

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
INSTITUTE OF WELSH AFFAIRS**

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**CHAIR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The report of the trustees and the financial statements that follow are for the year ending 31 March 2022. It is worth reminding ourselves that Covid restrictions were still in place in Wales until 27 May 2022. In England restrictions ended on 24 February 2022, which was also the date on which Russia invaded Ukraine.

The war in Ukraine has fuelled a cost of living crisis with sharp increases in food and energy prices and higher inflation and interest rates. The impact of this is greatest on the poorest in our society, who spend proportionately more of their income on food and heating. Rail and postal workers, firefighters and criminal barristers have balloted for industrial action.

Against this background of serious challenge for people and for business, Liz Truss became leader of the Conservative party and the prime minister of the UK government on 6 September 2022. Just two days later, HM Queen Elizabeth II died.

Here in Wales, Welsh Labour signed a co-operation agreement with Plaid Cymru in March 2022 to work together on 46 policy areas. The agreement is not a coalition agreement, but the two parties have pledged to work together on areas where they are in consensus, including rolling out free school meals to all primary children, tackling climate change and long-term reform of the Senedd.

These are matters that will have a bearing on the work of the IWA going forward. For the purposes of this report, I am reflecting on our work and our impact in the period up to 31 March 2022 when in person meetings and events were still very restricted. Even with those restrictions, the small team of staff at the IWA led by director Auriol Miller continued to more than deliver. The trustees' report details the extent of the work undertaken, but highlights include:

1. Providing a platform for debate with 13 online events and 1,168 tickets across our whole events and training programme. We reached over 5,200 people in total. In the year to 31 March all but one of our events were free, as part of a funded partnership or a policy project.
2. Our work within our main priority areas of Democracy and Economy in contributing to the understanding of devolution and where power lies.
3. The office move to new premises at sbarc|spark with much improved facilities and space; and
4. The donations made to the National Library of Wales Welsh Political Archive of a volume of IWA's papers, contributing contemporaneous archival material of the political life of Wales.

On behalf of all the trustees, I thank the IWA staff members for their hard work, which again this year was made more challenging due to Covid restrictions.

I also take this opportunity to thank outgoing trustee Valerie Livingston for her valued and considered contribution to the board.

**Bethan Darwin
Chair, IWA**

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objects and aims

The Objects of the Charity are to advance the education of the general public of, and to promote research into (and the publication of the results thereof), socio-economics, politics, science and technology, including but not limited to:-

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

Strategy

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

We are independent of government and political parties.

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

By bringing together experts from all backgrounds, we conceive ambitious and informed ideas which secure political commitments to improve our democracy, public services and economy.

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

ACHIEVEMENTS AND PERFORMANCE

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

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

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

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

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

Highlights at a glance

The output of the IWA continues to be extremely high quality, and generate significant impact, particularly considering the small size of the staff team. The ongoing impact of the Covid-19 pandemic has seen the organisation continue to expand online as well as reach new audiences. We are particularly proud that a number of donors have commended us for our innovative outreach to ensure that the voices and experiences of under-represented groups are better heard in spaces where public policy is discussed.

We have continued to publish substantive, evidence-informed reports on key issues that we think will matter in the medium- to long-term for Wales. Our commitment is to identifying, articulating and explaining why they matter, and then convening discussions which lead to action to address them. For this reason, our substantive impact is often evident on a much longer timeframe than in a single reporting period of a year.

In this report we set out our outputs for FY2022 and feedback from key stakeholders.

Platform for comment and debate

- This year, we ran a total of 13 online events in line with our strategic priorities, including the last three of a major online series of Rethinking Wales sessions, bringing contributors together across policy areas in response to the Covid-19 pandemic, in which best practice was shared.
- Over 1,168 tickets were issued across our whole events and training programme, and we reached over 5,200 people in total, an increase of over 1,000 people on last year, through our videos and recordings.
- We are pleased to continue to offer most of our events for free, as part of our commitment to widening access to quality debate on public policy in Wales. This year, all our events bar one were free, as they were either part of funded partnership or policy projects.

Understanding how devolution works and building capacity

- We ran our highly-regarded training courses for over 90 people, consistently receiving excellent feedback, with our digital delivery expanding both our numerical and geographical reach considerably. We were also pleased to adapt this course successfully for visually impaired delegates.

Developing and securing commitments to our priority areas of Wales' economy and democracy

- In the run up to the May 2021 Senedd election, we set out a series of priorities for the next Welsh Government and Senedd, with challenges in relation to Wales' economy, media and democracy, and placemaking all based on our recent research and policy work. We posed key questions to all the main political parties, publishing their responses on our website to inform public opinion pre-election.
- We called for Economy, Energy and Transport to be placed in the same ministerial portfolio in order to combat climate change more effectively. While not exactly in line with our recommendations (economy was not included, but housing was), this super-ministry principle was effectively adopted by the Welsh Government in the creation of the Climate Change ministry.
- In our work to support Wales' democracy, we published our latest IWA Media Audit (supported by the University of South Wales), and successfully resourced a substantive new project to follow up on our Media Priorities for the next Senedd.
- In our economic policy work:
 - We completed our Foundational Economy project in partnership with CREW, publishing the remaining two of a series of three papers: *The Impact of Regulation in the Foundational Economy and Turning Rhetoric into Reality: Decarbonising the Foundational Economy*.
 - We responded to the UK Government's Levelling Up White Paper and published *What Does Levelling Up mean for Wales?*
 - We ran a roundtable on renewable energy in partnership with RWE that informed our autumn publication *Renewing the Focus: Re-energising Wales Two Years On*.
 - We also published a major new study on land use *Our Land: Communities and Land Use* setting out clear challenges for new legislation to benefit Welsh communities.
 - *Understanding Welsh Places* continued to underpin policy work on regeneration, providing a basis for the Welsh Places Influencing Group to conceive the Welsh Places Charter. Later in FY2022 we published *Stepping Up: How Covid-19 tested the Resilience of Welsh Places*, in partnership with The Means.
- We gave oral evidence to Senedd committees in relation to renewable energy and community rights and submitted written evidence to Senedd, UK Parliament and Welsh Government consultations across a range of issues.
- Over 81,000 people (up 6.38%) visited the IWA website over the year which led to nearly 170,000 total hits (up nearly 15%).

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

As part of our ongoing work contributing to an increase in the quantity and quality of public debate on issues that matter to Wales, we again ran a successful programme of events in 2021/22 in line with our policy priorities, despite not being able to bring people together in person because of the ongoing global pandemic.

Our Senedd 2021 event Looking Back and Looking Ahead focussed minds on the results of the election and the challenges facing the Sixth Senedd.

