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**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2021  
FOR  
INSTITUTE OF WELSH AFFAIRS**

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My first report last year as Chair of the IWA was written at a time when restrictions had largely been lifted. The Eat Out to Help Out Scheme had just ended and furlough was due to end on 31 October 2020. Normal life seemed to be returning.

We did know that the pandemic was far from over but no one could have foreseen exactly how the following 12 months would play out, with further lockdowns and restrictions - including one called at less than 24 hours' notice, and that furlough would end up being extended until 30 September 2021. Covid and its consequences continue to dominate our conversations across all areas of life.

Whilst Covid has led to disruption to work and education and restrictions on personal freedoms for us all, we are acutely aware that for some of us Covid has meant the tragic loss of loved ones. We offer our condolences to all who have suffered such loss.

Looking back over the past twelve months since my first report, in probably the single biggest illustration of the devolution of power and the possibility of divergence between London and Cardiff, First Minister Mark Drakeford announced a Wales only 17-day firebreak lockdown starting 23 October 2020. Prime Minister Boris Johnson did not put England into a further four-week lockdown until 5 November 2020. The UK media started to get better at highlighting where power is devolved and differences between the nations.

On 8 December 2020, Margaret Keenan became the first person in the world to receive the Pfizer/Biontech vaccine. At the time of writing, almost 90% of the UK population aged over 16 have received a first dose of the vaccine, and in June 2021 Wales hit the milestone of becoming the first nation to fully vaccinate more than 50% of its population. The autumn booster vaccination programme is now under way in all four UK nations.

Further lockdowns were announced during December 2020. There was again considerable divergence between the approaches of England and the nations towards lockdown and the route map out of it, with Boris Johnson announcing in February 2021 that the intention was for all restrictions to be lifted by 21 June 2021. Here in Wales, Mark Drakeford took a more cautious route with reviews every three weeks leading to gradual lifting of restrictions over the spring and summer of 2021, reaching alert level 0 by August 2021.

Despite the lifting of restrictions, working from home for office-based employees continues to be prevalent. The massive experiment forced on workers by the pandemic has changed attitudes toward working from home with it now being widely accepted that employees are capable of doing their jobs from home, some or all of the time. Whilst some employees are keen to get back into the office full time, many others do not wish to resume the daily commute to the office or lose the flexibility that working from home provides. Permanent home working or a hybrid mix of a few days in the office seem likely to be one of the long-lasting legacies of Covid 19.

Although measures had been put in place to allow postponement if necessary of the 2021 Senedd election, the election on 6 May 2021 was able to proceed. This was the first election under the new name for Senedd Cymru/Welsh Parliament and was also the first time that 16 and 17 year olds in Wales were able to vote. Labour secured half of the 60 seats, matching its best ever election win. The opposition party in Wales with 16 seats is the Conservative party.

Plaid has 13 seats and the Liberal Democrats 1 seat. The results meant the smaller devo-sceptic parties and independents were wiped out, with Abolish the Assembly failing to secure any of the regional seats that had been won by UKIP in 2016. Despite not securing an overall majority Welsh Labour formed a new government and is presently in talks for a co-operation agreement (but not a coalition) with Plaid Cymru.

The past 12 months have been productive for the IWA, despite the inevitable restrictions of mostly working from home and not being able to organise our usual programme of in person events.

We have continued to develop our online presence and run a total of 30 online events all of which we were able to offer for free as part of either funded partnership or policy projects. Particularly popular and thought provoking were the 17 Rethinking Wales sessions, bringing contributors together across policy areas in response to the Covid-19 pandemic. One major upside of online events is the ability to join them from anywhere. Delegates joined us from locations including Wrexham, Bangor, Machynlleth, Pembroke, and Flintshire to Sussex, Cambridge, Glasgow, Taiwan and Australia.

We published a major new report Missing Links on inter-parliamentary relations between the four legislatures of the UK, undertook our latest Media Audit, launched a second iteration of the Understanding Welsh Places website, published the first of a new series of papers on the Foundational Economy, continued to advocate for the implementation of our Re-energising Wales recommendations and began our new Land Use scoping project.

We expanded our editorial group around the Welsh agenda, openly advertising for younger people, women, people with lived experience of race, migration or disability. In response to feedback, we also offered for the first time opportunities for remuneration for those in underrepresented groups and started our New Voices Fund to commission emerging writers to share their perspectives on issues that matter.

We welcomed four new trustees to our board: Leena Farhat, Sarah Prescott, Shereen Williams and Alison Wride. Our new trustees bring a new mix of perspective, skills and experience to our Board and I'm delighted they have joined us.

I'd also like to thank our current trustees and the IWA staff for their contributions and hard work over the past twelve months in a challenging environment. My particular thanks go to the trustees who stood down in 2021: Gerry Holtham, David Clubb and Nigel Griffiths. Their contributions while on the board have been invaluable and much appreciated.

It is a testament to the work of the IWA over the years that over the course of the pandemic, and while the world changes around us, our membership has remained constant, committed and engaged. It is thanks to the support of our members that the IWA can continue to rethink Wales post Covid 19 and work to deliver on our priorities of a strong, confident democracy; high performing responsive essential public services; and a successful, clean, green and fair economy for Wales.

