hutton, Professor David Marquand and Peter Stead were so ready to undertake the task. The four seminars that they led will bear fruit in a book to be published by the IWA in the autumn of 2008.

The seminars were arranged in collaboration with Cardiff University, and we were delighted that during the year we concluded a Memorandum of Understanding with the university that we hope will lead to even closer collaboration on research and events when the university's Wales Governance Centre is re-launched in parallel.

This was the second collaboration with higher education effected during the year. We also launched, with UWIC, Academy Health Wales as a forum for cross-disciplinary discussion and projects in the health and social service sectors. This initiative arose from the recommendations of the health study group in the IWA's pre-election policy review. We are very grateful to John Wyn Owen, Chair of the Governors of UWIC and also chair of the health study group, for helping to bring this to fruition so quickly.

One of the most significant developments for the IWA during the year was the decision of the Waterloo Foundation to make a very generous grant to us for the next three years. This will enable us to proceed with the appointment of a Deputy Director to professionalise the marketing of the Institute's work and to develop our website to put it at the very centre of our activities. We are deeply grateful to the Waterloo Foundation for this commitment, as we are to the Esmee Fairbairn Foundation for a further three-year grant, and to the Joseph Rowntree Foundation and the Joseph Rowntree Charitable Trust for their continued support.

The year also saw a significant change in Board membership. Four long standing members stood down during the year - Lyn Arnold, James Driscoll, Keith James and Dr. Gareth Jones. We are very grateful to all of them for their support, but I must make particular mention of Keith James and Dr. Gareth Jones. Keith was one of the founders of the IWA and has served on its board since the very beginning, for many years as our Vice Chairman. Gareth joined us in the 1990s, having guided our ambitious Wales 2010 project to a successful conclusion. He also chaired the Research Panel for many years. We will greatly miss their contribution.

I am delighted that we have attracted five very experienced new members to the Board.

Sue Essex held two Cabinet positions - Environment and Finance and Local Government - in the Assembly Government before standing down prior to the May 2007 elections. She is also a past leader of Cardiff City Council. As Minister for the Environment it was Sue Essex who took up the recommendation of an IWA report that Wales should establish its own Design Commission.

Rob Humphreys is Director of the Open University in Wales, a post he took up in May 2007 having been Director for Wales of the National Institute of Adult Education and Learning. His also a member of the Ministerial Advisory Group for Education, Lifelong Learning and Skills.

Chris O'Malley is Pro Vice Chancellor for Regional and International Development at Newport University. Chris spent 11 years as Director of Strategic Planning and Development at Dublin City University, having previously been a Member of the European Parliament for Dublin, and at the time the youngest member of the Parliament.

Wendy Sadler is Director of Science Made Simple Ltd, a company formed in 2004 to help translate the complexities of science to engage a wider public. In the same year she was voted 'Welsh Woman of the Year' and given the Women into Science, Engineering and Construction (WISE) excellence award for helping to promote science to girls. In 2005 the Institute of Physics named her 'Young Professional Physicist of the Year' and in 2007 she was named as a Laureate in the EU Descartes Prize for Science Communication.

INSTITUTE OF WELSH AFFAIRS
CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2008

Rhys David was appointed to the Board, having stood down from a post he had held with the IWA since 2002. Rhys is an experienced journalist, having started his career at the Western Mail before moving to the Financial Times where he held a senior position. He is also the author of several IWA reports.

All five will contribute greatly to the development of the IWA in the years ahead.

Lastly, I must, as ever, extend the warmest thanks to all our staff - our Chief Executive, John Osmond, our Research Officer, Nick Morris, and our administrative staff, Clare Johnson and Dr Helen Sims-Coomber. As usual, this small team has delivered a very intensive programme of work with great success.

Geraint Talfan Davies
Chairman

INSTITUTE OF WELSH AFFAIRS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

The trustees who are also directors of the charity for the purposes of the Companies Act 1985, present their report with the financial statements of the charity for the year ended 31 March 2008. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
02151006 (England and Wales)

Registered Charity number
1078435

Registered office
First Floor
1-3 Museum Place
CARDIFF
CF10 3BD

Trustees

L T Arnold	- resigned 8.1.08
Dr D F Balsom	
Dr G I Bristow	
D G Clarke	
R A David	- appointed 23.9.07
G Talfan Davies Chairman	
P Davies	
J P Driscoll	- resigned 25.9.07
S L Essex	- appointed 11.12.07
G Holtham	
R O Humphreys	- appointed 11.12.07
D K M James Deputy Chairman	- resigned 31.12.07
C A Jones	
Dr G Jones	- resigned 25.9.07
R S Marks	
C O'Malley	- appointed 27.6.07
Professor T Rees	
W J Sadler	- appointed 11.12.07
Professor J V Tucker	
Sir D Walters Vice Chairman	
F A Williams	
Dr R Williams	
N P Woodward	

Company Secretary
M C A Johnson

Auditors
Mitchell Meredith Limited
34 High Street
Brecon
Powys
LD3 7AN

Bankers
Bank of Scotland Plc
One Kingsway
CARDIFF
CF10 3PW

INSTITUTE OF WELSH AFFAIRS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

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 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 new trustees

The work of the charity is supervised by a board of directors who are elected by the members of the charitable company at the Annual General Meeting.

Induction and training of new trustees

New trustees are inducted and trained by the continuing trustees of the charity. All directors are also trustees of the charity.

Organisational structure

The board meets quarterly and a small finance and general purposes committee meets in the preceding month. The directors oversee all the activities of the IWA including the research programme.