We are grateful to the National Lottery Community Fund for their support for the last in our series of our Rethinking Wales sessions:

16. Community Sport and Inequality
17. Banking for the Community
18. Volunteering in a Pandemic

In April, Professor Gerry Holtham gave a lecture focussing on economic opportunities for young people in Wales and later in the year we ran an event in partnership with Qualifications Wales entitled *Qualified for the Future: the wider offer for 14-16 year olds*.

We were also delighted to partner with the Media Reform Coalition on the event *Beyond the BBC: Reimagining Public Service Media in Wales*, with the output from the event informing the Coalition's ongoing work.

We welcomed Vaughan Gething MS, Minister for the Economy, to our own first major virtual event, the 2021 Economy Summit in November. The event informed and disseminated some of our work on the levelling up agenda, and discussions were picked up by a number of key stakeholders.

In March, we ran the first in our new three-year events partnership with Bangor University, focussing on economic issues for north Wales: *Taxing Twilight: the Health Economics of North Wales*.

Reach

A total of 5,281 people either attended, watched or listened back to all our online sessions held between 1 April 2021 and 31 March 2022, including our last three Rethinking Wales sessions. Recordings of all IWA events can be found on the IWA videos page on our website and on YouTube.

Impact

Over 78% of surveyed delegates rated our events as 'great' or 'excellent', and 86% would recommend our events to others. On average, 70% noted that the events changed their understanding of the issues discussed, and described the sessions as:

'Sincere, concerned, informative'
'Informative, thought-provoking, enjoyable'
'Timely, valuable, helpful'
'Illuminating, pragmatic, committed to Wales'
'Engaging, well-structured, inspiring'
'Well organised and good choice and quality of speakers'
'Engaging discussions with a range of different stakeholders and policy advocates'
'[What I most liked about the event were] The focused sessions and high quality discussions without taking up too many hours over the two days.'

the welsh agenda

Issue 66 of *the welsh agenda* in Spring 2021 featured a diverse range of content under the heading 'Facing the Future'. All the new members of the editorial group wrote excellent pieces: Theo Davies-Lewis on constitutional conundrums, Grace Quantock on Ableism and Hannah Watkin on both LGBTQI+ fiction and the hospitality sector. We were pleased that this issue was our most successful yet in realising our vision to represent lived experiences from across Wales. Contributors came from every part of Wales (notably except the north east), and there was a clear range in terms of age, class, gender, race, sexuality and profession.

Issue 67 of *the welsh agenda* was published in October. Headlined 'Coming Together', it featured articles on how the pandemic affected families, poverty, and crises related to the climate, housing and refugees. Particularly noteworthy was the article by 17-year-old Tade Evans from the Bettws council estate in Newport titled 'Growing up in the underclass'. As well as sitting pertinently in the magazine next to a piece from the Child Poverty Action Group, the piece drew particular praise from our funder, the Books Council of Wales, during our annual appraisal as an example of the successful work we have done to engage young people in both writing for and reading our platforms for debate.

We have continued to analyse contributors to *the welsh agenda* online and have published 141 articles from over 100 contributors since April 2021. In the upcoming year, we will also be trialling a new system to monitor the diversity of our contributors.

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

We delivered our Decision Making in Wales, and Influencing in Wales courses online to a total of 75 delegates during this year, receiving excellent feedback:

'I liked the ability to practise what we had learnt, attempt crafting a recommendation, convincing a committee to undertake an inquiry, creating a campaign, and meeting an MS. These were tangible activities that allowed us to put the learning into practice.'

'The online delivery meant that extroverts and introverts could participate, which led to more voices and better questions / discussions.'

'The ability to put questions to an MS, receiving honest answers in the process. The openness of the setup, asking questions as we go and having that more conversational style was very conducive to learning and putting people at ease especially virtually.'

We also delivered a bespoke course for a number of UK Government civil servants:

'I thought it was an informative and well pitched course - the presenter knew the material very well and the member of parliament offered useful insights into Welsh politics.'

'[What I most liked about the course was] the interaction with the trainers, which was very interesting. They were very knowledgeable and interesting to learn from.'

IWA Director, Auriol Miller, continued to mentor on the successor to WEN Wales' mentoring scheme, Equal Power Equal Voice, now run as a partnership with EYST Cymru, Stonewall Cymru and Disability Wales, as part of our ongoing commitment to actively supporting people to make their own contribution to public life in Wales.

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

All our policy and project work is aligned to our three priority areas. Although we currently have no active research work in relation to public services, we continue to work with partners to shape public events, discussing key issues in relation to public services, prioritising education and skills as the building blocks to strengthen Wales' democracy and economy.

A strong, confident democracy

IWA Media

Our longstanding interest in media policy has continued and we published the 3rd IWA Media Audit in Autumn 2021, on which our IWA Cardiff Media Summit was based. We are grateful to the University of South Wales for their support. The Audit, Summit events, and related stakeholder engagement fed into our key recommendations and media priorities for the sixth Senedd.

This year, we successfully resourced a new two-year media and democracy project which will begin in FY2023 and which will be focussed on these priorities:

The Welsh Government should:

- create a contestable fund for independent news of at least £1m per year
- work with the UK Government to improve accountability of Public Service Media organisations (PSMs) to the Senedd, through devolution of specific broadcasting powers
- make Creative Wales the home for an ambitious strategy for a thriving media economy, which tells stories of Welsh life in all its diversity.

The Senedd should:

- retain a committee with a remit over communications policy
- ensure this committee undertakes an investigation into the role of social media and misinformation during the 2021 Senedd elections.

Our new project will be funded by the Joseph Rowntree Charitable Trust.

Understanding Welsh Places (UWP)

This year the Understanding Welsh Places website informed two significant pieces of policy work. It formed the basis for the Welsh Places Charter, published before the Senedd elections in May 2021 in collaboration with the Welsh Places Influencing Group, itself a mix of UWP consortium partners and other placemakers.

Together we recommended that:

All communities should have

- the tools to better understand their area
- the voice to represent their needs to decision makers
- the means to make a change in the places where they live and work

Our view was that the pandemic recovery presented an opportunity for us to design communities that work for people and foster health and wellbeing.

All Welsh places should therefore:

- be co-designed with and for all people living and working there
- be well connected and promote opportunities for social interaction
- aim to become Real Living Wage Places, and support the creation and retention of good quality jobs
- provide high performing and responsive services and facilities for people
- celebrate their culture and identity.

Over the year, UWP continued to gather pace and was recognised as a useful engagement tool. We are pleased to note an increase in users of 35.7% and an increase in hits (38.60%) from April 2021 to March 2022. By March 2022, UWP had attracted over 17,000 users, an increase of almost 70% in the past year alone. We remain convinced that easy access to high quality data and evidence is a key enabler for citizen involvement in local decision making.