**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 2021. 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; 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 second report aligned with our new 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

- We published a major new report 'Missing Links' on inter-parliamentary relations between the four legislatures of the UK, undertook our latest Media Audit, launched a second iteration of the Understanding Welsh Places website including new well-being data, published the first of a new series of papers on the Foundational Economy, continued to advocate for the implementation of 'our Re-energising Wales recommendations', and began our new Land Use scoping project.
- We ran a total of 30 online events in line with our strategic priorities, including a major online series of 15 Rethinking Wales sessions, bringing contributors together across policy areas in response to the Covid-19 pandemic.
- Over 2,275 tickets were issued across our whole events programme, and we reached over 4,100 people in total. Delegates joined us from locations including Wrexham, Bangor, Machynlleth, Pembroke, and Flintshire to Sussex, Cambridge, Glasgow, Taiwan and Australia.
- This year, all our events were free, as they were part of either funded partnership or policy projects.
- We ran our highly-regarded Devolution training courses for 27 people, receiving excellent feedback, with our digital delivery expanding our geographical reach considerably.
- We expanded our editorial group around *the welsh agenda*, openly advertising for younger people, women, people with lived experience of race, migration or disability and those who live in north Wales, mid and west Wales or the south Wales valleys. For the first time we offered opportunities for remuneration for those in underrepresented groups, responding to feedback.
- We also started our New Voices Fund to be better able to fairly recompense freelancers as well as commission emerging writers to share their perspectives on issues that matter.
- Having advertised openly for new Board members, including with financial qualifications, and proactively sought to improve representation from Black, Asian and Minority Ethnic backgrounds, as part of our succession planning, we were pleased to welcome four new trustees who brought a new mix of perspective, skills and experience to our Board.
- We ran our first online networking event for members after our AGM.
- Over 76,000 people (up 9%) visited the IWA website over the year which led to over 147,000 total hits (up nearly 20%).

### 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 and training in 2020/21, despite not being able to bring people together in person because of the global pandemic.

Early on in the pandemic it was clear that Covid-19 would have major long-term impacts for Wales' communities, economy, and the delivery of essential public services. As Wales began to emerge from the emergency phase of COVID-19, front line organisations and policymakers started to evolve their responses and began to look ahead to the challenges of the future and develop the policy responses needed to address existing and new areas of social harm. Our Rethinking Wales sessions were therefore designed to bridge sectors and policy boundaries, identify and explore key questions, test assumptions and expectations about the post-Covid-19 future, and enable our delegates to start developing ideas and sharing practical plans for the challenges ahead. We are grateful to both the Carnegie UK Trust and the National Lottery Community Fund for their support.

### Reach

A total of 4,119 people either attended, watched or listened back to the 15 *Rethinking Wales* sessions held between 1 April 2020 and 31 March 2021.

### Topics included:-

1. What do we need to be thinking about in the long term?
2. Higher Education and the economy
3. Wales' future economy
4. The gendered impact of Covid-19
5. The future of Welsh Towns
6. Welsh Government's Supplementary Budget
7. How cultural venues can survive and thrive
8. What is the new normal for children?
9. Social Care after Covid-19
10. Business after Covid
11. Wellbeing on the frontline
12. Has Wales performed well in our Covid response?
13. Difficult Choices for health and social care - in partnership with the Bevan Commission
14. Curriculum reform through the lens of Covid-19
15. Redefining community and connections

#### Selected impact

- Our session on curriculum and assessment influenced the work of Qualifications Wales in developing its proposals for Wales' new national curriculum. Discussion from the event was captured as part of their formal consultation on their proposals, and separate discussions developed from this event with stakeholders in attendance. The event contributed to a wider discussion about the direction of curriculum reform at a time when this issue had a lower priority, and Plaid Cymru responded to this debate by proposing significant changes to formal assessment in Welsh schools as part of their 2021 election manifesto.
- Our session on business after Covid-19 also proved influential in wider debates about the Welsh Government's support for business. The Minister for Economy and Transport was presented with a range of perspectives from small business owners as part of this event, with the Minister and the Deputy Chair of the Economy Ministerial Advisory Board both accepting an offer to visit one of the hospitality businesses to discuss the issues they were facing in more detail. The issues raised were subsequently the focus of further policy design.
- Our discussion on social care after COVID-19 contributed to widespread interest in social care amongst the Welsh public community. Proposals that were discussed at this event were discussed more widely afterwards and found their way into multiple party manifestos for the 2021 election. In particular, concerns highlighted at our event relating to the pay and conditions of the workforce were reflected in Welsh Labour's commitments to a National Living Wage and the development of a National Social Care Framework for commissioning.

#### Feedback

63% attendees said the sessions introduced them to new thinking or new ideas and, in testament to our commitment to including more diverse voices in the sessions, 81% said they heard from people they hadn't heard from before. We were also pleased that feedback included how our *Rethinking Wales* sessions had enabled attendees to make new and useful contacts:-

*'It has helped with the small business policy development of the Welsh Liberal Democrats.'*

*'The events help me to understand the Welsh context and as a result I am always more well informed.'*

*'It encouraged me to link up with one of the speakers.'*

*'Really enjoyed the format of the sessions, the inclusiveness and the level of questioning / debate.'*

*'Very informative, engaging topics. Particularly liked the guest speakers.'*

*'IWA events always have good speakers who understand the topic, have real life experiences and talk sense with solutions.'*

When asked if attendees had done things differently after the discussion, responses included:-

*'Yes, I behave differently as a result - more thoughtful, better informed.'*

*'I made some excellent contacts. The event also confirmed my belief that there was a wider conversation to be had.'*

#### ***the welsh agenda***

Issue 64 of *the welsh agenda* was published in Spring 2020 and featured an in-depth interview with Michael Sheen around a range of social justice issues, and contributions from 27 contributors on 'Rethinking Wales' - a phrase that then became a major series of IWA events in response to the coronavirus pandemic. This issue was published at the height of the first lockdown and was released in PDF format only, as at the time we were uncertain of the financial climate. Other pieces of note in this issue were Poppy Stowell-Evans' reflection on her cancelled GCSEs and a photo essay by Glenn Edwards documenting the most restrictive lockdown in Roath, Cardiff.