Related parties

The IWA works closely with the universities in Wales and other public authorities. Where appropriate consultants are engaged to prepare reports.

The IWA has also forged partnerships with public policy research institutes in England, Scotland, Ireland and elsewhere in Europe.

None of the above organisations are deemed to be related parties

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 2005. It is the view of the board that there have been no material alterations in risks since that date. The greatest risks facing the IWA are:

- competition for research funding from other think tanks and academic departments.
- dependence on a relatively small group of potential major funding organisations.

It is proposed that, in order to mitigate such risks and to enable the IWA to flourish as a unique, independent, non-aligned organisation serving Wales, it should aim to strengthen its position by:

- keeping its research remit as broad as possible.
- maintaining flexibility and diversity in its activities.
- engaging in collaborative ventures with academic organisations and other bodies in Wales and beyond, thus broadening its funding opportunities.
- increasing its individual and corporate membership through active marketing.
- offering a wider range of networking opportunities to the business and professional community.
- exercising strict control of overhead costs.

INSTITUTE OF WELSH AFFAIRS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2008

OBJECTIVES AND ACTIVITIES

The objects of the charity are to provide an independent platform for the development of strategies, plans and programmes for the greater economic, environmental, social and cultural well being of Wales and its people and their good governance. It is an independent public policy research institute.

The IWA acts as a bridge between public policy makers, business, academia and the wider community. It does this by:

- Commissioning research
- Organising seminars and conferences to foster and facilitate debate
- Publishing reports and policy papers with an emphasis on practical recommendation

The IWA has built a track record of effective influence on a range of policy issues. It attempts at all times to develop practical proposals for policy innovation and improvement.

It also has branches in North Wales, West Wales and Swansea Bay and Gwent, as well as an affiliated organisation in London (Wales in London).

ACHIEVEMENT AND PERFORMANCE

Social Policy

One of the IWA's most important initiatives during the course of this year has been the creation of **Academy Health Wales**, a freestanding new forum, created as a partnership between the IWA and UWIC, and aimed at bringing together health professionals for dialogue and discussion on health policy. An inaugural conference in July, attended by senior representatives from across the health sector, agreed unanimously on the merits of such a development and this was followed by a dinner early in January addressed by Jonathan Morgan, chair of the National Assembly Health Committee, at which a new publication bringing together contributions from the conference, *The Welsh Health battleground: Policy Approaches to the Third Term* was launched.

The IWA jointly hosted a series of seminars, entitled the **Progressive Consensus**, with the Welsh Governance Centre at Cardiff University between February and April 2008 that will be the basis of a forthcoming publication. The distinguished speakers Professor John Kay, Will Hutton, Professor David Marquand and Peter Stead reflected on the 'progressive consensus' used as an emblem of Labour and Plaid Cymru's **One Wales** coalition government agreement, and discussed their views with an invited audience.

Education

Education also featured strongly in the IWA's work programme during 2007-8. Two Swansea Bay branch debates on **Welsh Science: Unsung Past, Uncertain Future and on Science and the Public: Engagement or Divorce**, initiated by branch chairman Professor John Tucker, followed on from a wider conference on **A Science Policy for Wales** held in October 2006, (papers for this available on the IWA website). The Swansea Bay branch returned to the topic in March with a further conference on **Science and Government: Options for Wales**, which was addressed by among others Professor Christopher Pollock, research director at the Institute of Grassland and Environmental Research and recently appointed as Science Advisor to the Welsh Assembly Government, and Sir John Cadogan, former director, UK Research Councils.

Other aspects of education covered during the year included bilingual provision and small schools. Delegates to **Creating a Bilingual Wales: The Role of Welsh in Education** heard papers on models likely to achieve language gains and on Welsh teaching in English language schools and other relevant topics, and a second conference on **The Future of Small Schools** was held to coincide with the launch of a report, *Small School Closure in Wales: New Evidence*, by Professor David Reynolds and Meriel Jones. This study was based on interviews with pupils, teachers and parents to study their experience of closure, amalgamation and re-organisation of primary schools in two contrasting Welsh counties. The findings, which to some extent went against conventional wisdom on the subject, generated substantial coverage of, and interest in, the report.

Culture

The IWA Mold 2007 Eisteddfod lecture - an established feature at Wales's most important Welsh language cultural event - was given by the historian, Dr. John Davies, author of *History of Wales*, who assessed the contribution of a sometimes overlooked part of Wales in **Y Gogledd Ddwyrain yn Hanes Cymru** (The North East in Welsh History). The previous month under the auspices of the Gwent branch, writer and broadcaster Lionel Fanthorpe chaired an evening on **Arthur Machen - Master of Holy Terrors**, celebrating the 60th anniversary of the death of the Caerleon horror writer. In Swansea another in the successful **In Conversation with Peter Stead** series saw theatre director Michael Bogdanov discuss the future of theatre in Wales. On a broader theme, the IWA, in partnership with the UK Committee of the European Cultural Foundation, published a thought-provoking analysis of culture in the development of European identity and citizenship, *Europe: United or Divided by Culture?* In this book the cultural consultant, Anthony Everitt, reflected on a series of seminars under that title.

