

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 2016

Mitchell Meredith Limited
Chartered Accountants
The Orbit Centre
Rhydycar Park
Merthyr Tydfil
CF48 1DL

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	
Trustees	Mrs F Beecher Ms JM Foster Mr NG Griffiths Dr E Ap Gwilym Mrs LM Harris Mr GH Holtham Mr RC Lewis Professor LJ McAllister Ms HC Molyneux Professor KJ Morgan Ms EM Piffaretti Mr DG Stevens	(Appointed 6 May 2015) (Resigned 18 May 2015) (Resigned 23 February 2016) (Resigned 14 October 2015)
Chief executive officer	Mr L Waters	(Resigned 9 May 2016)
Secretary	Ms LS Knight	
Accountant	Mitchell Meredith Limited The Orbit Centre Rhydycar Park Merthyr Tydfil CF48 1DL	

INSTITUTE OF WELSH AFFAIRS
CHAIRPERSON'S REPORT

Never has the role of the IWA as an independent think-tank working to make Wales better been more necessary. Over the last year, the rapidly changing political landscape in Wales, the UK and around the world has once again underscored the value of the work of the institute – providing challenge, thought-leadership and practical ideas to improve education, health, the economy and governance in Wales

Over the last year, we have provided a platform for much needed debate on a range of issues – from the EU Referendum, to the sustainability of the media in Wales. Our role as a platform for debate has been strengthened by the award of a four-year grant by the Welsh Books Council towards the cost of producing our twice-yearly magazine, *the welsh agenda*. Our IWA debates with Cardiff University have proven to be important events in the calendar and our comment and analysis site, Click on Wales, has firmly established itself as an important portal for quality comment. This year it received 191,473 visits by 85,018 people.

Our chief focus this year has been on our health, economy and governance strands. Our innovative project on cancer care in Wales was the third project we've conducted evolving the use of crowdsourcing techniques in policy development. By asking people who are undergoing cancer treatment and their families what their priorities are, the project resulted in a set of recommendations that we did not anticipate when we started out. By using this approach our *Let's Talk Cancer* report highlighted a perspective that would otherwise not have been discussed, and we succeeded in influencing Government policy and the manifesto development of opposition parties.

We adopted a more traditional approach for our Wales Media Audit by drawing together published and unpublished data to highlight the challenges facing broadcasting communication in Wales. The development of our *Re-energising Wales* project has involved bringing leading experts from across Welsh Universities and practitioners to scope a project on how to meet our energy needs from renewable sources.

Our ability to continue to challenge status quo and facilitate the generation of alternative viewpoints is reliant upon the continued support of our members, the foundations who fund our projects and the hard work and dedication of the IWA team. Thank you all for your continued support. Thank you also to the Trustees of the Institute for their unfailing support and commitment.

Helen Molyneux, Chair, IWA.

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' REPORT

The trustees present their report and the financial statements for the year ended 31st March 2016.

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.

Helen Molyneux, entrepreneurial CEO of NewLaw became Chair of the IWA in March 2014, and is supported by the experienced trustees, CEO, Cadwyn Capital LLP, Gerald Holtham; Plaid Cymru chief economic adviser Eurfyl ap Gwilym; Professor of Governance at the University of Liverpool Prof Laura McAllister; Treasurer Nigel Griffiths; Chief Operating Officer and co-founder of Admiral Insurance plc David Stevens; Chairman of Cardiff Airport Roger Lewis; Dean of Engagement at Cardiff University Professor Kevin Morgan; Chief Executive of homeless charity Llamau Frances Beecher; who form the Board of the IWA.

Trustees who have stood down from the Board this year are:

- Louise Harris, CEO of Big Learning Company
- Eve Piffaretti, Blake Morgan

The Board have conducted a skills audit of the current trustees and have agreed to recruit additional trustees in the next financial year.

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 trustees have previously identified that the IWA faces a number of significant income challenges and risks on an ongoing basis:

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

Last year the trustees agreed a new strategy for the IWA which involves re-orientating our work programme away from events, and basing our case for support on supporting the charity's work in achieving change.