Issue 65 of *the welsh agenda* was published in Autumn 2020 featuring interviews with Education Minister Kirsty Williams MS and Professor Charlotte Williams who had been leading a working group on experiences of people from Black, Asian and Minority Ethnic communities and the new curriculum. There was also a series of first-person accounts from healthcare workers on their experiences during the pandemic and a number of pieces related to a greener, fairer economy. Inevitably, many other articles focused on aspects of the pandemic, including Merlin Gable's interview with the WNO's Aidan Lang and Adrian Masters' investigation of the differences between the different approaches and understandings of restrictions in Wales and England.

We have continued to analyse contributors to *the welsh agenda* online and are pleased that over 150 different people have written over 200 times for the blog since April 2020.

**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 27 delegates during the November 2020 session, receiving excellent feedback:-

*'I enjoyed the session we had with the Regional Senedd Member and being able to ask questions throughout the course. It gave me the excitement I needed to begin mapping out who I may need to make links with in order to influence change!'*

*'I really enjoyed the information that was given, [the trainer's] knowledge and expertise in the areas that were discussed, [and] the chances to contribute, either orally or in the chat feature, to the discussions.'*

We also delivered a bespoke course for mentees of the Ethnic Youth and Minorities Support Team in February 2021, as part of our ongoing support. IWA Director, Auriol Miller, continued to mentor on the WEN Wales mentoring scheme.

Our original plans to develop this area of our work further were paused in 2020/21 due to staff capacity during the pandemic.

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

All our policy and project work is now aligned to our three priority areas:-

**A strong, confident democracy**

***IWA Media***

We have set out before how having a strong media is a key ingredient in enabling citizens to understand the world around them, make sense of what is happening and discern how to play their own part. The media can play a central role in addressing the democratic deficit in Wales. The ability of the traditional Welsh media to report on Wales, and represent Wales to itself and to the rest of the UK, has declined over the life course of devolution: reduced Public Service Broadcasting budgets, declining print circulation and job cuts being amongst the reasons. However, new forms of media including social media and community journalism are creating new spaces for debate and scrutiny.

Funded by the University of South Wales, this year we commissioned and supported Dr Marlen Komorowski to undertake the update of our 2015 Media Audit with a view, originally, to holding our 5th IWA Cardiff Media Summit in June 2020. Due to the coronavirus pandemic, the publication of this research and the Summit itself were substantially delayed.

This year, we also continued to seek funds to boost our capacity to shape this policy agenda.

The Media Summit eventually took place in early January 2021, with an event covering the Media Audit findings and 'State of Play', followed by events on Skills (in partnership with the University of South Wales), and on News in Wales. We also offered a fourth event in Welsh on the future of S4C. The events were well attended, with 387 tickets issued in total. YouTube videos and audio podcasts of each are available on our website. We took the opportunity to trail recommendations from our Media Manifesto to be submitted to all political parties standing in the Senedd elections and seek responses from panellists and the audience.

The Audit, Summit events, and related stakeholder engagement fed into key recommendations and priorities which were taken up by the Senedd Culture, Welsh Language and Communications in their February 2021 report on the devolution of broadcasting.

***Understanding Welsh Places (UWP)***

The aim of this collaborative project, for which we are funded by the Carnegie (UK) Trust, is to create a website ([www.understandingwelshplaces.wales](http://www.understandingwelshplaces.wales)) as the first port of call for statistical information about Welsh towns and communities with populations of more than 1,000 people. The Understanding Welsh Places (UWP) website aims to support and inspire communities, place makers and policy makers to make positive changes in the places where they live and work. People are able to use and interpret the open data presented to identify opportunities in their areas now and in the future. The development of the website itself was funded by both Carnegie UK Trust and the Welsh Government.



The Understanding Welsh Places Festival, originally planned to take place in Wrexham in June 2020, instead took place online between 10 and 12 November 2020. The aim of the 3-day festival, a series of online events, was to support and inspire local communities, decision-makers, planners and policy-makers to make positive changes to the places where they live and work. We engaged with over 150 different people: a mixture of people from town and community councils, third sector organisations, social care sector, small businesses, housing associations, local authorities, academics, researchers, planners and both the UK and Welsh Government:-

*'UWP is an excellent website, really easy to understand and navigate, thank you for sharing.'*

*'I'm loving these presentations - really inspiring and with such passion.'*

*'Thank you for providing the opportunity to network at the end of the event, this is something I have been missing since the pandemic, and I haven't seen a space for it in this sector until now.'*

In December 2020 we published the second iteration of UWP, including new data in response to feedback from users in communities across Wales. This update included:-

- The rollout of over 70 new place descriptions so that the story of each place is clearly summarised as much as possible by people living and working there
- New variables including data on access to services, to green space, broadband availability, numbers of public toilets, numbers of generative businesses and mental health statistics, all of which will be crucial to how Wales builds its future after Covid
- The addition of new Population Flow maps showing migrations and daily trips within Wales and across the border to England.

Since the first lockdown we engaged with partners digitally including IPPR North, Royal Town Planning Institute Cymru, Digi Leaders, Building Communities Trust, Wales Climate Week, Colleges Wales, Open University, Wales Cooperative Centre, Powys County Council and Monmouth County Council. We have also presented UWP to a number of key stakeholders/projects enabling it, for example, to be embedded as a tool within:-

- **Audit Wales'** 'Your Town, Your Future' research and report into the challenges now facing Welsh towns, the impact of COVID-19 and the growth of digital remote working and online shopping.
- **Coproduction Network's** project which is working with Public Service Boards which are made up of representatives from Local Authorities, Local Health Boards, Natural Resources Wales, third sector organisations, and more. PSBs were created by the Well-being of Future Generations Act and their remit is looking after and improving well-being in their local population.
- **WCVA's** 'Better futures Wales' project which works with two communities of place and one of young people to develop visions and action plans for a better future for their community.

Over the year, UWP has gathered pace and been recognised as a useful tool with over 10,000 people having accessed and used it by the end of March 2021.