INSTITUTE OF WELSH AFFAIRS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2008

ACHIEVEMENT AND PERFORMANCE

The Economy

The economy predictably loomed large within the IWA's work during the year with a number of events and publications focusing on different challenges facing Wales. In June, Michael Leahy, the Welsh-born general secretary of Community, one of Britain's big unions, with strong representation in the steel sector, spoke about **The Manufacturing Economy** and its importance to Wales at a lunch in Cardiff, and later in the same month the West Wales branch hosted a debate on **Agriculture and Energy** at which Paul Temple, vice president of the NFU, explored the opportunities for farmers to diversify into the energy sector. Findings from a conference on the business and other opportunities for Wales arising out of the London Olympics 2012 and other major sports events were published in *Sport and Economic Regeneration*. (Also available on the IWA website.)

Two major economic reports were also produced by the IWA during the year. In *Auditing Welsh Industry: A Clusters based Approach – Aerospace*, Rhys David of the IWA, David Pickernell of the University of Glamorgan and Nick Clifton of Cardiff University examined the strengths and weaknesses of the current structure and organisation of the aerospace industry, one of Wales's most important business sectors. The report is the second to be commissioned from this team by the Welsh Assembly Government's economic research department, following on from a previous more general study of clusters. Towards the end of the year, in a specially-commissioned work *A Strategy for the Welsh Economy*. Dr. John Ball of Swansea Metropolitan University called for a fundamental re-think of policy, which would move away from what he sees as the often largely disconnected policies of the past.

Several conferences on economic issues were held during the year. The first, **Uniting the Nation: Establishing Integrated Communications Links between North and South Wales**, represented a follow-up to work carried out by the IWA in 1999 on this issue, made topical again by the inclusion of better intra-Wales links as one of the objectives set out in the **One Wales** agreement underlying the Labour-Plaid Cymru coalition government that came into power in July 2007. A conference on **The Stern Report and the Challenge for Wales**, attracted a very large gathering to discuss Welsh responses to Professor Nicholas Stern's seminal report for the UK government on the economic effects of climate change.

More than 150 people attended the final conference of the year, **The Heads of the Valleys Experience**, to hear deputy first minister, Ieuan Wyn Jones, and regeneration minister, Leighton Andrews, unveil new initiatives designed to revive the economy of the area. Other speakers included Jonathan Adams of architects, Capita Percy Thomas, who outlined how new and imaginative architectural thinking could bring exciting new ways of regenerating some of the physically most dramatic areas within the Valleys.

Political and Constitutional

In a Welsh election year political and constitutional issues again were a big part of IWA activity. The IWA hosted an Assembly election question time at Trinity College, Carmarthen, in the run-up to the polls and individual members of staff were called upon by the media to offer comment during the campaign and after the results had been declared. The devolution settlement was examined in *Devolution: A Decade On* by Keith Patchett, a response by the IWA to the House of Commons Constitutional Affairs committee's call for evidence. Following the agreement by the Labour-Plaid Cymru coalition partners to establish an all-party convention to investigate the issues surrounding a referendum on new legislative powers, the IWA's director, John Osmond, produced a monograph *Assembly to Senedd: The Convention and the Move towards Legislative Powers*.

Towards the end of the year Welsh First Minister, Rhodri Morgan addressed an audience of more than 180 at a West Wales branch dinner on ways in which the **One Wales** programme agreed by the coalition partners could contribute to the development of a sustainable Wales.

Another significant IWA development has been the launch of *Assembly Bwletin Cynulliad – the ABC of Welsh Politics*, a regular newsletter produced jointly with Grayling, the public affairs consultancy. The publication replaces the previous Assembly monitoring reports that ran during the first two Assembly terms from 1999-2007, reporting in a more informal manner on latest developments from the Assembly and across the political scene in Wales.

Other

IWA director, John Osmond, returned to the institute in May 2007 after taking time out to stand in the Assembly elections of 2007. During the year Rhys David, having stood down from a post he had held with the IWA since 2002, was appointed a trustee of the institute. Other new appointments were Sue Essex, who served successively as Minister for the Environment and Minister of Finance in the Assembly Government until she stood down before the election; Robert Humphreys, Director of the Open University in Wales; Chris O'Malley, Pro Vice Chancellor at Newport University; and Wendy Sadler, Director of Science Made Simple Ltd, a company formed in 2004 and based at Cardiff University to help translate the complexities of science to engage a wider public. The following retired from the Board during the year - Lyn Arnold, James Driscoll, Keith James, and Gareth Jones.

INSTITUTE OF WELSH AFFAIRS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

ACHIEVEMENT AND PERFORMANCE

Membership at the end of the year stood at 1,063 individuals, including 165 fellows and 133 corporate members.

Work began during the year on improvements and modifications to the IWA website to make it easier to use and to provide new ways of accessing IWA services. The work, arranged through Professor John Tucker's good offices and undertaken by Swansea University M.Sc. student, Helen Dodd, has resulted in a cleaner front page and better navigation. In addition, search capability has been improved through the incorporation of a Google search facility, a weblog has been added and members can now purchase goods and services through a new payment facility (using Paypal). Further improvements are planned over the coming months.

For further information on any of the above activities, please visit the IWA website where you will also be able to download or purchase copies of IWA publications.