Throughout the last year we have mitigated these risks by maintaining our reserves, attracting project funding for our health project and reducing the amount of events we hold to free up capacity for other ways of generating income.

We have developed a fundraising strategy which involves increasing the amount of giving from our supporters and diversifying the range of trust and foundations we work with.

Over the next year the IWA will aim to:

- Launch a membership push to increase unrestricted income.
- Seek funding from a variety of further Trusts whose objectives align with the strategic themes to fund the IWA's project work.
- Continue to exercise strict control of overhead costs.

Organisational Structure

The board of trustees meets every 12 weeks and the finance and general purposes sub-committee meets beforehand. The directors oversee all the activities of the IWA.

Our aims and objectives

Our vision is to help create a Wales where everyone can flourish

Our mission is to act as a catalyst for change. We bring people together so that ideas can collide and solutions can be forged.

Our strategy is to do this through focusing on areas that will improve Wales' wellbeing over the next ten years:

- The economy
- Education
- Health
- Governance & the media

In each area we will draw upon evidence and experience to devise practical solutions, and work with policy makers from across the spectrum to achieve long-term change.

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' REPORT

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 using expert research and public engagement to develop practical ideas to improve education, governance, health and the economy for people in Wales. The way in which this has been achieved over the past year is detailed below.

Financial review, achievements and performance

In 2015-16 we began to stabilise our finances as our new strategy was rolled-out.

We have focused on developing a fundraising strategy and spent the year rebuilding the foundations which will allow us to strengthen our position over the next 3 years. We have overhauled our systems and have invested in a new database and integrated financial platform. These underpin our new website and rebranding which clearly communicate our charitable mission as we seek to grow our supporter base.

The policy groups for each of our strategic areas are continuing to develop a pipeline of ideas and projects for us to focus on.

Economy

Following the publication in March 2015 of our economy report on how Wales could close the wealth gap with the rest of the UK, we have focused on developing one of our key recommendations. In June we held a roundtable of opinion formers to discuss our proposal to cut energy-related greenhouse gas emissions by 80% by 2035 through a growth in renewable energy. Our discussion was sponsored by RWE Innogy and involved experts, policy makers and key figures from the industry. We subsequently established an energy policy group chaired by Prof Gareth Wyn Jones and succeeded in winning funding from the Jane Hodge Foundation for a three-year project to develop our proposals into a detailed blueprint of energy savings and generation to exploit Wales' renewable energy resources.

We also continued our focus on the debate around City Regions. In November we hosted a sell-out debate with Sir Terry Matthews on the future of the Swansea Bay region in association with Swansea University and the Institute of Directors. In February we held a roundtable jointly with Cardiff University on the first anniversary of the Cardiff Capital Region report on the way forward for the south east.

Education

We have been working with our education group on ideas for future research. We have featured analysis of the future of Higher Education, student finance, the school improvement programme - Schools Challenge Cymru - and the Seren project to increase the number of Welsh students studying at Oxford and Cambridge.

Health & Social Care

In June 2015 we published the latest in our Senedd Papers series, in partnership with the Presiding Officer of the National Assembly, Dame Rosemary Butler, designed to generate policy ideas for Welsh policymakers to consider. The IWA's third Senedd Paper, 'Good Food for All' by Professor Kevin Morgan, an internationally-renowned expert on sustainable food, made the case for Wales to actively embrace the good food movement to promote a wide variety of causes, including health and wellbeing, social justice, ecological integrity and animal welfare.

In August our annual Eisteddfod lecture was given in Meifod by broadcaster and carer Beti George, and chaired by Health Minister Mark Drakeford, on the subject of 'Tackling Dementia: we can't afford not to'. She called for a shift in attitudes and care for people with dementia to allow society to cope with a disease that will touch all us.