### Advocacy

As we approached the Senedd elections in May 2021 we wanted to ensure that the expertise of the UWP Consortium could be harnessed in order to influence policy development under the next Welsh Government and set up the Welsh Places Influencing Group with a view to establishing and launching a Welsh Places Charter before the elections, for comment by all political parties standing for election.

### 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 about the resilience of Welsh place this report (to be launched September 2021) will include:-

- Case studies of a representative sample of towns across Wales using the Understanding Welsh Places categorisations of place
- An analysis of the resilience of the selected Welsh places during the Covid-19 pandemic using publicly available data and research
- Survey or interview research into the experiences of people living and working in the selected places.

### **Inter-parliamentary relations**

This project grew out of discussions within our previous Governance Policy group and was funded by the Legal Education Foundation. Margaret Amott, Professor in Public Policy at the University of West Scotland, undertook a literature review and interviews with key individuals in the four UK parliaments between Autumn 2019 and Spring 2020. Overseen by an independent project advisory group that included current or recent clerks from constitutional committees of all four UK legislatures as well as Sir Paul Silk KCB, Professor Laura McAllister, Dr Ruth Fox of The Hansard Society, Professor Diana Stirbu of London Metropolitan University, Dr Elin Royles of Aberystwyth University and Valerie Livingston of newsdirect Wales.

At the September report launch held in partnership with the Hansard Society and Stratagem NI our discussion panel comprised:-

- Sir Paul Silk KCB, Member, Steering Committee of the Constitution Reform Group (Chair)
- Helen Mary Jones MS, Plaid Cymru
- Sir Bernard Jenkin MP, Chairman of the Liaison Committee, Conservative Party
- Professor Deirdre Heenan, School of Applied Social and Policy Science, Ulster University
- Peter Wishart MP, Chair of the Scottish Affairs Committee, (SNP) and
- Mick Antoniw MS, Chair of Legislation, Justice and Constitution Committee, Welsh Labour.

We were pleased that the Hansard Society referenced our report 'Missing Links' in Paul Evans CBE and Sir Paul Silk's joint submission to the Procedure Committee at the House of Commons.

### **High performing, responsive essential public services**

Following lockdown in March 2020, we convened a new collaboration of third sector, academic and private sector partners to help gather and identify good practice from the myriad changes in public service delivery that took place in the early part of the pandemic. We convened a partnership of 10 organisations (with IWA and the Wales Co-operative Centre as co-leads, and Community Housing Cymru, Wales Council of Voluntary Action, Business in the Community Cymru, Ethnic Youth Minority Support Team, Cardiff Business School, Nesta/Y Lab, Cymorth Cymru and Care Forum Wales as partners) and called ourselves the Live Learning Partnership. The project used the Sensemaker<sup>TM</sup> software to experiment in listening to how the changes since March 2020 had impacted on people's day to day lives, capturing their stories in English and in Welsh. Pro bono support from Associate Professor of Economic Psychology Dr Michael Muthukrishna at the London School of Economics enabled us to interpret the data which has been shared publicly, as have been the lessons learned from this cross-sector collaborative learning experiment. We are grateful to the National Lottery Community Fund for their support.

As part of our commitment to highlighting good examples of responsive public services, IWA Director Auriol Miller chaired the keystone event of Audit Wales' #Covid19learning week in March, interviewing the CEO of Wrexham CBC, Ian Bancroft, the new Engagement and Comms Director of Audit Wales, Anne-Louise Clark, and Dr Todd Howlett, the Nova Scotia provincial Medical Director for 811 (Triage and Health Information line) as well as the Executive Medical Director for Central Zone in Nova Scotia.

IWA Director Auriol Miller was also appointed to the Advisory Panel of the Health Foundation's Inquiry into the impact of Covid-19 on health inequalities in the UK. As part of this, she convened and chaired a roundtable of Wales stakeholders on behalf of the Inquiry and published an op-ed in the Western Mail. The Inquiry reported in July 2021.

### **A successful, clean, green and fair economy for Wales**

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

### **Re-energising Wales**

While our final report was published in March 2019, we continued to share our research findings and recommendations widely through 2020/21. The Welsh Government published its formal response to our recommendations in July 2020, further highlighting the impact of our work on their priorities and methodologies, but also making clear there is scope for further progress.

We were therefore pleased that we secured a follow-on grant from the Friends Provident Foundation to continue to support our advocacy work, and undertake a more detailed assessment of progress against our recommendations in the run up to COP26 and we will report on this next year.

### **Foundational Economy**

Funded by the Centre for Regeneration Excellence in Wales (CREW), our new project gathered pace with an advisory group comprising representatives from academia, business, housing and the voluntary sector overseeing the shaping of the first of our three work package reports 'A Better Balance' published in March 2021. Presenting a review of policy and practice around Business Wales, the Development Bank of Wales and the direct support provided to firms by the Welsh Government, we found evidence that while much of this support has positive impacts it only reaches a minority of firms in Wales. This raises questions about how well these programmes can contribute to strengthening a 'missing middle' of firms in Wales. Two further reports will be published in 2021: the first, being completed in collaboration with consultants The Means summarises 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, and the second will present 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.

### **New projects in development**

- Our new project, 'Our Land: connecting Wales' land and communities for a sustainable future', jointly funded by the Friends Provident Foundation and the Esmée Fairbairn Foundation, began in Spring 2021 and will report by the end of the year.
- New core funding support from the Friends Provident Foundation also enabled us to contribute to Welsh Government post covid recovery roundtables and pull together our economic challenges to the political parties contesting the Senedd elections in May 2021.