IWA Events

- | | |
|--------------------------|--|
| April 2007
Carmarthen | Assembly Election Question Time at Trinity College, Carmarthen
Chaired by Denis Balsom, political commentator, Christine Gwyther AM, Labour, John Gossage, Liberal Democrat, John Dixon, Plaid Cymru, and Henrietta Hensher, Conservative. |
| June 2007
Swansea | Welsh Science: Unsung Past, Uncertain Future Swansea Bay Branch debate at the Royal Institution of South Wales, Swansea Museum
With Professor J V Tucker, Chair, IWA Swansea Bay Branch, Dr Louise Miskell, History Department, University of Wales Swansea, Dr Neville Evans, British Association for the Advancement of Science and Anthony Campbell, professor of biochemistry, Cardiff University. |
| June 2007
Cardiff | The Manufacturing Economy Lunch at the Parkhouse Club, Cardiff
Michael Leahy, general secretary of Community, the union representing steel and other manufacturing and service sector employees, spoke about the prospects for the steel industry and reflected on the 21 st century role of the trade union movement. |
| June 2007
Llanberis | Slate, North Wales and Cultural Tourism North Wales Branch summer event at the National Museum, Llanberis.
Visit to the Lake Railway, with talks by Dafydd Roberts, museum keeper and Dewi Davies, North Wales Cultural Tourism Partnership. |
| June 2007
Cilgerran | Agriculture and Energy West Wales Branch debate at Rhosygilwen, Cilgerran
This event explored the opportunities for farmers to diversify into the energy sector and focussed on ways to access funding at the European level. With Paul Temple, Vice-President, NFU and Sian Hughes, Brussels-based European energy communications expert. |
| July 2007
Cardiff | Academy Health Wales: Health and Social Care Policy in the Third Term
Conference at UWIC Cyncoed.
The Academy Health Wales inaugural conference brought together health professionals to discuss the establishment of a health academy that aims to provide a regular forum for dialogue and discussion on health policy. With Mike Ponton, Director, Welsh NHS Confederation, John Wyn Owen, Chair, UWIC Board of Governors, Tony Beddow, Welsh Institute of Health and Social Care, University of Glamorgan, Rick Greville, Director, ABPI Cymru, Professor Ceri Philips, School of Health Science, Swansea University, Cerilan Rogers, Director, National Public Health Service for Wales, Malcolm Prowle, HLSP Consulting and Open University, Professor David Cohen, health economics, University of Glamorgan, Dr Helen Herbert, Chair, Welsh Council, Royal College of General Practitioners, Tina Donnelly, Director, Royal College of Nursing, Dr Stephen Monaghan, Public Health Director for Cardiff, and Tessa Shellens, Morgan Cole. |
| July 2007
Caerleon | Arthur Machen – Master of Holy Terrors Gwent Branch with Academi at the University of Wales, Newport, Caerleon.
An evening celebrating the 60 th anniversary of the Caerleon horror author and chaired by Lionel Fanthorpe, with award-winning fantasy writers and experts, Simon Clark, Tim Lebbon, Catherine Fisher and Gwilym Games. |

INSTITUTE OF WELSH AFFAIRS
**REPORT OF THE TRUSTEES
 FOR THE YEAR ENDED 31 MARCH 2008**

IWA Events

- August 2007
Mold **Y Gogledd Ddwyrain yn Hanes Cymru** (The North East in Welsh History)
Annual Lecture, National Eisteddfod, Mold. With Dr John Davies, historian and author of *A History of Wales*.
- September 2007
Swansea **Science and the Public: Engagement or Divorce** Swansea Bay Branch evening debate, Royal Institution of South Wales, Swansea Museum.
With Sir Roland Jackson, President of the British Association for the Advancement of Science and Rt Hon Rhodri Morgan, First Minister, National Assembly for Wales.
As science and technology are transforming contemporary life, both materially and ethically, is society prepared to engage with change or risk alienation?
- October 2007
Cardiff **Creating a Bilingual Wales: The Role of Welsh in Education** Conference with the Welsh Language Board at Cardiff University Conference Centre exploring the complex relationship between bilingual provision and bilingual speakers, good practice in Welsh-medium immersion, models likely to achieve language gains, Welsh teaching in English schools, and raising of standards in Welsh teaching.
- October 2007
Swansea **Michael Bogdanov in Conversation with Peter Stead** Swansea Bay Branch lunch in association with the Dylan Thomas Festival, Dylan Thomas Centre, on the future of theatre in Wales.
- November 2007
Cardiff **The Future of Small Schools in Wales** Conference and publication launch, Norwegian Church, Cardiff with Professor David Reynolds, University of Plymouth, Elizabeth Taylor, Department for Children, Education, Lifelong Learning and Skills, Welsh Assembly Government, Gerson Davies, Director of Education, Pembrokeshire County Council, Chris Llewellyn, Welsh Local Government Association.
- January 2008
Llandudno **Uniting the Nation: Establishing Integrated Communication Links between North and South Wales** North Wales Branch Conference at St George's Hotel, Llandudno with Professor Dylan Jones Evans; economic consultant, Ieuan Wyn Jones AM, Deputy First Minister, Bob Diamond, former Director of Highways, Gwynedd Council, Professor Denis Hawkes, Hydrogen Research Unit, University of Glamorgan, Mike Gallop, Route Enhancement Manager, Network Rail, Dafydd Wigley, Chair, Bangor University Business School.
- January 2008
Carmarthen **Rt Hon Rhodri Morgan AM, First Minister, National Assembly** West Wales Branch dinner, Carmarthen, exploring ways in which the One Wales programme for Government can contribute to the development of a sustainable region.
- January 2008
Cardiff **Academy Health Wales Dinner** at UWIC, Cardiff
With Jonathan Morgan AM, Chair, National Assembly Health Committee. Launch of *The Welsh Health Battleground: Policy Approaches to the Third Term*, papers from the inaugural Academy Health Wales conference.
- February 2008
Cardiff **The Progressive Consensus Seminar Series** at Cardiff University. First of four seminars examining the ideas underpinning the July 2007 One Wales coalition agreement between Labour and Plaid Cymru Seminar 1 with Professor John Kay, academic and **Financial Times** columnist and an invited audience.
- February 2008
Hirwaun **The Heads of the Valleys Experience** Gwent Branch Conference at Ty Newydd Hotel, Hirwaun, with Ieuan Wyn Jones AM, Deputy First Minister, Professor Kevin Morgan, European Regional Development, Cardiff University, Leighton Andrews AM, Deputy Minister for Regeneration, Nick Bennett, Welsh Federation of Housing Associations, Bob Brierly, South East Wales Transport Alliance, Jonathan Adams, Capita Percy Thomas, Howard Burton, Coleg Gwent, Jonathan Deacon, Newport Business School, Patrick Lewis, Assembly Heads of the Valleys Programme.