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' REPORT

The disease that has dominated the political debate has been cancer. The IWA decided to take a fresh approach to the debate around the disease by partnering with Tenovus Cancer Care to 'crowdsource' patients' perspectives on how to improve treatment. With additional funding from the Jane Hodge Foundation, we held a 12 week "Let's Talk Cancer" project via a specially-developed website, 'letstalkcancer.wales' and submission boxes at health centres across Wales to consider the experiences of cancer patients and their families. We captured over 100 ideas in just six weeks and asked site users to vote on the ones with greatest potential. We took the 12 highest rated ideas and discussed them with an expert panel of practitioners from a range of disciplines to test their practicality. The panel agreed a shortlist of 6 ideas which we tested further with the general public through the IWA's website to agree our final recommendations.

Our recommendations were:

Patients should be given accurate information about delays to appointments on-the-day so that they may better manage their time during the delay period.

Patients should be able to easily access their notes and any letters relating to their case.

Financial support and information should be readily and easily available for people affected by cancer. This could be done through an established referral pathway, where patients and their carers are provided with advisor details in an accessible format. Welsh Government and health boards should work with the third sector to ensure this support is available for all affected by cancer.

Patient transport provision should be clearer and more flexible prioritising the patient experience, with an emphasis on efficiency and timeliness. Different transport providers, including third sector services, should be used where appropriate. Gaps in existing provision should be mapped.

Where possible some elements of care should be delivered locally. For example, regular appointments for checks on blood pressure and dressing changes could be delivered at a primary care level and any results sent directly to the relevant consultant.

Patients' records should be available to all practitioners treating the patient throughout their care.

We held a successful launch event at the Pierhead in Cardiff Bay in September with the health spokespeople for each of the main parties, as well as speaking at the Plaid Cymru conference in October. The project also won a competition for the best academic poster at the Public Health Wales conference, ahead of 60 other entries.

Governance

Following the crowd-sourced constitutional convention we held between January and March 2015, which saw 12,000 people engage with a debate on the future of the UK, the IWA continued to feed in the findings of the engagement exercise in evidence to the House of Commons and House of Lords enquiries into the UK Government's Draft Wales Bill.

Our main focus turned to the work of our media policy group which drew together a substantial audit of the state of press, online and broadcast media in Wales. The report followed a similar audit undertaken in 2008 by the IWA funded by the Welsh Government, since when no work had been done and we therefore decided to fund it from our own charitable resources.

In advance of the final publication of our research in November we published each chapter in draft online to allow it to be challenged and improved. The final version launched at the second Cardiff Media Summit in November revealed that the supply of content about Wales available to people in Wales has been subject to multiple pressures:

- The amount of money spent by the BBC on programmes for Wales in English has fallen by 25% in the last decade, as has the number of hours of television it produces.
- S4C suffered a 24% cut in its central funding.

INSTITUTE OF WELSH AFFAIRS

TRUSTEES' REPORT

- ITV Wales now only produces 90 minutes of English language television a week on top of its news output - in sharp contrast to the independently-owned ITV service in Scotland (STV) which has actually increased its output.
- Circulation of Welsh newspapers has fallen dramatically - from a 60% fall in the South Wales Echo circulation, to a 33% drop in sales of the Daily Post. The Western Mail now sells just 17,815 copies a day.

- The combined reach of the newspaper online sites in Wales each day, probably already exceeds the total daily readership figures for indigenous Welsh newspapers in the pre-digital world. In that sense the digital world has delivered a dividend. However, the number of journalists employed has dropped dramatically and the scope of reporting may be contracting. Further, newspapers continue to make up 90% of the income for news organisations raising concerns about the future viability of news provision.

The report set out 37 recommendations for change which were debated at our media summit by a broad range of practitioners and opinion formers from across the UK. The work has informed inquiries by the House of Commons, House of Lords, and National Assembly committees, as well as the UK Government's Clementi review of Governance. It is significant that at a critical time of BBC Charter renewal the IWA played a key role in bringing together practitioners and experts and disseminating their thinking to policy-makers. BBC Director General, Lord Tony Hall, described the Wales Media Audit as invaluable in informing the debate.