### **Membership Events**

Due to the global pandemic it was not possible to hold our annual IWA Members Summer Meeting in person this year. However, we held our first online AGM on 25 November 2020. Eurfyl ap Gwilym, Nigel Griffiths and Professor Laura McAllister were re-appointed for a further year and Helen Mortlock was re-appointed for a second 4-year term. The appointments of Leena Farhat, Sarah Prescott, Shereen Williams and Professor Alison Wride as new trustees were also noted. Professor Gerald Holtham and David Clubb resigned as trustees and were warmly thanked for their service to the IWA. The report of the Directors and the financial statements of the Company for the year ended 31 March 2020 were received. Watts Gregory were reappointed as our independent examiners. Auriol Miller set out the IWA's priorities before hosting a discussion with guest speaker Professor Martin Innes, Director of the Crime and Security Research Institute, and Universities' Police Science Institute at Cardiff University. In a talk entitled 'Wales, elections and the age of online disinformation', Professor Innes discussed how the upcoming Senedd elections in May 2021 might not be immune to online disinformation, citing his experience monitoring elections elsewhere.

### **Digital reach in FY2021**

We have continued to analyse contributors to *the welsh agenda* online and are pleased that over 150 different people have written over 200 times for the blog since April 2020.

- Over 76,000 people (up 9%) visited the IWA website over the year which led to over 147,000 total hits (up nearly 20%).
- We published 24 new podcasts over the year and, overall, there were 3,800 'listens'.
- This was the first year with a fully functioning Youtube channel which gained 2,643 views of our videos.
- At the end of March 2021, over 18,000 people followed the IWA on Twitter, 2,000 more people than in March 2020.
- Over 1,320 people like our Facebook page which is a 10% increase on 2020.
- At the end of March 2021, there were over 530 people following our LinkedIn page, which is around a 90% increase on the previous year.

# INSTITUTE OF WELSH AFFAIRS

## REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

What we said	What we did
We will engage with the 80+ members of our policy groups to create a network so their ideas contribute to our pipeline of future policy work.	This work was held over until 2021-22 partly due to capacity and partly due to the global pandemic
We will seek funds to continue to advocate for the implementation of our recommendations of our flagship <i>Re-energising Wales</i> project	We have successfully resourced further influencing work from the Friends Provident Foundation
We will move our agenda-setting events programme online, with sessions in partnership with Cardiff University, Cardiff Council, BBC Cymru Wales and others	We reached significantly more people through the online delivery of our events and will be looking ahead to what a 'blended' online and in person events programme might look like in due course, when restrictions permit.
We will publish two editions of <i>the welsh agenda</i> and further develop its strong online presence, while maintaining high quality contributions from an increasingly diverse set of authors	We were pleased to welcome a number of new members to our editorial group including young people and people with lived experience of race and disability, and are valuing the perspectives that they bring.
We will review all our work to ensure it is inclusive, accessible and welcoming to new members and participants	Our training programme review will take place in FY2022.
We will engage our members more broadly through various feedback mechanisms, and will launch our new membership offer	We are consciously checking in with our members more frequently and our new membership offer will be launched in July 2021.
We will continue our training programme, and move it online during the lockdown period if necessary	We successfully moved our training programme online, seeking feedback from delegates to improve it each time
We will deliver against our funded policy project commitments, communicating our findings clearly and imaginatively in bite-size chunks so that they reach new audiences	Many of our planned engagement activities were pivoted online due to the pandemic, so some of our activities have been delayed.
We will appoint new trustees, ensuring strong succession planning for long standing trustees who have indicated their intention to step down, and diversifying our Board by seeking new trustees from Black, Asian and Minority Ethnic groups	We successfully appointed four new trustees in Spring 2020, and transitioned to a new Treasurer and Company Secretary.
We will develop our organisational Welsh Language policy and action plan	This will be presented to the Board in September 2021
We will ensure our draft new Articles of Association are future proofed, and approved by both our members and our regulatory bodies.	Our new Articles of Association were approved by our members at our AGM and by our regulatory bodies in Autumn 2020.

### Media coverage of the IWA's work

The IWA's work was mentioned 21 times during 2020/21 across a range of outlets in Wales and beyond including:-

- TV (Sharp End, ITV)
- Print (Western Mail, South Wales Argus, Denbighshire Free Press, Wrexham Leader)
- Online (Wales Online, BBC, Wales Business Insider, Labour List, Nation.Cymru, Golwg 360, Golwg 360)

REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021

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**Engagement**

At the end of FY2021, our membership included:-

- 48 in the Young Person category (aged <30)
- 635 Individual members
- 44 Fellows
- 78 Life Fellows
- 19 Honorary Life Fellows
- 134 Organisational members, of whom 69 are charities and micro businesses, 43 are standard businesses and 22 are large businesses.

We are pleased that membership continues to grow across the board.

**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 FY2021 we:-

- Successfully attracted new funding for our online events programme from Carnegie UK Trust and the National Lottery Community Fund.
- Launched a new sponsorship scheme for the welsh agenda online, enabling us to launch our New Voices Fund.
- Successfully accessed the WCVA's Third Sector Resilience Fund for Charities Grant.
- Continued to increase our individual and organisational membership, and continued to decrease transactional and administrative costs by streamlining and automating membership processes.

**Principal funding sources**

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

In FY2021, membership fees and donations accounted for 29% of receipts, with self-generated income from conferences, training and debates totalling 4%. Short- to medium-term grant funding totalled 67% 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 National Lottery Community Fund, the WCVA Third Sector Resilience Fund for Charities and The Waterloo Foundation.

Policy project funding was 25.9% in FY2021.

While our revised budget for FY2021 anticipated a year-end surplus of £35,155, we finished the year with a surplus of £80,323, much of which related to delayed project expenditure which was not possible due to the Covid regulations restricting travel and in-person activities. This expenditure will be rescheduled in FY2022.

**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 2021/22.

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 £143,154 (2020: £82,157).