INSTITUTE OF WELSH AFFAIRS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

IWA Events

- February 2008
Cardiff **The Stern Report and the Challenge for Wales** Conference at Holiday Inn, Cardiff.
With Morgan Parry, WWF Cymru, Dr Calvin Jones, Cardiff University, Professor Peter Midmore, Aberystwyth University, Margaret Matthews, Managing Director, Dow Corning and Chair, CBI Wales, Matthew Quinn, Welsh Assembly Government, Ieuan Wyn Jones AM, Deputy First Minister and Minister for Economic Development and Transport, Welsh Assembly Government, Chris Mills, Director, Environment Agency Wales, Tim Williams, Head of Strategy, Welsh Water, Peter Davies, Sustainable Development Commission for Wales.
- February 2008
Cardiff **The Progressive Consensus Seminar Series** at Cardiff University, examining the ideas underpinning the July 2007 **One Wales** coalition agreement between Labour and Plaid Cymru.
Seminar 2 with Will Hutton, chief executive, Work Foundation, former editor of **BBC Newsnight**, and weekly columnist in the **Guardian and Observer**, and an invited audience.
- March 2008
Swansea **Science and Government: Options for Wales** Swansea Bay Branch Seminar at Swansea University.
With Professor Christopher Pollock CBE, Research Director, Institute of Grassland and Environmental Research, Aberystwyth, Sir John Cadogan FRS, Professor Julian Hopkin, Head of Swansea School of Medicine, and Professor John Tucker, Head of Computer Science, Swansea University.
- March 2008
Cardiff **The Progressive Consensus Seminar Series** at Cardiff University, examining the ideas underpinning the July 2007 **One Wales** coalition agreement between Labour and Plaid Cymru.
Seminar 3 with Professor David Marquand, former Labour MP, chief adviser to the European Commission and an invited audience.
- April 2008
Cardiff **The Progressive Consensus Seminar Series** at Cardiff University, examining the ideas underpinning the July 2007 **One Wales** coalition agreement between Labour and Plaid Cymru.
Seminar 4 with Peter Stead, historian, writer and broadcaster, and an invited audience.

IWA Publications

- April 2007 ***Sport and Economic Regeneration***
Edited by Rhys David
Transcript of presentations from the IWA's October 2006 Sport and Economic Regeneration conference, held at the Millennium Stadium, Cardiff.
- July 2007 ***Agenda***
- August 2007 ***Crossing the Rubicon: Coalition Politics Welsh Style***
By John Osmond
This book tells the story of two of the most extraordinary months in the history of Welsh politics. Includes interviews with many of the key participants.
- August 2007 ***A Marginalised Region? The North-East in the History of Wales/Rhanbarth Ymylol? Y Gogledd-dwyrain yn hanes Cymru***
By John Davies, delivered at the National Eisteddfod, Mold, August 2007.
- September 2007 ***Assembly Bwletin Cynulliad Newsletter*** - the ABC of Welsh politics
New regular publication from Grayling and the Institute of Welsh Affairs focusing on contemporary Welsh political developments.
- October 2007 ***Auditing Welsh Industry: A Clusters-Based Approach - Aerospace***
By Nick Clifton, Rhys David, Oliver Ehret, David Pickernell
Research for the Welsh Assembly Government, carried out by the Institute of Welsh Affairs, University of Glamorgan and Cardiff University.
- November 2007 ***Small School Closure in Wales: New Evidence***
By David Reynolds and Meriel Jones
A new study on the experience of closure, amalgamation and reorganisation of primary schools in two contrasting Welsh counties. Interviews with pupils, teachers and parents, together with data on levels of achievement, provide surprising new evidence on the impact of school closures.