Research

Alongside this advocacy work the IWA commissioned a piece of research funded by Carnegie UK Trust. Focussed on understanding what Covid-19 has taught us so far about the resilience of Welsh place, this report was produced in partnership with The Means and included:

- Case studies and analysis of the resilience of a representative sample of towns across Wales using the Understanding Welsh Places categorisations of place. These included Caerleon, Llandeilo, Llandovery, Llantrisant, Merthyr Tydfil, Pembroke, Pontypool, Porthcawl, Port Talbot, Pwllheli and Rhyl.
- Survey or interview research into the experiences of people living and working in the selected places.

The Covid-19 pandemic tested the ability of Welsh places to respond in an emergency, but our research gave reasons to be optimistic about their capacity to bounce back from a crisis. While an overwhelming majority of people who took part in the research agreed that the pandemic had significantly disrupted their daily lives, 94% also felt that their community had been resilient.

Stepping Up: How Covid tested the resilience of Welsh places showed what lessons could be drawn to help decision makers anticipate future such events.

The report made a number of simple yet key recommendations:

- Understand local assets, and fill the gaps
- Make a plan to get people helping quickly
- Develop local networks to get the message out.

More broadly, we advocated for continued investment in the community assets which proved to be a precious buttress against some of the worst effects of the pandemic: the parks where we walked with our friends, the community halls where we accessed information and urgent services such as vaccination and food banks, and the places of worship where communities could receive support. While their short-term economic yield may have been less than that of private high rise buildings, it was they that constituted the fabric that allowed communities to respond to the challenges of the pandemic, and were the glue that held Welsh places together.

We now await the publication of new 2021 Census data in order to be in a position to comprehensively update UWP, although it will likely be some time until data is available at a sufficient level of granularity for our purposes. Meantime, we continue to work alongside WISERD to share UWP with wider audiences and are pleased that over 17,000 people had used the tool by the end of the reporting period.

A successful, clean, green and fair economy for Wales

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

Re-energising Wales

We continued to share our research findings and recommendations widely through 2021/22, undertaking a more detailed assessment of progress against our recommendations and holding a Q&A session in the Climate Cymru week in the run up to COP26 in Glasgow.

Renewing the Focus: Re-energising Wales Two Years On was supported by the Friends Provident Foundation. We argued that the Welsh Government should focus its energy policy on driving economic success for Wales' key renewable sectors: marine, bioenergy and housing.

Among our main recommendations, we recommended:

- Identifying Wales' unique selling points: the Welsh Government should identify and invest in areas likely to attract economic benefits for Wales.
- Investing in the infrastructure, capacity, and capability to deliver: future-proof our grid and decarbonising transport are some of the key points that will enable Wales to move towards 100% renewables
- Future-proofing Wales' green skills and supply chains.

In parallel, we participated in the Deep Dive on renewables run by the Welsh Government's Deputy Minister for Climate Change. We are grateful to Hywel Lloyd of Facilitating the Future for working with us on this project.

Finally, we also participated in Welsh Government working groups focusing on the future of the grid in Wales and on ensuring an equal transition to Net Zero.

Foundational Economy

Funded by the Centre for Regeneration Excellence in Wales (CREW), our Foundational Economy project published the second and third of our three work package reports in this reporting period. In collaboration with consultants The Means, we summarised evidence gathered from interviews with firms on the impact of regulation on their businesses and how this might differ depending on sector and firm size in *The Impact of Regulation in the Foundational Economy*, published in September 2021. From interviews with business owners in key sectors of construction, social care, food and manufacturing, we highlighted examples of confusion about when rules apply, the complexity caused by overlapping requirements and the lack of flexibility in how they are enforced.

We made a series of recommendations for regulatory bodies, including the Welsh Government and Wales' local authorities:

- To establish a formal basis for a 'Better Regulation' agenda in Wales.
- To support the 'think small first' principles that are widely used across Europe.
- To use principles rather than rules where appropriate.
- To provide support and guidance to help with compliance.

Our third paper, *Turning Rhetoric into Reality: Decarbonising the Foundational Economy*, was published in January 2022 and presented an analysis of evidence on the capacity of firms in the foundational economy to innovate and adopt new processes and technologies in the context of decarbonisation. We questioned what Net Zero will mean for the Welsh economy and advised that the Welsh Government may be overly optimistic about the potential impacts of green jobs.

Our analysis noted that the potential for disruption and unemployment on certain industries and places due to the transition to Net Zero would parallel the effects of the decline of the coal industry in Wales.

Interviews with workers and industry bodies in the motor repair and gas industries highlighted a lack of understanding about the proposals for their industries under the Welsh and UK Net Zero strategies. This is despite fast-approaching timelines for the phasing out of both gas central heating and petrol and diesel vehicles from 2030.

While the phase out is being led by the UK Government, it will be up to the Welsh Government to support workers to adapt their skillset or retrain out of declining industries. This will require a significant increase in the budget available for vocational education and for post-19 education in Wales, potentially through a guarantee to fund training for anyone who stays to work in Wales, and by greater parity in the student finance offer between academic and vocational education. More work is needed to develop a shared understanding of what constitutes 'green skills', and we called for more powers to be given to regional bodies from the Government in Cardiff, in order to reflect different opportunities in different parts of Wales and encourage stronger engagement with businesses.

Our Land: Communities and Land Use

In 2021/22 we undertook a scoping piece of research jointly funded by the Friends Provident Foundation and the Esmée Fairbairn Foundation, publishing our final report in February 2022, supported by polling from YouGov. Despite conceptions of Wales as a communitarian nation, defined by tight-knit communities, our research paints a picture of public policy divorced from this ideal, and shows Welsh communities to be the least empowered in Britain. We drew on desk-based research into the situation in Wales, Scotland and England and roundtables with community groups, policy experts and farmers. Our findings were further supported by new polling from YouGov, which showed overwhelming public support for our proposals across the political, social, and demographic scale.

Community groups described a long and arduous process that made it incredibly difficult to gain access to land or assets, and we found farmers to be proud of their rural areas and open to some community empowerment initiatives that could strengthen these areas.

Given the austerity of the last twelve years, the current lack of powers for communities is likely to have resulted in the loss of important community assets. We made five key recommendations that will even out the playing field for communities and hopefully prevent the further loss of community assets.

YouGov polling commissioned by the IWA also showed a broad consensus across Labour, Conservative and Liberal Democrat voters, remain and leave voters alike, men and women, all age groups, all social classes and all regions of Wales.

New projects in development

- We anticipate considerable further project work that will feed into the Independent Commission on the Constitutional Future of Wales which was set up in November 2021.
- In December 2021, we published an initial paper *What does Levelling Up Mean for Wales?* and anticipate considerable follow up work on the post-EU funding policy agenda. We warned that the UK Shared Prosperity and Levelling Up Funds represent a deliberate retrenchment of the devolution settlement.
- We also anticipate follow up work to *Our Land* in relation to separate work streams on community assets and land use policy.
- Our core economic policy work, supported by the Friends Provident Foundation, will also include further work on Wales' fiscal framework.