## PLANS FOR FUTURE PERIODS

### Strategy

In 2021-22 we will review our delivery against our new strategic priorities and refocus accordingly.

At the time of writing, planned work includes:

#### Providing an open, inclusive and informed platform for robust debate

- Further expanding the reach and online delivery of our agenda-setting events programme, in partnership with our members and key stakeholders

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

- Further expanding our online training programme

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

- Engaging our previous policy group members in shaping our new networks focussing on our priority themes
- Delivering against our funded policy project commitments
- Developing a new media policy project

### Organisationally

- Drawing up a new Business Plan
- Implementing our new membership offer
- Implementing our organisational Welsh Language policy

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Governing document

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

The Institute of Welsh Affairs (IWA) was incorporated as a company on 22 July 1987. The 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 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 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. Additional changes included modernising the language of the Objects and ensuring that the new Articles contain express board powers relating to implementing policies relating to various issues affecting IWA, including complaints policies and particular staff/trustee issues, such as where employees or trustees stand for Parliamentary or Senedd or other elections. The IWA's membership structure was maintained and updated in the new Articles and the language has been clarified around the different categories, simplifying the provisions and terminology used. As all communication between IWA and its members (and directors) is electronic this also needed to be reflected in the Articles. The use of the term 'Director' where this applies to the chief executive officer or company director has been clarified as has the fact that the CEO is not a company director. Permission was sought and granted from the Charity Commission to adopt these new Articles.

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

### Recruitment and appointment of trustees

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

The work of the charity is supervised by a board of directors elected by the members of the charitable company at the Annual General Meeting. Board membership is regularly reviewed and at the 2020 AGM we welcomed Leena Farhat, Sarah Prescott, Shereen Williams MBE and Professor Alison Wride as new Trustees.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### 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.

After a stable year during the first phase of the pandemic, the IWA staff team changed and grew over the course of 2020/21. Laura Knight, our longstanding Partnership and Events Manager left at the end of January 2021, and was succeeded by Rhian Cook as Team Administrator in February 2021, and Maria Drave who joined as Digital, Marketing and Events Manager in April 2021. Harry Thompson also joined as Economic Policy Lead in March, while Ellen Jones moved on from the UWP Project Lead at the end of April 2021.

### Induction and training of new trustees

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

### Risk management

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

The Trustee's report in our FY2020 year end accounts previously identified that we would seek to:

What we said	What we did
Review our membership offer	This was prepared in FY2021 and will be launched early in FY2022
Review and strengthen our Welsh language policy and boost our internal capacity to communicate in Welsh	Our Welsh language policy will be presented to the Board for approval in September 2021
Review our risk table in light of our experience of the existing and ongoing impact of coronavirus on the organisation	Our overhead costs remain low at or under 10% of our total expenditure. We will review our risk table again in FY2022
Consult carefully and take a prudent approach to returning to our small office, likely maintaining a blend of office and homeworking	As a team, we continued to work from home, in line with regulations. An office rota has been established in preparation for a blended approach
Move our public-facing events online and ensure they are as accessible to as many people as possible, while covering our costs	We successfully moved all our events online and sourced new funding
Maintain our reputation for a high standard of delivery of our existing commitments and policy projects, providing reassurance to our donors	We received consistently positive feedback from both delegates and donors
Seek to involve more young people in the work of the IWA	We expanded our editorial group and purposefully commissioned a series on young people starting their careers in particular sectors impacted by Covid

We continue to develop our full cost recovery approach openly and transparently with potential partners. In particular, the IWA is regularly sought out as a potential partner with other organisations, and staff are sought out as contributors, facilitators or to chair discussions on our issues related to our priorities including energy policy, governance, Brexit and Wales, citizens assemblies, leadership, and the role of civil society in democracy. Some of this we undertake on a consultancy basis, to contribute to our core costs. We will seek to develop this further in FY2022.

However, the key ongoing challenges and risks for the IWA relate to the potential impact of Covid-19 on our work, mainly on our income-generating public-facing events, and on staff wellbeing. In FY2021, like many organisations, the staff team was also personally impacted by Covid-19 with some staff members off sick, homeschooling or carrying out additional caring responsibilities within their communities, as well as covering other team members' roles for extended periods of time. We would like to thank the staff team for their commitment and forbearance.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Ongoing impact of COVID-19

As a registered charity that does not provide direct services to people and one that was therefore not at risk of significant additional demand created by coronavirus, and without the exposure of some organisations to the loss of income generated by the fundraising events and individual sponsorship on which they rely, early in the pandemic we judged our greatest immediate risk to our finances as the loss of membership income and of events income. We are pleased that both remained stable during FY2021. Membership income has in fact grown as a result of our improved online reach. Like other organisations, we are considering when and how best to return to blended and in person events, when regulations permit, while retaining our digital reach.

One impact of Covid-19 was that some of our activities were delayed, so we finished the financial year with a surplus. Our budget for FY2022 includes this delayed expenditure and we are therefore projecting a corresponding deficit. However, we are confident that the IWA is a going concern for the foreseeable future, and this will be kept under close review.

In FY2022 we will therefore:-

- Draw up a new Business Plan and Marketing Strategy and maintain our budgeted income and expenditure under close review, adjusting our plans accordingly.
- Review our risk table in light of our experience of the existing and ongoing impact of coronavirus on the organisation.
- Consult carefully and take a prudent approach to returning to our small office, likely maintaining a blend of office and homeworking.