INSTITUTE OF WELSH AFFAIRS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

IWA Publications

- November 2007 *Assembly Bwletin Cynulliad Newsletter - the ABC of Welsh politics*
- November 2007 *Devolution a Decade On*
By Keith Patchett. IWA Response to the House of Commons Constitutional Affairs Committee Call for Evidence.
- December 2007 *Assembly Bwletin Cynulliad Newsletter - the ABC of Welsh politics*
- January 2008 *The Welsh Health Battleground: Policy Approaches to the Third Term*
Edited by John Osmond. Contributions made to the inaugural conference of Academy Health Wales in July 2007.
- January 2008 *Assembly to Senedd: the Convention and the Move Towards Legislative Powers*
By John Osmond. "The new Government of Wales Act 2006 shakes the historic relationship between England and Wales to its roots ...The new legal situation in Wales means that we can now talk of the Welsh Statute Book, Welsh Law, and of redeveloping a body of laws which link us historically with the laws of the princes - the Law of Hywel - one of Welsh culture's most splendid creations, a powerful symbol of our unity and identity, as powerful indeed as the Welsh language itself." Lord Dafydd Elis-Thomas, Presiding Officer, National Assembly.
- January 2008 *Agenda*
- January 2008 *Assembly Bwletin Cynulliad Newsletter - the ABC of Welsh politics*
- February 2008 *A Strategy for the Welsh Economy*
By John Ball. The aim of this publication is to promote a fundamental policy re-think that will replace what are seen as the often unconnected, piecemeal and mutually exclusive schemes attempted over the years with higher order strategic themes. It suggests an overarching, innovative and radical strategy based on developing business excellence and regional competitiveness.
- March 2008 *Assembly Bwletin Cynulliad Newsletter - the ABC of Welsh politics*
- April 2008 *Europe: United or Divided by Culture?*
By Anthony Everitt. Cultural consultant Anthony Everitt reflects on a series of seminars that explored the place of culture in the development of European identity and citizenship.
- March 2008 *Assembly Bwletin Cynulliad Newsletter - the ABC of Welsh politics*

FINANCIAL REVIEW

The year saw a small surplus recorded, after a small deficit in the previous year. The surplus was achieved by tight control of costs on a lower turnover than last year.

Reserves policy

When considering the reserves needs of the Charity the Board prepare budgets and cash flow forecasts for the forthcoming financial year, which the Board consider to be an adequate period of review.

The objective of the directors is to build a level of reserves equal to the averaged fixed commitments for the ensuing 12 months, amounting to approximately £200,000. The level of unrestricted reserves at 31 March 2008 was £97,319.

Restricted fund reserves reflect projects for which specific funding has been received but which have not yet been completed at the year-end. The level of restricted reserves at 31 March 2008 was £48,136.

Investment policy and objectives

It is the policy of the Charity to hold any surplus cash within a 30-day reserve account to minimise the risk to these funds whilst ensuring a reasonable rate of return.

INSTITUTE OF WELSH AFFAIRS
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2008

FUTURE DEVELOPMENTS

Following the year end the Institute received notice of two significant three-year grants which the Board intends to invest in a new post of Deputy Director, to concentrate on marketing and growing our core income. The new Memorandum of Understanding with Cardiff University will, we hope, result in more ambitious joint research projects in the coming years that will access funds previously not open to the Institute.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit 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;
- 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 1985. 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.

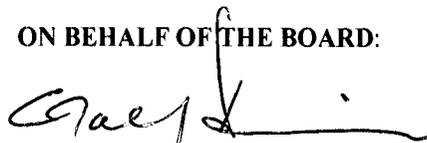
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Mitchell Meredith Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Geraint Talfan Davies
Chairman

Date: 10 September 2008

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
INSTITUTE OF WELSH AFFAIRS**

We have audited the financial statements of Institute of Welsh Affairs for the year ended 31 March 2008 on pages thirteen to twenty one. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

Respective responsibilities of trustees and auditors

The trustee's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page eleven.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Report of the Trustees and the Chairman's Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Trustees is consistent with the financial statements.

Mitchell Meredith Limited
34 High Street
Brecon
Powys
LD3 7AN



10 September 2008

INSTITUTE OF WELSH AFFAIRS
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008

	Notes	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	91,282	-	91,282	116,555
Activities for generating funds	3	216	-	216	700
Investment income	4	5,764	-	5,764	3,525
Incoming resources from charitable activities					
Publications	5	10,933	-	10,933	18,427
Events		6,011	-	6,011	11,407
Conferences		48,220	-	48,220	28,533
Research		<u>31,102</u>	<u>69,318</u>	<u>100,420</u>	<u>124,400</u>
Total incoming resources		193,528	69,318	262,846	303,547
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	6	38,271	12,012	50,283	84,393
Charitable activities					
Publications	7	19,241	8,242	27,483	21,010
Events		7,778	1,753	9,531	21,172
Conferences		30,509	16,194	46,703	56,981
Research		48,222	63,949	112,171	78,884
Cultural Explosion Project		-	-	-	15,336
Governance costs	9	<u>9,794</u>	<u>4,477</u>	<u>14,271</u>	<u>28,178</u>
Total resources expended		153,815	106,627	260,442	305,954
NET INCOMING/(OUTGOING) RESOURCES		39,713	(37,309)	2,404	(2,407)
RECONCILIATION OF FUNDS					
Total funds brought forward		64,623	85,446	150,069	152,476
TOTAL FUNDS CARRIED FORWARD		<u>104,336</u>	<u>48,137</u>	<u>152,473</u>	<u>150,069</u>

The notes form part of these financial statements

INSTITUTE OF WELSH AFFAIRS

**BALANCE SHEET
AT 31 MARCH 2008**

	Notes	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
FIXED ASSETS					
Tangible assets	13	7,018	-	7,018	8,394
CURRENT ASSETS					
Debtors: amounts falling due within one year	14	22,286	-	22,286	50,850
Prepayments and accrued income		6,856	-	6,856	5,616
Cash at bank		<u>83,523</u>	<u>48,136</u>	<u>131,659</u>	<u>111,907</u>
		112,665	48,136	160,801	168,373
CREDITORS					
Amounts falling due within one year	15	<u>(15,346)</u>	-	<u>(15,346)</u>	<u>(26,698)</u>
NET CURRENT ASSETS		<u>97,319</u>	<u>48,136</u>	<u>145,455</u>	<u>141,675</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>104,337</u>	<u>48,136</u>	<u>152,473</u>	<u>150,069</u>
NET ASSETS		<u>104,337</u>	<u>48,136</u>	<u>152,473</u>	<u>150,069</u>
FUNDS					
Unrestricted funds	17			104,337	64,623
Restricted funds				<u>48,136</u>	<u>85,446</u>
TOTAL FUNDS				<u>152,473</u>	<u>150,069</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Trustees on 10 September 2008 and were signed on its behalf by:



Geraint Talfan Davies
Chairman

The notes form part of these financial statements

INSTITUTE OF WELSH AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007), the Companies Act 1985 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

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.