Membership Events

We held our second online AGM on 9 December 2021. Dr Eurfyl ap Gwilym and Professor Laura McAllister were re-appointed for a further year. Nigel Griffiths was warmly thanked for his long service to the IWA, including as Treasurer. The report of the Directors and the financial statements of the Company for the year ended 31 March 2021 were received. Watts Gregory were reappointed as our independent examiners. Auriol Miller set out the IWA's current and future priorities before running two focus groups listening to member feedback.

We have consistently sought feedback from our members this year on the value of membership and suggestions for improvement. When asked what is the most valuable thing about being an IWA member, replies included:

'Feeling that I support research and opportunities to broaden, improve and debate civic discourse in Wales'

'Connecting with other activists/researchers'

'Knowing of work being done to develop Wales'

'The agenda magazine is good value. However, it's the impact of the IWA which I consider most valuable'

'Hearing authoritative speakers'

'Contributing to the IWA research activities through the membership.'

We also asked members what one thing they would change about the IWA, shared this feedback with our Board and will be responding to it in our membership review in FY2023.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

Digital reach in FY2022

We have continued to analyse contributors to the welsh agenda online and are pleased that over 100 different people have written over 140 times for us since April 2021.

- Over 81,000 people (up 6.38%) visited the IWA website over the year which led to nearly 170,000 total hits (up nearly 15%).
- We published 12 new podcasts over the year and, overall, there were 2,945 'listens'.
- Our Youtube channel gained 1,161 views of our videos.
- At the end of April 2022, nearly 18,705 people followed the IWA on Twitter, around 700 more people than in March 2021.
- Over 1,547 people follow our Facebook page at the time of writing.
- At the end of March 2021, there were 824 people following our LinkedIn page, which is a 55.48% increase on the previous year.

| What we said | What we did |
|---|--|
| <ul style="list-style-type: none"> Further expanding the reach and online delivery of our agenda-setting events programme, in partnership with our members and key stakeholders. | <p>This year, we have reached over 1,000 more people than last year through delivering our work online.</p> |
| <ul style="list-style-type: none"> Further expanding our online training programme. | <p>While we pride ourselves on the quality discussions that are possible with small groups of training delegates, and this is consistently appreciated in feedback, we are pleased to have tripled our coverage and attracted participants from all parts of Wales. We have also successfully adapted our training for visually impaired people, as part of our widening access work.</p> |
| <ul style="list-style-type: none"> Engaging our previous policy group members in shaping our new networks focussing on our priority themes. | <p>At our AGM we discussed how we might engage members in contributing to our future policy work, encouraging other members who may not have engaged with us before. This is always a balance between what debate needs to be convened, what policy/legislation needs to be influenced, the expertise and resources with which we can support members' participation and what is fundable. We will continue to seek different ways to engage with members while being clear about what is practicable from a resourcing perspective.</p> |
| <ul style="list-style-type: none"> Delivering against our funded policy project commitments. | <p>We delivered on schedule against all our funded policy projects.</p> |
| <ul style="list-style-type: none"> Developing a new media policy project. | <p>Our new Media and Democracy Project will start in April 2022.</p> |
| <ul style="list-style-type: none"> Our training programme review will take place in FY2022. | <p>We reviewed our training programme and will be launching a new research skills course in Autumn 2022.</p> |
| <ul style="list-style-type: none"> Drawing up a new Business Plan. | <p>We engaged Richard Newton Consulting to support us in drawing up a new Business Plan. This was agreed by the IWA Board at the next meeting after this reporting period.</p> |

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| <ul style="list-style-type: none"> Implementing our new membership offer. | <p>We successfully increased our membership rates in FY2022 with negligible drop-out rates, and consulted with our members as to what they considered most valuable. Having undergone a significant CRM upgrade in September, we are now working on an updated membership offer, which will be implemented in summer 2022. This will include strengthening our brand with new assets and improved content, not only highlighting our impact but also demonstrating our value to existing and prospective members. We are also working on an improved user journey on our website, streamlining our member communications further and creating a legacy communications plan.</p> |
| <ul style="list-style-type: none"> Implementing our organisational Welsh Language policy. | <p>Our Welsh Language policy was approved by the Board.</p> |

Media coverage of the IWA's work

Our media coverage has increased considerably, from 21 mentions last year to 59 from 1 April 2021 to 31 March 2022 across a range of outlets in Wales and beyond including:

- TV (BBC, with regular invitations on Wales Politics and Wales Live).
- Radio (BBC Radio Wales' Sunday Supplement, Times Radio's Think Tank Thursday).
- Podcasts (Business News' Wales Rural Vision, The New European).
- Print (Western Mail, South Wales Argus, Golwg, The New European).
- Online (BBC, Wales Online, Nation.Cymru, The National, Times Higher Education, Coop News, Business News Wales, Tivyside Advertiser, Western Telegraph, Bella Caledonia, Politics.co.uk, Gwalia News, The Spectator, Al Jazeera, Local Government Lawyer, Localgov.co.uk).

Public benefit

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

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

FINANCIAL REVIEW

Financial position

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

In FY2022 we:

- Began a new three-year events partnership with Bangor University.
- Began to use our New Voices Fund to commission and support a wider, more diverse group of contributors to our online and print publications.
- Completed the delivery of all funded research and policy work that had been delayed by the Covid-19 pandemic, and for which funding had been retained in the surplus at end FY2021, thereby creating an equivalent deficit in FY2022.
- Successfully increased our membership rates in FY2022 with negligible drop-out rates and consulted with our members as to what they considered most valuable.
- We underwent a significant CRM upgrade in September.
- We reduced our costs by moving office in March 2022, donating our most recent physical records to the National Library of Wales' Welsh Political Archive.

FINANCIAL REVIEW

Principal funding sources

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

In FY2022, membership fees and donations accounted for 36% of receipts, with self-generated income from conferences, training and debates totalling 14%. Short- to medium-term contract income/ grant funding totalled 50% of our income.

We received funding from the Books Council of Wales, the Carnegie (UK) Trust, the Centre for Regeneration Excellence in Wales (CREW), the Esmée Fairbairn Foundation, the Friends Provident Foundation, the Joseph Rowntree Charitable Trust, the National Lottery Community Fund, the WCVA Third Sector Resilience Fund for Charities and The Waterloo Foundation.

Policy project funding was 17% in FY2022.