As well as the important debate about the visibility of Wales in the media, its implications for the way Wales is portrayed and the way we are governed, we have provided a platform for a lively debate on the implications of our future membership of the EU. We began 2016 with a major head to head in Cardiff between First Minister Carwyn Jones and UKIP Leader Nigel Farage. The IWA Debate (held in partnership with Cardiff University), televised and held before a packed audience, succeeded in generating a great deal of interest in the arguments around the UK's membership of the EU ahead of June's referendum.

On the eve of the Assembly election campaign we held the second IWA Debate with Cardiff University to draw attention to the voices that do not get heard in most elections campaigns. An expert panel discussed whether a move to compulsory voting would ensure that all voices would be heard.

Engaging with members

During the 2015/16 period we began work on a new website that would allow us to integrate our CRM and mailing software in order to capture accurate member data and use online card payment and direct debit payment to improve both existing member's ability to pay online annually or monthly and make it easier for new members to join online.

Finances and our Reserves Policy

2015/16 was a challenging year, but having started the year expecting an end of year deficit of £38,000, we worked hard to increase income and keep costs under control and ended the year at just about break even.

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

The objective of the charity has been to build a level of reserves equal to £70,000. As at the balance sheet date the organisation had free reserves of £115,609 (2015 - £74,741).

Restricted fund reserves reflect funds specifically designated for projects which have not yet been completed at the year-end.


The trustees present their report and the financial statements for the year ended 31st March 2016.

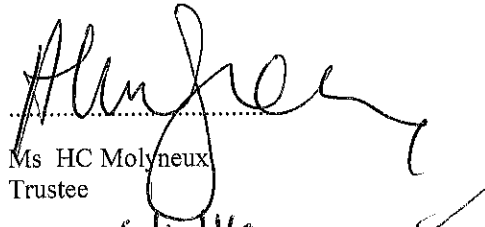
INSTITUTE OF WELSH AFFAIRS
TRUSTEES' REPORT

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: 6/10/16


.....
Ms HC Molyneux
Trustee
Date: 6/10/16

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 2016, which are set out on pages 11 to 21.

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 the Institute of Chartered Accountants in England and Wales (ICAEW).

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.....
M L Barnes FCCA ACA
Mitchell Meredith Limited
Chartered Accountants
Date: 6/10/2016.....

The Orbit Centre
Rhydycar Park
Merthyr Tydfil
CF48 1DL

INSTITUTE OF WELSH AFFAIRS
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE
ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2016

	Unrestricted Funds	Restricted funds	Total Funds 2016	Total Funds 2015
Note	£	£	£	£
Incoming resources				
Incoming resources from generated funds				
Voluntary income	2	174,924	35,000	209,924
Investment income	4	1,336	-	1,336
Incoming resources from charitable activities				
	5	58,948	25,000	83,948
Total incoming resources		<u>235,208</u>	<u>60,000</u>	<u>295,208</u>
Resources expended				
Costs of generating funds				
Costs of generating voluntary income	6	32,098	-	32,098
Charitable activities	6	148,295	97,851	246,146
Governance costs	6	19,163	-	19,163
Total resources expended		<u>199,556</u>	<u>97,851</u>	<u>297,407</u>
Net movements in funds		35,652	(37,851)	(2,199)
Reconciliation of funds				
Total funds brought forward		89,155	37,851	127,006
Total funds carried forward		<u>124,807</u>	<u>-</u>	<u>124,807</u>

All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 21 form an integral part of these financial statements.