Allocation and apportionment of costs

Expenditure is included on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in the relevant cost categories. Staff costs are allocated between the cost categories on the basis of the activities undertaken by the individual staff members. Other costs attributable to more than one activity have been apportioned between the activities in line with staff costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office Equipment	-25% on reducing balance
Fixtures and fittings	-10% on reducing balance
Computer equipment	-25% on cost

Taxation

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

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Unrestricted Funds

Unrestricted funds are membership subscriptions, donations and other incoming resources receivable or generated for the objects of the Charity without further specified purpose.

Restricted Funds

Restricted funds are to be used for specific purposes as laid down by the donor and expenditure which meets these criteria is charged to the fund.

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

2. VOLUNTARY INCOME

	2008	2007
	£	£
Gift aid	2,177	14,636
Grants	900	-
Membership subscriptions and donations	<u>88,205</u>	<u>101,919</u>
	<u>91,282</u>	<u>116,555</u>

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

	2008	2007
	£	£
Other grants	<u>900</u>	<u>-</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2008	2007
	£	£
Fundraising activities	<u>216</u>	<u>700</u>

4. INVESTMENT INCOME

	2008	2007
	£	£
Deposit account interest	<u>5,764</u>	<u>3,525</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2008	2007
	£	£
Activities to further the charity's objects		
Publications	10,933	18,427
Activities to further the charity's objects		
Events	6,011	11,407
Activities to further the charity's objects		
Conferences	48,220	28,533
Activities to further the charity's objects		
Research	<u>100,420</u>	<u>124,400</u>
	<u>165,584</u>	<u>182,767</u>

6. COSTS OF GENERATING VOLUNTARY INCOME

	2008	2007
	£	£
Direct project costs	23,960	29,831
Support costs	<u>26,323</u>	<u>54,562</u>
	<u>50,283</u>	<u>84,393</u>

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Publications	7,664	19,819	27,483
Events	5,505	4,026	9,531
Conferences	18,238	28,465	46,703
Research	<u>34,351</u>	<u>77,820</u>	<u>112,171</u>
	<u>65,758</u>	<u>130,130</u>	<u>195,888</u>

8. SUPPORT COSTS

	Office and Sundry Costs	Staff Costs	Depreciation	Bank Charges	Totals
	£	£	£	£	£
Costs of generating voluntary income	5,429	20,564	275	55	26,323
Governance costs	2,051	6,916	104	125	9,196
Publications	3,661	15,919	185	54	19,819
Events	788	3,144	40	54	4,026
Conferences	5,631	22,495	285	54	28,465
Research	<u>15,534</u>	<u>61,445</u>	<u>787</u>	<u>54</u>	<u>77,820</u>
	<u>33,094</u>	<u>130,483</u>	<u>1,676</u>	<u>396</u>	<u>165,649</u>

Activity	Basis of allocation
Premises	Staff time
Office and Sundry Costs	Staff time
Staff Costs	Staff time
Depreciation	Staff time
Bank Charges	Transactions

9. GOVERNANCE COSTS

	2008	2007
	£	£
ISO Quality Assurance	525	525
Auditors' remuneration	2,200	1,800
Auditors' remuneration for non-audit work	2,350	4,100
Support costs	<u>9,196</u>	<u>21,753</u>
	<u>14,271</u>	<u>28,178</u>

10. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2008	2007
	£	£
Auditors' remuneration	2,200	1,800
Depreciation - owned assets	1,676	1,868
Hire of plant and machinery	<u>1,655</u>	<u>1,428</u>

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2008 nor for the year ended 31 March 2007.

During the year one trustee, R A David, received fees of £300 for research work undertaken on a commercial basis.

Trustees' Expenses

There were no trustees' expenses paid for the year ended 31 March 2008 nor for the year ended 31 March 2007.

12. STAFF COSTS

	2008	2007
	£	£
Wages and salaries	106,864	96,925
Social security costs	11,351	12,252
Other pension costs	<u>9,143</u>	<u>11,821</u>
	<u>127,358</u>	<u>120,998</u>

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

	2008	2007
Trustees (during the year)	19	18
Chief Executive	1	1
Full Time Staff	<u>3</u>	<u>2</u>
	<u>23</u>	<u>21</u>

	2007	2006
Number of employees receiving emoluments of between:-£50,000 and £60,000	1	0
£60,000 and £70,000.	<u>0</u>	<u>1</u>
Contribution to defined contribution pension scheme in respect of this employee	<u>£4,438</u>	<u>£4,714</u>