### Objectives and policies

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

#### Credit risk

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

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

## REFERENCE AND ADMINISTRATIVE DETAILS

### Registered Company number

02151006 (England and Wales)

### Registered Charity number

1078435

### Registered office

56 James Street  
Cardiff Bay  
CARDIFF  
CF10 5EZ



**INSTITUTE OF WELSH AFFAIRS**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2021**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees**

Ms B Darwin	Chair	
Ms H C Molyneux		
Mr N G Griffiths	Treasurer until 19 March 2021	Resigned 19 March 2021
Dr E Ap Gwilym		
Ms F Beecher		
Dr D O Clubb		Resigned 11 December 2020
Ms A J Copus		
Professor G H Holtham		Resigned 11 December 2020
Ms V E Livingston		
Professor L J McAllister		
Professor K J Morgan		
Ms H F Mortlock Pearce		
Mr A Pickles		
Mr M Thomas		
Ms L S Farhat		Appointed 29 July 2020
Ms S Williams		Appointed 29 July 2020
Ms S J Prescott	Treasurer from 19 March 2021	Appointed 29 July 2020
Ms A E C Wride		Appointed 29 July 2020

**Company Secretary**

Ms L S Knight	Until 22 January 2021
Ms S J Prescott	From 18 March 2021

**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 20/10/21 and signed on its behalf by:

  
Ms S J Prescott - Secretary

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

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

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

#### 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 FCCA 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

24 October 2021

INSTITUTE OF WELSH AFFAIRS

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	3	248,043	-	248,043	182,315
<b>Charitable activities</b>	5				
General		163,320	37,500	200,820	119,546
Investment income	4	<u>859</u>	<u>-</u>	<u>859</u>	<u>475</u>
<b>Total</b>		412,222	37,500	449,722	302,336
<b>EXPENDITURE ON</b>					
Raising funds	6	48,325	-	48,325	41,952
<b>Charitable activities</b>	7				
General		303,256	17,818	321,074	298,981
<b>Total</b>		<u>351,581</u>	<u>17,818</u>	<u>369,399</u>	<u>340,933</u>
<b>NET INCOME/(EXPENDITURE)</b>		60,641	19,682	80,323	(38,597)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		85,164	318	85,482	124,079
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>145,805</u>	<u>20,000</u>	<u>165,805</u>	<u>85,482</u>

The notes form part of these financial statements

INSTITUTE OF WELSH AFFAIRS

BALANCE SHEET  
31 MARCH 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	14	2,651	-	2,651	3,007
<b>CURRENT ASSETS</b>					
Debtors	15	7,261	1,050	8,311	33,899
Cash at bank and in hand		<u>195,129</u>	<u>18,950</u>	<u>214,079</u>	<u>168,615</u>
		202,390	20,000	222,390	202,514
<b>CREDITORS</b>					
Amounts falling due within one year	16	(59,236)	-	(59,236)	(120,039)
<b>NET CURRENT ASSETS</b>		<u>143,154</u>	<u>20,000</u>	<u>163,154</u>	<u>82,475</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>145,805</u>	<u>20,000</u>	<u>165,805</u>	<u>85,482</u>
<b>NET ASSETS</b>		<u>145,805</u>	<u>20,000</u>	<u>165,805</u>	<u>85,482</u>
<b>FUNDS</b>	19				
Unrestricted funds				145,805	85,164
Restricted funds				<u>20,000</u>	<u>318</u>
<b>TOTAL FUNDS</b>				<u>165,805</u>	<u>85,482</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 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 and authorised for issue by the Board of Trustees on 20/10/21 and were signed on its behalf by:

  
.....  
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 56 James Street, Cardiff Bay, Cardiff, CF10 5EZ. The nature of the company's operations and principal activities is disclosed within the Report of the Trustees.

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

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

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 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	- 7 years straight line

Fixed assets are initially recorded at cost.

**Financial instruments**

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

**Debtors**

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

**Creditors**

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

**Cash and cash equivalents**

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

**Taxation**

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

2. ACCOUNTING POLICIES - continued

**Fund accounting**

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

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

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

**Pension costs and other post-retirement benefits**

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

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	15,440	27,778
Gift aid	5,947	8,243
Grants	116,317	31,134
Subscriptions	100,431	94,152
Patrons	9,908	21,008
	<u>248,043</u>	<u>182,315</u>

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

	2021	2020
	£	£
Friends Provident Foundation	50,000	4,684
The Waterloo Foundation	10,000	10,000
Legal Education Foundation	-	16,450
WCVA Third Sector Resilience Fund for Wales Scheme	45,000	-
Job Retention Scheme	11,317	-
	<u>116,317</u>	<u>31,134</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>859</u>	<u>475</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Event income	27,214	19,945
Training income	4,103	10,097
Carnegie UK Trust	45,275	37,525
CREW: Centre for Regeneration Excellence in Wales	71,878	24,986
Grants	47,500	17,500
Other income	4,850	1,160
University of South Wales	-	8,333
	<u>200,820</u>	<u>119,546</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021**5. INCOME FROM CHARITABLE ACTIVITIES - continued**

Included in income from charitable activities is the following:

- an amount of £45,275 (2020: £37,525) from the Carnegie Trust UK towards the Understanding Welsh Places project.
- an amount of £15,000 (2020: £Nil) from the Carnegie Trust UK towards the Rethinking Wales' future after Covid-19 project.
- an amount of £71,878 (2020: £24,986) from CREW: Centre for Regeneration Excellence in Wales towards the Foundational Economy project.
- an amount of £Nil (2020: £8,333) from the University of South Wales to undertake the latest IWA Media Audit to update the 2015 edition.