While our revised budget for FY2022 anticipated a year-end surplus of £100,366, we finished the year with a deficit of £81,663, most of which related to rescheduled project expenditure which was delayed due to the Covid regulations restricting travel and in-person activities. This figure also included additional one-off costs including consultancy support to our new Business Plan and the cost of moving our office from James Street in Cardiff Bay to our new hub in sbarc in central Cardiff.

Reserves policy

The Trustees have examined the charity's requirements for reserves in the light of the main risks to its operation. We have reviewed our reserves policy and established that unrestricted funds not committed or invested should be equivalent to £70,000 to allow the charity to continue to operate in the event of an unexpected drop in funding. Our reserves policy will continue to be kept under close review in 2022/23.

Like many small charities, we continue to work towards achieving a sustainable financial model that includes a variety of short- and medium-term funding from diverse sources, as well as core funding. As at the balance sheet date the organisation had free reserves of £67,610 (2021: £143,154).

PLANS FOR FUTURE PERIODS

Strategy

In line with our strategy, planned work includes:

Providing an open, inclusive and informed platform for robust debate

- Continuing to seek out a more diverse group of contributors to our online and print publications, seeking financial support to achieve this, trialling different approaches and learning from them
- Shaping our events programme around key medium to longer-term issues in relation to Wales' democracy and economy, convening panels with a mixed of experiences and viewpoints
- Exploring how best we can engage more 'lay' audiences in our discussions, outside the existing public policy community

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

- Maintaining and further developing our highly regarded training programme
- Working with our members and partners to reach and offer training bursaries to under-represented groups
- Continuing to mentor on the Equal Power Equal Voice scheme, actively supporting people to contribute to public life in Wales in a wide variety of ways

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

- Delivering effectively on our current funded commitments
- Resourcing two new multi-year projects focussed on our policy priorities in relation to Wales' democracy and economy

Organisationally

- Implementing our new Business Plan
- Updating our membership offer
- Setting out a plan for becoming a Net Zero organisation
- Supporting the wellbeing and professional development of our small staff team.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The 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 original 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 brought our governance arrangements into line with best practice.

The Articles of Association were further amended by a special resolution on 25 November 2020, following a comprehensive review. The Articles were modernised to reflect legislative changes, namely the Companies Act 2006 and the Charities Act 2011.

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

Recruitment and appointment of trustees

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

The work of the charity is supervised by a board of directors confirmed by the members of the charitable company at the Annual General Meeting and Board membership is regularly reviewed.

Valerie Livingston stepped down as a trustee on 31 March 2022. The IWA will be undertaking a skills audit of its Board in FY2023 in line with our strategy and Business Plan and seeking new members accordingly.

Organisational structure

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

The IWA staff team again evolved over the course of 2021/22. Andy Regan left as Policy and External Affairs Manager in Autumn 2021 and was succeeded by Will Henson. Jack Watkins' role as Foundational Economy Lead came to a close in January 2022. Dylan Moore was recruited to the full time role of Media and Democracy Policy Lead and will take up the post early in FY2023.

Induction and training of new trustees

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

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

The Trustees' Report in our FY2021 year end accounts previously identified that we would seek to:

| What we said | What we did |
|--|--|
| Draw up a new Business Plan and Marketing Strategy and maintain our budgeted income and expenditure under close review, adjusting our plans accordingly. | We commissioned Richard Newton Consulting to support the development of our new Business Plan which was subsequently approved by our Board following this reporting period. |
| Review our risk table in light of our experience of the existing and ongoing impact of coronavirus on the organisation. | We maintained our risk table under close review and updated it as part of our business planning process. |
| Consult carefully and take a prudent approach to returning to our small office, likely maintaining a blend of office and home-working. | After 8 years, we left James Street and moved to a small hub in sbarc, in Cardiff University's innovation hub in central Cardiff. As a result, we reduced our costs, and are also able to offer our staff additional co-working space in a significantly improved working environment, with improved access to technology. We work in a hybrid manner and review our approach regularly with our team. |

We continue to develop our full cost recovery approach openly and transparently with potential partners. Our consultancy work continued in FY2022 as part of our income diversification strategy and contributes to our core costs. We continually seek alignment of consultancy opportunities with our policy priorities.

Ongoing impact of COVID-19

The key ongoing challenges and risks for the IWA in this reporting period continued to relate to the potential impact of Covid-19 on our work, mainly on our income-generating, public-facing events, and on staff wellbeing, and particularly as we moved from a fully remote to a hybrid way of working. In FY2022, like many organisations, the IWA staff team also continued to be personally impacted by Covid-19 among their family, friends and colleagues, however they have nonetheless continued to deliver high quality work at pace. As trustees, we would therefore like to thank the staff team for their commitment to the IWA.

In FY2023 we will:

- Carry out a skills audit of our Board to ensure it is able to support the staff team to deliver against- our strategy and new Business Plan.
- Complete the NCVO Trusted Charity kitemark process, to evidence that we are a responsible and well-run organisation.
- Review our membership offer.
- Focus on resourcing additional core funding.

Objectives and policies

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

Credit risk

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

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

INSTITUTE OF WELSH AFFAIRS

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2022**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02151006 (England and Wales)

Registered Charity number

1078435

Registered office

Room 6.01
SBARC
Maindy Road
CARDIFF
CF24 4HQ

Trustees

Ms B Darwin
Ms S Prescott
Dr E Ap Gwilym
Ms F Beecher
Ms A J Copus
Ms L Farhat
Ms V E Livingston
Professor L J McAllister
Ms H C Molyneaux
Professor K J Morgan
Ms H F Mortlock Pearce
Mr A Pickles
Mr M Thomas
Mrs S Williams
Professor A Wride

Chair
Treasurer

resigned 31 March 2022

Company Secretary

Ms S J Prescott

Independent Examiner

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

Senior Management Team

Ms A J V Miller

Bankers

Lloyds Bank PLC

Approved by order of the Board of Trustees on 12.10.22 and signed on its behalf by:



Ms S Prescott - Secretary

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

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

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

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

Date:

INSTITUTE OF WELSH AFFAIRS

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

| | Notes | Unrestricted fund £ | Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|------------------------------------|-------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 3 | 191,062 | - | 191,062 | 248,043 |
| Charitable activities | | | | | |
| General | | 104,902 | 41,376 | 146,278 | 200,820 |
| Investment income | 4 | 595 | - | 595 | 859 |
| Other income | | <u>3,000</u> | <u>-</u> | <u>3,000</u> | <u>-</u> |
| Total | | <u>299,559</u> | <u>41,376</u> | <u>340,935</u> | <u>449,722</u> |
| EXPENDITURE ON | | | | | |
| Raising funds | 6 | 55,594 | - | 55,594 | 48,325 |
| Charitable activities | | | | | |
| General | 7 | <u>313,678</u> | <u>53,326</u> | <u>367,004</u> | <u>321,074</u> |
| Total | | <u>369,272</u> | <u>53,326</u> | <u>422,598</u> | <u>369,399</u> |
| NET INCOME/(EXPENDITURE) | | (69,713) | (11,950) | (81,663) | 80,323 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>145,805</u> | <u>20,000</u> | <u>165,805</u> | <u>85,482</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>76,092</u></u> | <u><u>8,050</u></u> | <u><u>84,142</u></u> | <u><u>165,805</u></u> |