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

13. TANGIBLE FIXED ASSETS

	Office Equipment	Fixtures and fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£	£
COST					
At 1 April 2007	10,425	9,217	13,350	11,700	44,692
Additions	<u>299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299</u>
At 31 March 2008	<u>10,724</u>	<u>9,217</u>	<u>13,350</u>	<u>11,700</u>	<u>44,991</u>
DEPRECIATION					
At 1 April 2007	7,864	4,545	13,350	10,538	36,297
Charge for year	<u>715</u>	<u>467</u>	<u>-</u>	<u>494</u>	<u>1,676</u>
At 31 March 2008	<u>8,579</u>	<u>5,012</u>	<u>13,350</u>	<u>11,032</u>	<u>37,973</u>
NET BOOK VALUE					
At 31 March 2008	<u>2,145</u>	<u>4,205</u>	<u>-</u>	<u>668</u>	<u>7,018</u>
At 31 March 2007	<u>2,561</u>	<u>4,672</u>	<u>-</u>	<u>1,162</u>	<u>8,395</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors	<u>22,286</u>	<u>50,850</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade creditors	2,902	18,499
Social security and other taxes	4,078	3,595
VAT	3,096	1,101
Accrued expenses	<u>5,270</u>	<u>3,503</u>
	<u>15,346</u>	<u>26,698</u>

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2008	2007
	£	£
Expiring:		
Between one and five years	<u>4,182</u>	<u>1,428</u>

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

17. MOVEMENT IN FUNDS

	At 1.4.07 £	Net movement in funds £	At 31.3.08 £
Unrestricted funds			
General fund	64,623	39,714	104,337
Restricted funds			
Small Rural Schools	38,056	(38,056)	-
Welsh Business Study	26,169	(26,169)	-
Health Academy	15,605	(5,471)	10,134
Living With Our Landscape	5,616	13,126	18,742
Media Project	-	19,260	19,260
	<u>85,446</u>	<u>(37,310)</u>	<u>48,136</u>
TOTAL FUNDS	<u>150,069</u>	<u>2,404</u>	<u>152,473</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	193,528	(153,814)	39,714
Restricted funds			
Living With Our Landscape	24,431	(11,305)	13,126
Aerospace Research	9,997	(9,997)	-
Small Rural Schools	-	(38,056)	(38,056)
Welsh Business Study	-	(26,169)	(26,169)
Health Academy	3,000	(8,471)	(5,471)
Heads of the Valleys Project	5,390	(5,390)	-
Media Project	25,000	(5,740)	19,260
Stern Report Conference	1,500	(1,500)	-
	<u>69,318</u>	<u>(106,628)</u>	<u>(37,310)</u>
TOTAL FUNDS	<u>262,846</u>	<u>(260,442)</u>	<u>2,404</u>

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2008

17. MOVEMENT IN FUNDS - continued

RESTRICTED FUNDS

The Small Rural Schools project represents funding from the Esmée Fairbairn Foundation for research, publication and a conference on the impact of closure of small rural schools in Pembrokeshire and Powys.

The Welsh Business Study represents funding from the Jane Hodge Foundation for research and the publication of a report entitled *Roaring Dragons: Entrepreneurial Tales from Wales*.

Health Academy Wales represents funding from Pfizer Ltd and Shaw Healthcare to organise events to establish a health academy for Wales.

Living with our Landscape represents funding from the Countryside Council for Wales for a research project, publication and events on the future management of the Welsh landscape.

The Aerospace Clusters project represents funding from the Welsh Assembly Government.

The Welsh Media project represents funding from the Welsh Assembly Government.

The Stern Report and Challenge to Wales conference represents funding from Energy Saving Trust.

INSTITUTE OF WELSH AFFAIRS
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008

	2008	2007
	£	£
INCOMING RESOURCES		
Voluntary income		
Gift aid	2,177	14,636
Grants	900	-
Membership subscriptions and donations	<u>88,205</u>	<u>101,919</u>
	91,282	116,555
Activities for generating funds		
Fundraising activities	216	700
Investment income		
Deposit account interest	5,764	3,525
Incoming resources from charitable activities		
Activities to further the charity's objects	<u>165,584</u>	<u>182,767</u>
Total incoming resources	262,846	303,547
RESOURCES EXPENDED		
Costs of generating voluntary income		
Direct project costs	23,960	29,831
Charitable activities		
Direct project costs	65,758	64,731
Governance costs		
ISO Quality Assurance	525	525
Auditors' remuneration	2,200	1,800
Auditors' remuneration for non-audit work	<u>2,350</u>	<u>4,100</u>
	5,075	6,425
Support costs		
Office and Sundry Costs		
Hire of office equipment	1,655	1,428
Rent and rates	13,185	23,640
Insurance	322	1,012
Light and heat	-	182
Telephone	2,796	3,412
Postage and stationery	5,802	8,751
Sundries	3,525	4,767
Moving costs	-	5,504
Travel & entertainment	304	919
Alarm system charges	-	377
Cleaner	322	757
Maintenance	772	674
Computer costs	1,853	1,536
Carried forward	<u>30,536</u>	<u>52,959</u>

This page does not form part of the statutory financial statements

INSTITUTE OF WELSH AFFAIRS
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008

	2008	2007
	£	£
Office and Sundry Costs		
Brought forward	30,536	52,959
Marketing	2,168	6,227
Bad debt	<u>390</u>	<u>57</u>
	33,094	59,243
Staff Costs		
Wages	106,864	96,925
Social security	11,351	12,252
Pensions	9,143	11,821
Staff training	160	19,200
Motor Expenses	<u>2,965</u>	<u>3,266</u>
	130,483	143,464
Bank Charges		
Bank charges	<u>396</u>	<u>394</u>
Total resources expended	260,442	305,954
	<u> </u>	<u> </u>
Net income/(expenditure)	<u>2,404</u>	<u>(2,407)</u>

This page does not form part of the statutory financial statements