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

	2021 £	2020 £
Books Council of Wales	17,500	17,500
Friends Provident Foundation	5,000	-
National Lottery Communities Fund	10,000	-
Esmee Fairbairn Foundation	15,000	-
	<u>47,500</u>	<u>17,500</u>

**6. RAISING FUNDS**

Raising donations and legacies

	2021 £	2020 £
Staff costs	43,542	36,297
Staff training	40	236
Support costs	4,743	5,419
	<u>48,325</u>	<u>41,952</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
General	<u>266,395</u>	<u>54,679</u>	<u>321,074</u>

**8. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2021 £	2020 £
Staff costs	224,969	187,536
Event costs	1,990	6,582
Training costs	191	2,431
Direct project costs	39,040	45,756
Staff training	205	1,220
Direct recruitment costs	-	409
	<u>266,395</u>	<u>243,934</u>



9. SUPPORT COSTS

	Raising funds £	Charitable Activities £	Governance costs £	Totals £
Raising donations and legacies	4,743	-	-	4,743
General	-	24,486	30,193	54,679
	<u>4,743</u>	<u>24,486</u>	<u>30,193</u>	<u>59,422</u>

10. NET INCOME/(EXPENDITURE)

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

	2021 £	2020 £
Depreciation - owned assets	356	416
Independent examination fee	2,448	2,448
Other fees paid to independent examiners	<u>872</u>	<u>703</u>

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 or for the year ended 31 March 2020.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2021 or for the year ended 31 March 2020.

12. STAFF COSTS

	2021 £	2020 £
Wages and salaries	252,785	212,953
Social security costs	21,659	18,381
Other pension costs	<u>15,838</u>	<u>10,648</u>
	<u>290,282</u>	<u>241,982</u>

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

	2021	2020
Charitable activities	<u>8</u>	<u>7</u>

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

	2021	2020
£70,001 - £80,000	<u>1</u>	<u>1</u>

The total employee benefits of the key management personnel of the charity were £121,622 (2020: £126,267).

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

## 13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	161,181	21,134	182,315
<b>Charitable activities</b>			
General	102,046	17,500	119,546
Investment income	<u>475</u>	<u>-</u>	<u>475</u>
<b>Total</b>	263,702	38,634	302,336
 <b>EXPENDITURE ON</b>			
Raising funds	41,952	-	41,952
<b>Charitable activities</b>			
General	<u>248,717</u>	<u>50,264</u>	<u>298,981</u>
<b>Total</b>	<u>290,669</u>	<u>50,264</u>	<u>340,933</u>
<b>NET INCOME/(EXPENDITURE)</b>	(26,967)	(11,630)	(38,597)
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	<u>112,131</u>	<u>11,948</u>	<u>124,079</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>85,164</u></u>	<u><u>318</u></u>	<u><u>85,482</u></u>

## 14. TANGIBLE FIXED ASSETS

	Website £	Fixtures and fittings £	Office equipment £	Totals £
<b>COST</b>				
At 1 April 2020 and 31 March 2021	<u>9,310</u>	<u>5,520</u>	<u>16,681</u>	<u>31,511</u>
<b>DEPRECIATION</b>				
At 1 April 2020	9,310	2,880	16,314	28,504
Charge for year	<u>-</u>	<u>264</u>	<u>92</u>	<u>356</u>
At 31 March 2021	<u>9,310</u>	<u>3,144</u>	<u>16,406</u>	<u>28,860</u>
<b>NET BOOK VALUE</b>				
At 31 March 2021	<u>-</u>	<u>2,376</u>	<u>275</u>	<u>2,651</u>
At 31 March 2020	<u>-</u>	<u>2,640</u>	<u>367</u>	<u>3,007</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	1,236	26,930
Prepayments and accrued income	<u>7,075</u>	<u>6,969</u>
	<u>8,311</u>	<u>33,899</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other loans (see note 17)	15,000	-
Trade creditors	670	2,080
Social security and other taxes	4,055	7,573
VAT	819	5,120
Other creditors	5,488	1,603
Accruals and deferred income	<u>33,204</u>	<u>103,663</u>
	<u>59,236</u>	<u>120,039</u>

Included within accruals and deferred income is an amount of £15,971 (2020: £96,170) 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.

17. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>15,000</u>	<u>-</u>

18. LEASING AGREEMENTS

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

	2021	2020
	£	£
Within one year	5,356	5,356
Between one and five years	<u>7,674</u>	<u>11,155</u>
	<u>13,030</u>	<u>16,511</u>

The total lease payments recognised as an expense in the year was £10,665 (2020: £10,665).

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2021

19. MOVEMENT IN FUNDS

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

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	412,222	(351,581)	60,641
<b>Restricted funds</b>			
'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>
<b>TOTAL FUNDS</b>	<u>449,722</u>	<u>(369,399)</u>	<u>80,323</u>

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	At 31/3/20 £
<b>Unrestricted funds</b>			
General fund	112,131	(26,967)	85,164
<b>Restricted funds</b>			
Re-energising Wales	11,948	(11,948)	-
Governance Scoping project	-	318	318
	<u>11,948</u>	<u>(11,630)</u>	<u>318</u>
<b>TOTAL FUNDS</b>	<u>124,079</u>	<u>(38,597)</u>	<u>85,482</u>

**19. MOVEMENT IN FUNDS - continued**

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	263,702	(290,669)	(26,967)
<b>Restricted funds</b>			
'the welsh agenda' print and online	17,500	(17,500)	-
Re-energising Wales	4,684	(16,632)	(11,948)
Governance Scoping project	<u>16,450</u>	<u>(16,132)</u>	<u>318</u>
	<u>38,634</u>	<u>(50,264)</u>	<u>(11,630)</u>
<b>TOTAL FUNDS</b>	<u>302,336</u>	<u>(340,933)</u>	<u>(38,597)</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.

**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.

**Our Land project**

Grant funding has been received during the year from the Esmee Fairbairn Foundation and the Friends Provident Foundation 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.

**Comparative year only****Re-energising Wales**

Grant funding was provided in the previous 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.

**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 £15,838 (2020: £10,648).

Contributions totalling £4,571 (2020: £1,603) were payable to the scheme at the year end and are included in creditors.

**21. RELATED PARTY DISCLOSURES**

During the year Patron Income of £2,500 (2020: £15,000) 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 2021 or the year ended 31 March 2020.