The notes form part of these financial statements

INSTITUTE OF WELSH AFFAIRS

**BALANCE SHEET
31 MARCH 2022**

| | Notes | Unrestricted fund £ | Restricted funds £ | 2022 Total funds £ | 2021 Total funds £ |
|--|-------|---------------------------|--------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 14 | 8,482 | - | 8,482 | 2,651 |
| CURRENT ASSETS | | | | | |
| Debtors | 15 | 64,062 | - | 64,062 | 8,311 |
| Cash at bank and in hand | | <u>83,172</u> | <u>8,050</u> | <u>91,222</u> | <u>214,079</u> |
| | | 147,234 | 8,050 | 155,284 | 222,390 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 16 | (79,624) | - | (79,624) | (59,236) |
| NET CURRENT ASSETS | | <u>67,610</u> | <u>8,050</u> | <u>75,660</u> | <u>163,154</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>76,092</u> | <u>8,050</u> | <u>84,142</u> | <u>165,805</u> |
| NET ASSETS | | <u>76,092</u> | <u>8,050</u> | <u>84,142</u> | <u>165,805</u> |
| FUNDS | 19 | | | | |
| Unrestricted funds | | | | 76,092 | 145,805 |
| Restricted funds | | | | <u>8,050</u> | <u>20,000</u> |
| TOTAL FUNDS | | | | <u>84,142</u> | <u>165,805</u> |

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2022.


The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2022 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

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

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

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

12/10/22


 Ms B S Darwin - Chair

The notes form part of these financial statements

1. STATUTORY INFORMATION

Institute of Welsh Affairs is a registered charity and private company limited by guarantee. It has no share capital and is incorporated in Wales in the United Kingdom. The registered office is shown within the reference and administrative details. The nature of the company's operations and principal activities is disclosed within the Report of the Trustees.

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

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

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

Small charity concession

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

Going concern

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

Income

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

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

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

Investment income is recognised on a receivable basis.

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

2. ACCOUNTING POLICIES - continued

Expenditure

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

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

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

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

Government grants

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

Tangible fixed assets

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

| | |
|---------------------|-------------------------|
| Office equipment | - 25% reducing balance |
| Fixtures & fittings | - 10% reducing balance |
| Website | - 4 years straight line |

Fixed assets are initially recorded at cost.

Financial instruments

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

Debtors

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

Creditors

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

Cash and cash equivalents

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

Taxation

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

Fund accounting

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued**Fund accounting**

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

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

Pension costs and other post-retirement benefits

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

3. DONATIONS AND LEGACIES

| | 2022 | 2021 |
|---------------|----------------|----------------|
| | £ | £ |
| Donations | 2,505 | 15,238 |
| Gift aid | 6,410 | 5,947 |
| Publications | 491 | 202 |
| Grants | 69,424 | 116,317 |
| Subscriptions | 102,324 | 100,431 |
| Patrons | 9,908 | 9,908 |
| | <u>191,062</u> | <u>248,043</u> |

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

| | 2022 | 2021 |
|--|---------------|----------------|
| | £ | £ |
| Friends Provident Foundation | 50,000 | 50,000 |
| The Waterloo Foundation | - | 10,000 |
| WCVA Third Sector Resilience Fund for Wales Scheme | 19,424 | 45,000 |
| Job Retention Scheme | - | 11,317 |
| | <u>69,424</u> | <u>116,317</u> |

4. INVESTMENT INCOME

| | 2022 | 2021 |
|--------------------------|------------|------------|
| | £ | £ |
| Deposit account interest | <u>595</u> | <u>859</u> |

5. INCOME FROM CHARITABLE ACTIVITIES

| | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| Event income | 24,479 | 27,214 |
| Training income | 16,502 | 4,103 |
| Carnegie UK Trust | 17,729 | 45,275 |
| CREW: Centre for Regeneration Excellence in Wales | 41,192 | 71,878 |
| Grants | 41,376 | 47,500 |
| Other income | <u>5,000</u> | <u>4,850</u> |
| | <u>146,278</u> | <u>200,820</u> |

Included in income from charitable activities is the following:

- an amount of £17,729 (2021: £45,275) from the Carnegie Trust UK towards the Understanding Welsh Places project.
- an amount of £41,192 (2021: £71,878) from CREW: Centre for Regeneration Excellence in Wales towards the Foundational Economy project.

5. INCOME FROM CHARITABLE ACTIVITIES - continued

- an amount of £Nil (2021: £15,000) from the Carnegie Trust UK towards the Rethinking Wales' future after COVID-19 project.

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

| | 2022 | 2021 |
|--|---------------|---------------|
| | £ | £ |
| Books Council of Wales | 17,500 | 17,500 |
| Friends Provident Foundation | 5,000 | 5,000 |
| National Lottery Communities Fund | - | 10,000 |
| Esmee Fairbairn Foundation | - | 15,000 |
| Joseph Rowntree Charitable Trust | 11,376 | - |
| Friends Provident Foundation - Re-energising Wales | <u>7,500</u> | <u>-</u> |
| | <u>41,376</u> | <u>47,500</u> |

6. RAISING FUNDS**Raising donations and legacies**

| | 2022 | 2021 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Staff costs | 47,035 | 43,542 |
| Staff training | 53 | 40 |
| Direct recruitment costs | 856 | - |
| Support costs | <u>7,647</u> | <u>4,743</u> |
| | <u>55,591</u> | <u>48,325</u> |

Investment management costs

| | 2022 | 2021 |
|--------------------------------------|---------------|---------------|
| | £ | £ |
| Interest payable and similar charges | <u>3</u> | <u>-</u> |
| Aggregate amounts | <u>55,594</u> | <u>48,325</u> |

7. CHARITABLE ACTIVITIES COSTS

| | Direct Costs (see note 8) | Support costs (see note 9) | Totals |
|---------|---------------------------------|----------------------------------|----------------|
| | £ | £ | £ |
| General | <u>288,002</u> | <u>79,002</u> | <u>367,004</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022**8. DIRECT COSTS OF CHARITABLE ACTIVITIES**

| | 2022 | 2021 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Staff costs | 243,013 | 224,969 |
| Event costs | 153 | 1,990 |
| Training costs | 1,142 | 191 |
| Direct project costs | 37,553 | 39,040 |
| Staff training | 272 | 205 |
| Direct recruitment costs | 4,421 | - |
| Depreciation | 1,448 | - |
| | <u>288,002</u> | <u>266,395</u> |

