

THE CONVERSATION TRUST (UK) LIMITED
(Company Limited by Guarantee)

Company Number: 08158264
Registered Charity Number in England and Wales: 1151436
Registered Charity Number in Scotland: SC044707

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2021

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The Conversation Trust (UK) Limited

Report of the Trustees

The Conversation Trust (UK) Limited (the 'Trust') is a charitable company limited by guarantee and incorporated as Company number 08158264 on 26 July 2012 and listed on the Central Register of Charities (England and Wales) under Charity number 1151436. The charitable company registered with the Office of the Scottish Charity Regulator on 3 March 2014 (SC044707).

The Trust was established under, and is governed by, its Articles of Association. The directors of the Trust are its trustees for the purposes of charity law and throughout this report are collectively referred to as 'the trustees'.

As set out in the Articles of Association, the trustees, who shall number not less than three, may be appointed for such terms as thought fit by the trustees.

Reference and administrative information

Trustees	Dr Joanna Frances Newman MBE Ziyad Paul Marar - resigned 1 August 2020 Adrian Neil Monck Jonathan Julian Hyams - resigned 29 September 2021 Professor Colin Bryan Riordan - Chair to resignation - resigned 12 November 2021 Caroline Agnes Morgan Thomson Nicholas John Eldred Dr David Anthony Lipton Levy Professor Nishan Canagarajah - Chair - appointed 12 November 2021 Katharine Louise Metzler - appointed 1 September 2020 David Henry Smith - appointed 1 August 2020 Diana Beech - appointed 6 July 2021 Michael Spence - appointed 6 July 2021
Patron	Professor Sir Eric Jackson Thomas
Chief Executive Officer	Chris Waiting
Registered Office	Shropshire House Capper Street London England WC1E 6JA
Auditors	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	Co-operative Bank P.O. Box 250 Delf House Southway Skelmersdale WN8 6WT
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH

The Conversation Trust (UK) Limited

Report of the Trustees

The trustees present their report along with the financial statements of the Trust for the year ending 31 July 2021.

The financial statements comply with statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities and have been prepared in accordance with Companies Act 2006 and Charities Act 2011.

Objects, Objectives, Governance and Management

The Objects of the Charity are to promote for the public benefit the advancement of education, including the provision of a platform for the creation, aggregation and communication of news and information services relating to the knowledge industries and the communication of all academic disciplines and their benefits as broadly as possible to enrich society's foundations of knowledge, expertise and solutions. These objects are reviewed by Trustees on an annual basis.

Activities and Achievements

The financial year ending July 2021 continued to be defined by the COVID-19 pandemic. Alongside the public health crisis, a parallel crisis of misinformation emerged, underscoring the need for our model of journalism, bringing experts directly to the public to explain and contextualise the unfolding events and challenge falsehoods. Our readership continued to grow and we saw significant increases to newsletter subscriptions and podcasts downloads, particularly following the launch of our new weekly podcast series in January.

Stories published by The Conversation UK were read a total of 168 million times in the year ending July 2021, a 6% increase on the already record-breaking year before. Subscribers to our newsletters and podcasts also increasing substantially throughout the year. Stories we published were republished by the BBC, CNN, Scientific American, The Daily Mail and a great many others, and the academics who wrote for us have had their work cited in Parliament, followed up by other media, and led to new partnerships and research opportunities.

Recognising the impact that COVID-19 is having on the Higher Education sector, we anticipated an increase in member churn. In the end total university membership held steady, finishing the year with 85 committed members with six leavers balanced by six new joiners. We believe membership continues to provide enormous value to the institutions we work with, and membership continues to be our core funding stream.

While The Conversation's journalism will always remain free to read and republish, we are grateful that an increasing number of readers are donating to support our work. In the year ending July 2021 we received almost £175k from five thousand readers, more than a thousand of whom now donate monthly. In the coming years we intend to strengthen our relationship with these 'Friends of The Conversation', and encourage more of our regular readers to contribute to support our journalism.

We were fortunate to launch a new Coronavirus Insights project with support from Research England, to provide additional editorial coverage of emerging virus research and how society has responded.

Despite the challenges, FY21 saw us develop and implement a new strategic plan covering both editorial and operational activities, structured around four key strategic priorities:

- 1) Strengthening our position as a leading news platform for research & analysis, providing timely and reliable information from diverse experts, presented clearly through innovative storytelling
- 2) Engaging our audience and building our brand. By prioritising our onsite audience, we will grow subscribers to our newsletter and other products
- 3) Ensuring sustainable revenue growth by developing our university membership, by attracting new philanthropic support and by growing donations from our readers. We will also explore expanding the range of services we provide to universities.

The Conversation Trust (UK) Limited

Report of the Trustees

- 4) Creating a high-performance culture for our team, overseen by ethical and professional governance from our Trustees and Editorial Board

We continue to work closely with the other editions of The Conversation around the world, looking for opportunities for greater impact and improved efficiency.

Impact of Covid-19

With around 70% of revenue coming from member institutions, we are keenly aware of the challenges still facing many universities. In our financial planning for coming years, we have assumed an elevated level of member churn and will continue to minimise costs wherever possible, while maintaining our reserves. For members, we have emphasised the benefits they get from working with The Conversation, with our continued focus on public engagement with research. We have also looked to diversify our revenue, expanding membership beyond UK universities, growing reader donations, and offering a range of additional services through a new commercial subsidiary, Universal Impact.