INSTITUTE OF WELSH AFFAIRS (REGISTRATION NUMBER: 02151006)

BALANCE SHEET AS AT 31 MARCH 2016

		2016		2015	
	Note	£	£	£	£
Fixed assets					
Tangible assets	11		9,198		14,413
Current assets					
Debtors	12	4,325		15,657	
Cash at bank and in hand		<u>128,446</u>		<u>126,402</u>	
		132,771		142,059	
Creditors: Amounts falling due within one year	13	<u>(17,162)</u>		<u>(29,467)</u>	
Net current assets			<u>115,609</u>		<u>112,592</u>
Net assets			<u>124,807</u>		<u>127,005</u>
The funds of the charity:					
Restricted funds			-		37,851
Unrestricted funds					
Unrestricted income funds			<u>124,807</u>		<u>89,154</u>
Total charity funds			<u>124,807</u>		<u>127,005</u>

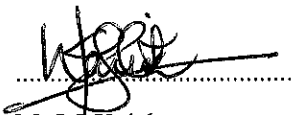
For the financial year ended 31 March 2016, the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

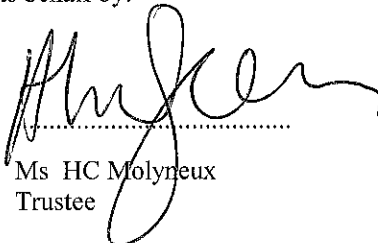
The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved by the Board on 27/9/16 and signed on its behalf by:



Ms LS Knight
Secretary



Ms HC Molyneux
Trustee

The notes on pages 13 to 21 form an integral part of these financial statements.

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16th July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

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.

Income for memberships is recognised at the date it is received, net of VAT.

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.

Income is the amount derived from ordinary activities and is stated net of VAT.

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.

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

..... continued

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.

Irrecoverable VAT

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

Fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

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.

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

..... *continued*

2 Voluntary income

	Unrestricted Funds £	Restricted funds £	Total Funds 2016 £	Total Funds 2015 £
Donations and legacies				
Appeals and donations	18,653	28,000	46,653	10,021
Gift Aid tax reclaimed	3,126	7,000	10,126	3,613
	<u>21,779</u>	<u>35,000</u>	<u>56,779</u>	<u>13,634</u>
Grants				
Trusts and foundations	76,000	-	76,000	89,050
Members				
Subscriptions	77,145	-	77,145	73,357
	<u>174,924</u>	<u>35,000</u>	<u>209,924</u>	<u>176,041</u>

3 Grants receivable

	Unrestricted Funds £	Restricted funds £	Total Funds 2016 £	Total Funds 2015 £
Esmee Fairbairn Foundation	-	-	-	20,000
Joseph Rowntree Charitable Trust	19,500	-	19,500	6,250
Jobs Growth Wales	-	-	-	6,300
Waterloo Foundation	56,500	-	56,500	56,500
	<u>76,000</u>	<u>-</u>	<u>76,000</u>	<u>89,050</u>

INSTITUTE OF WELSH AFFAIRS
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

..... *continued*

4 Investment income

	Unrestricted Funds £	Restricted funds £	Total Funds 2016 £	Total Funds 2015 £
Interest on cash deposits	1,336	-	1,336	562

5 Incoming resources from charitable activities

	Unrestricted Funds £	Restricted funds £	Total Funds 2016 £	Total Funds 2015 £
Charitable activity				
Charitable activity	58,948	25,000	83,948	214,272

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

..... continued

6 Total resources expended

	Members	Charitable activity	Governance	Total
	£	£	£	£
Direct costs				
Direct costs	-	80,312	-	80,312
Support costs				
Employment costs	25,023	129,285	12,511	166,819
Establishment costs	1,637	8,448	818	10,903
Office expenses	1,682	8,694	841	11,217
Travel and subsistence	414	2,140	207	2,761
Marketing	280	1,443	139	1,862
Accountancy fees	-	-	3,116	3,116
Legal and professional costs	1,982	10,242	991	13,215
Bank charges	298	1,541	149	1,988
Depreciation	782	4,041	391	5,214
	<u>32,098</u>	<u>165,834</u>	<u>19,163</u>	<u>217,095</u>
	<u>32,098</u>	<u>246,146</u>	<u>19,163</u>	<u>297,407</u>

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 2015.