9. SUPPORT COSTS

| | Raising funds | Charitable Activities | Governance costs | Totals |
|--------------------------------|---------------|-----------------------|------------------|---------------|
| | £ | £ | £ | £ |
| Raising donations and legacies | 7,647 | - | - | 7,647 |
| General | - | 39,525 | 39,477 | 79,002 |
| | <u>7,647</u> | <u>39,525</u> | <u>39,477</u> | <u>86,649</u> |

10. NET INCOME/(EXPENDITURE)

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

| | 2022 | 2021 |
|--|--------------|------------|
| | £ | £ |
| Depreciation - owned assets | 4,099 | 356 |
| Independent examination fee | 2,600 | 2,448 |
| Other fees paid to independent examiners | <u>1,067</u> | <u>872</u> |

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2022 or for the year ended 31 March 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2022 or for the year ended 31 March 2021.

12. STAFF COSTS

| | 2022 | 2021 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 276,173 | 252,785 |
| Social security costs | 23,585 | 21,659 |
| Other pension costs | <u>13,808</u> | <u>15,838</u> |
| | <u>313,566</u> | <u>290,282</u> |

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

| | 2022 | 2021 |
|-----------------------|----------|----------|
| | <u>9</u> | <u>8</u> |
| Charitable activities | | |

12. STAFF COSTS - continued

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

| | 2022 | 2021 |
|-------------------|----------|----------|
| £70,001 - £80,000 | <u>1</u> | <u>1</u> |

The total employee benefits of the key management personnel of the charity were £92,060 (2021: £121,622).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted fund £ | Restricted funds £ | Total funds £ |
|------------------------------------|---------------------------|--------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 248,043 | - | 248,043 |
| Charitable activities | | | |
| General | 163,320 | 37,500 | 200,820 |
| Investment income | <u>859</u> | <u>-</u> | <u>859</u> |
| Total | <u>412,222</u> | <u>37,500</u> | <u>449,722</u> |
| EXPENDITURE ON | | | |
| Raising funds | 48,325 | - | 48,325 |
| Charitable activities | | | |
| General | <u>303,256</u> | <u>17,818</u> | <u>321,074</u> |
| Total | <u>351,581</u> | <u>17,818</u> | <u>369,399</u> |
| NET INCOME | 60,641 | 19,682 | 80,323 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | <u>85,164</u> | <u>318</u> | <u>85,482</u> |
| TOTAL FUNDS CARRIED FORWARD | <u>145,805</u> | <u>20,000</u> | <u>165,805</u> |

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

14. TANGIBLE FIXED ASSETS

| | Website £ | Fixtures and fittings £ | Office equipment £ | Totals £ |
|------------------------|---------------|----------------------------------|--------------------------|---------------|
| COST | | | | |
| At 1 April 2021 | 9,310 | 5,520 | 16,681 | 31,511 |
| Additions | 9,930 | - | - | 9,930 |
| Disposals | - | (5,520) | (16,681) | (22,201) |
| At 31 March 2022 | <u>19,240</u> | <u>-</u> | <u>-</u> | <u>19,240</u> |
| DEPRECIATION | | | | |
| At 1 April 2021 | 9,310 | 3,144 | 16,406 | 28,860 |
| Charge for year | 1,448 | 2,376 | 275 | 4,099 |
| Eliminated on disposal | - | (5,520) | (16,681) | (22,201) |
| At 31 March 2022 | <u>10,758</u> | <u>-</u> | <u>-</u> | <u>10,758</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2022 | <u>8,482</u> | <u>-</u> | <u>-</u> | <u>8,482</u> |
| At 31 March 2021 | <u>-</u> | <u>2,376</u> | <u>275</u> | <u>2,651</u> |

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £ | 2021 £ |
|--------------------------------|---------------|--------------|
| Trade debtors | 56,279 | 1,236 |
| Prepayments and accrued income | <u>7,783</u> | <u>7,075</u> |
| | <u>64,062</u> | <u>8,311</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £ | 2021 £ |
|---------------------------------|---------------|---------------|
| Other loans (see note 17) | 6,475 | 15,000 |
| Trade creditors | 4,104 | 670 |
| Social security and other taxes | 6,535 | 4,055 |
| VAT | 9,149 | 819 |
| Other creditors | 1,609 | 5,488 |
| Accruals and deferred income | <u>51,752</u> | <u>33,204</u> |
| | <u>79,624</u> | <u>59,236</u> |

Included within accruals and deferred income is an amount of £45,387 (2021: £15,971) in respect of deferred income. The opening balance of deferred income has been released during the year. The closing deferred income relates to the advance receipt of funding for projects in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

17. LOANS

An analysis of the maturity of loans is given below:

| | 2022 £ | 2021 £ |
|--|--------------|---------------|
| Amounts falling due within one year on demand: | | |
| Other loans | <u>6,475</u> | <u>15,000</u> |

18. LEASING AGREEMENTS

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

| | 2022 £ | 2021 £ |
|----------------------------|--------------|---------------|
| Within one year | 2,294 | 5,356 |
| Between one and five years | <u>1,899</u> | <u>7,674</u> |
| | <u>4,193</u> | <u>13,030</u> |

The total lease payments recognised as an expense in the year was £6,915 (2021 : £10,665).

19. MOVEMENT IN FUNDS

| | At 1/4/21 £ | Net movement in funds £ | At 31/3/22 £ |
|-----------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 145,805 | (69,713) | 76,092 |
| Restricted funds | | | |
| Our Land project | 20,000 | (20,000) | - |
| Re-energising Wales project | - | (1,700) | (1,700) |
| Media in Wales | - | 9,750 | 9,750 |
| | <u>20,000</u> | <u>(11,950)</u> | <u>8,050</u> |
| TOTAL FUNDS | <u>165,805</u> | <u>(81,663)</u> | <u>84,142</u> |

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|-------------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 299,559 | (369,272) | (69,713) |
| Restricted funds | | | |
| 'the welsh agenda' print and online | 17,500 | (17,500) | - |
| Our Land project | 5,000 | (25,000) | (20,000) |
| Re-energising Wales project | 7,500 | (9,200) | (1,700) |
| Media in Wales | 11,376 | (1,626) | 9,750 |
| | <u>41,376</u> | <u>(53,326)</u> | <u>(11,950)</u> |
| TOTAL FUNDS | <u>340,935</u> | <u>(422,598)</u> | <u>(81,663)</u> |