8 Net (expenditure)/income

Net (expenditure)/income is stated after charging:

	2016	2015
	£	£
Hire of plant and machinery - operating leases	338	873
Depreciation of owned assets	<u>5,214</u>	<u>5,459</u>

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

..... *continued*

9 Employees' remuneration

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

	2016 No.	2015 No.
Charitable activities	6	5

The aggregate payroll costs of these persons were as follows:

	2016 £	2015 £
Wages and salaries	144,389	170,188
Social security	12,479	13,407
Other pension costs	9,255	6,144
	166,123	189,739

10 Taxation

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

11 Tangible fixed assets

	Website £	Fixtures & Fittings £	Computer Equipment £	Office Equipment £	Total £
Cost					
As at 1 April 2015 and 31 March 2016	25,789	5,520	20,268	16,681	68,258
Depreciation					
As at 1 April 2015	18,787	1,048	18,875	15,135	53,845
Charge for the year	3,684	448	696	387	5,215
As at 31 March 2016	22,471	1,496	19,571	15,522	59,060
Net book value					
As at 31 March 2016	3,318	4,024	697	1,159	9,198
As at 31 March 2015	7,002	4,472	1,393	1,546	14,413

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

..... *continued*

12 Debtors

	2016 £	2015 £
Trade debtors	768	13,451
Other debtors	42	763
Prepayments and accrued income	3,515	1,443
	<u>4,325</u>	<u>15,657</u>

13 Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	8,111	10,552
Taxation and social security	4,427	4,389
Other creditors	831	675
Accruals and Advance Income	3,793	13,851
	<u>17,162</u>	<u>29,467</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.

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 £9,255 (2015 - £6,144).

Contributions totalling £831 (2015 - £675) were payable to the scheme at the end of the period and are included in creditors.

16 Related parties

Controlling entity

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

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

..... continued

17 Analysis of funds

	At 1 April 2015	Incoming resources	Resources expended	At 31 March 2016
	£	£	£	£
General Funds				
Unrestricted income fund	89,155	235,208	(199,556)	124,807
Restricted funds				
Esmee Fairbairn Foundation	11,600	-	(11,600)	-
Welsh Books Council	-	25,000	(25,000)	-
Jane Hodge Foundation	22,000	-	(22,000)	-
Indiegogo Crowd Funding	1,451	-	(1,451)	-
Wales Governance Centre	2,800	-	(2,800)	-
Coleridge Project funding	-	35,000	(35,000)	-
	<u>37,851</u>	<u>60,000</u>	<u>(97,851)</u>	<u>-</u>
	<u>127,006</u>	<u>295,208</u>	<u>(297,407)</u>	<u>124,807</u>

Unrestricted funds includes grants received by the Institute of Welsh Affairs during the year from the Waterloo Foundation and the Joseph Rowntree Charitable Trust towards the running costs of the Institute of Welsh Affairs.

Esmee Fairbairn Foundation - Grant towards the salary of a key member of staff for 12 months.

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

Jane Hodge Foundation - Grant provided within the 2014-15 financial year towards the Tenovus Cancer research paper. Project completed within the 2015/16 financial year.

Indiegogo Crowd Funding - Crowd funding was raised within the 2014-15 financial year specifically for the Constitutional Convention project undertaken by the Institute of Welsh Affairs. The project was completed within the 2015-16 financial year.

Wales Governance Centre, Cardiff University - A grant towards the Constitutional Convention research project and to the costs of the launch event.

Coleridge Project - A specific donation was received with regards to the costs of the Coleridge Project.

INSTITUTE OF WELSH AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

..... *continued*

18 Net assets by fund

	Unrestricted Funds	Total Funds 2016	Total Funds 2015
	£	£	£
Tangible assets	9,198	9,198	14,413
Current assets	132,771	132,771	142,059
Creditors: Amounts falling due within one year	(17,162)	(17,162)	(29,467)
Net assets	<u>124,807</u>	<u>124,807</u>	<u>127,005</u>