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

| | At 1/4/20 £ | Net movement in funds £ | At 31/3/21 £ |
|----------------------------|----------------|----------------------------------|--------------------|
| Unrestricted funds | | | |
| General fund | 85,164 | 60,641 | 145,805 |
| Restricted funds | | | |
| Governance Scoping project | 318 | (318) | - |
| Our Land project | - | 20,000 | 20,000 |
| | <u>318</u> | <u>19,682</u> | <u>20,000</u> |
| TOTAL FUNDS | <u>85,482</u> | <u>80,323</u> | <u>165,805</u> |

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

| | Incoming resources £ | Resources expended £ | Movement in funds £ |
|-------------------------------------|----------------------------|----------------------------|---------------------------|
| Unrestricted funds | | | |
| General fund | 412,222 | (351,581) | 60,641 |
| Restricted funds | | | |
| 'the welsh agenda' print and online | 17,500 | (17,500) | - |
| Governance Scoping project | - | (318) | (318) |
| Our Land project | 20,000 | - | 20,000 |
| | <u>37,500</u> | <u>(17,818)</u> | <u>19,682</u> |
| TOTAL FUNDS | <u>449,722</u> | <u>(369,399)</u> | <u>80,323</u> |

'the welsh agenda' print and online

Grant funding has been received during the year from the Books Council of Wales towards the commissioning, design and production of English language current affairs magazine, 'the welsh agenda' in both print and online editions.

Our Land project

Grant funding was received during the prior year from the Esmee Fairbairn Foundation and the Friends Provident Foundation. A further £5,000 was received from the Friends Provident Foundation this year, to undertake a project looking at community involvement in land use and community assets more widely. The project aims to look at the potential to create greater involvement between communities and land in their local area in order to drive more productive (economic or social) uses of that land.

Re-energising Wales

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

Media in Wales

Grant funding has been received from The Joseph Rowntree Charitable Trust for the Media in Wales project, a project examining the relationship between Wales' democracy, media, and wider creative industries.

19. MOVEMENT IN FUNDS - continued

Comparative year only

Governance scoping project

Funded by The Legal Education Foundation to fund a project titled 'support to scope and develop a full project proposal to addressing the charity's Governance Policy Group priorities. The projects aim was to resource the organisation over a 4 month period to scope out a fully costed project proposal focussing on two key priorities identified by the organisation's Governance Policy Group.

20. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the charity to the scheme and amounted to £13,808 (2021: £15,838).

Contributions totalling £1,609 (2021: £4,571) were payable to the scheme at the year end and are included in creditors.

21. RELATED PARTY DISCLOSURES

During the year Patron Income of £Nil (2021: £2,500) was received from Trustees. This income is unconditional to support the charity's growth over the next five years.

There were no further related party transactions requiring disclosure for the year ended 31 March 2022 or the year ended 31 March 2021.

INSTITUTE OF WELSH AFFAIRS

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| INCOME AND ENDOWMENTS | | |
| Donations and legacies | | |
| Donations | 2,505 | 15,238 |
| Gift aid | 6,410 | 5,947 |
| Publications | 491 | 202 |
| Grants | 69,424 | 116,317 |
| Subscriptions | 102,324 | 100,431 |
| Patrons | 9,908 | 9,908 |
| | <u>191,062</u> | <u>248,043</u> |
| Investment income | | |
| Deposit account interest | 595 | 859 |
| Charitable activities | | |
| Event income | 24,479 | 27,214 |
| Training income | 16,502 | 4,103 |
| Carnegie UK Trust | 17,729 | 45,275 |
| CREW: Centre for Regeneration Excellence in Wales | 41,192 | 71,878 |
| Grants | 41,376 | 47,500 |
| Other income | 5,000 | 4,850 |
| | <u>146,278</u> | <u>200,820</u> |
| Other income | | |
| Other income | 3,000 | - |
| Total incoming resources | <u>340,935</u> | <u>449,722</u> |
| EXPENDITURE | | |
| Raising donations and legacies | | |
| Wages | 41,426 | 37,990 |
| Social security | 3,538 | 3,214 |
| Pensions | 2,071 | 2,338 |
| Staff training | 53 | 40 |
| Direct recruitment costs | 856 | - |
| | <u>47,944</u> | <u>43,582</u> |
| Investment management costs | | |
| Bank interest | 3 | - |
| Charitable activities | | |
| Wages | 214,034 | 195,800 |
| Social security | 18,278 | 16,838 |
| Pensions | 10,701 | 12,331 |
| Event costs | 153 | 1,990 |
| Training costs | 1,142 | 191 |
| Direct project costs | 37,553 | 39,040 |
| Staff training | 272 | 205 |
| Direct recruitment costs | 4,421 | - |
| Carried forward | 286,554 | 266,395 |

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INSTITUTE OF WELSH AFFAIRS

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2022**

| | 2022 £ | 2021 £ |
|---------------------------------|-----------------|----------------|
| Charitable activities | | |
| Brought forward | 286,554 | 266,395 |
| Depreciation of website | <u>1,448</u> | <u>-</u> |
| | 288,002 | 266,395 |
| Support costs | | |
| Raising funds | | |
| Establishment costs | 1,367 | 1,527 |
| Office expenses | 5,260 | 2,639 |
| Travel & subsistence | 150 | 113 |
| Marketing | 135 | 123 |
| Legal & professional | 5 | 5 |
| Bank charges | 332 | 283 |
| Fixtures and fittings | <u>398</u> | <u>53</u> |
| | 7,647 | 4,743 |
| Charitable Activities | | |
| Establishment costs | 7,062 | 7,892 |
| Office expenses | 27,178 | 13,609 |
| Travel and subsistence | 776 | 584 |
| Marketing | 698 | 636 |
| Legal and professional | 27 | 27 |
| Bank charges | 1,717 | 1,462 |
| Fixtures and fittings | 2,054 | 276 |
| Bank interest | <u>13</u> | <u>-</u> |
| | 39,525 | 24,486 |
| Governance costs | | |
| Wages | 20,713 | 18,995 |
| Social security | 1,769 | 1,607 |
| Pensions | 1,036 | 1,169 |
| Establishment costs | 683 | 764 |
| Office expenses | 2,630 | 1,318 |
| Travel and subsistence | 75 | 57 |
| Marketing | 68 | 62 |
| Legal and professional costs | 8,016 | 2,712 |
| Bank charges | 166 | 142 |
| Independent examiner fees | 3,667 | 3,320 |
| Staff training | 26 | 20 |
| Direct recruitment costs | 428 | - |
| Fixtures and fittings | 199 | 27 |
| Bank interest | <u>1</u> | <u>-</u> |
| | 39,477 | 30,193 |
| Total resources expended | <u>422,598</u> | <u>369,399</u> |
| Net (expenditure)/income | <u>(81,663)</u> | <u>80,323</u> |

This page does not form part of the statutory financial statements