Operationally, despite the initial closure and later limited access to our main London office, we've been able to continue working largely as normal, with our editors working from home, and commissioning from academics across the UK and beyond. As we move into 2022, we've introduced a new working model that tries to retain some of the flexible benefits of remote working, while also bringing people together to strengthen our culture and foster a creative working environment.

Public Benefit

As required by the Charities Act 2011, the trustees have referred to the Charity Commission's general guidance on public benefit when setting up the Trust. The trustees will have due regard to the Charity Commission's general guidance on public benefit when making grants in future. In shaping our objectives for the year and planning our activities, the trustees have also considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'.

Financial Review

During the period, the charity received total income of £1.9m for use by the charity in pursuing its charitable objects. As per the Statement of Financial Activities on page 9 this resulted in a surplus for the year of £255k. This was ahead of forecast, primarily as the result of a successful reader donation campaign. Having closed our offices at UCL in March 2020 and switched to online delivery of training, we were able to keep costs under control. We did not have to make use of any government emergency schemes.

This surplus allows the charity to grow its reserves and places it in a stronger position in facing the uncertain period ahead.

Risk Management

1. Universities are not prepared or able to fund the project:

Even before COVID-19, the Higher Education sector was experiencing considerable external pressure and uncertainty. As a result, many institutions are reviewing all costs, which could lead to existing members failing to renew while new members prove hard to attract. To mitigate this risk, the company's retention strategy involves a focus on the benefits delivered to members, active monitoring of engagement and targeted increases to staff capacity to meet demand. We are also exploring appropriate diversification of revenue to help us mitigate sectoral shocks. Finally, we have considered a range of options to reduce our costs should a significant number of universities fail to renew.

2. Readership levels fall or fail to grow:

Breakdown of re-publishing relationships, SEO problems, poor content quality or relevance, or failure in marketing/social media efforts could halt growth, and diminish the power of the project. To mitigate

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Report of the Trustees

this, normal editorial processes ensure that content is of a consistently high quality. We actively engage with republishers to help our stories reach a wider audience, and encourage regular readers to sign up for our newsletters.

3. Staffing problems:

Difficulty in attracting or retaining staff could make the editorial product difficult to deliver. This is mitigated by fostering an open and approachable management style allowing problems to be raised at an early stage and encouraging staff growth. Achievement is rewarded where appropriate.

4. Editorial issues:

With greater readership comes greater scrutiny of our stories, and an increased risk of legal action. TCUK's model depends on high quality content written by experts, so our stories are lower risk than other news outlets. To mitigate, we follow journalism best-practice, all editors receive training from media law experts, and potentially higher risk stories receive external legal scrutiny. In September 2019, TCUK joined IMPRESS, a press regulator which provides an external complaints management process, further reducing the risk of legal action.

5. Office Health & Safety:

An employee could be injured onsite or when working offsite. To mitigate, employer's liability insurance is up-to-date, staff are trained as fire marshalls and health and safety officers as appropriate, and trained emergency first-aiders available onsite. The Health & Safety risk-assessment will continue to be kept up-to-date and actioned appropriately. The main TCUK office has been closed since March 2020 and we have encouraged staff now working remotely to conduct health & safety assessments of their home working environments. We are making funds available to staff who need additional equipment to work at home safely.

Future Plans

The charity has attracted the majority of research-intensive UK universities as members. Future plans will focus on expanding membership to include further top-tier European universities and adjacent institutions, such as IROs, as well as a focus on expanding audiences both on-site and through republishers. Trust, Foundation and public (donation) funding will be explored further, but will remain secondary to membership revenue. In the short to medium term, we are focused on helping the UK HE sector through the current crisis – helping them engage with the public to demonstrate the value of research, and to ensure the public has access to high quality information about the virus. This has led to further collaboration with Research England and UKRI. In the longer term, the creation of a commercial trading subsidiary, Universal Impact, will help us broaden the ways we work with research institutions, providing additional income to support our core charitable mission.

Remuneration Policy

Salaries are benchmarked against similar organisations with final sign off being made by the Board of Trustees.

Reserves Policy

Unrestricted funds totalled £476,984 as at 31 July 2021 (2019: £333,066). Restricted funds totalled £129,477 as at 31 July 2021 (2019: £18,632). It is the policy of the Trust to maintain a reserve level equivalent to a minimum of four months outgoings, partly to guard against possible fluctuations in levels of membership as well as potential changes in the funding environment. Any loss of funding or membership income would likely take several months to replace. If such replacement were not possible, the reserves provide sufficient time for the Trust to adjust its outgoings accordingly. In addition, these reserves can provide a stronger bedrock for financial planning into subsequent financial years. Current reserves are in line with the Trust's target of three months outgoings, approximately £450,000. Free reserves (unrestricted general funds minus fixed assets) of the charity at 31 July 2021 were £462,237. In forward planning, trustees will ensure free reserves continue to meet the reserves policy.

The Conversation Trust (UK) Limited

Report of the Trustees

Going concern

The directors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the company to continue as a going concern. The directors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the directors have considered the company's forecast and projections and have taken account of the impact of the Coronavirus pandemic. The directors have carried out analysis on budget forecasts to 31 July 2023 for varying levels of reduction in memberships which make up the majority of the company's income streams. In each case the company is able to reduce its cost to match any potential fall in income up to 50%. On this basis the directors have concluded that the company has adequate resources to continue in operational existence for at least twelve months from the approval of the financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Appointment of new trustees

Potential Trustees are proposed to or approached by The Conversation's Nominations subcommittee. Recommendations are then put to the Board of Trustees to vote on. The executive officers are responsible for training Trustees and making them aware of their responsibilities. The Board of Trustees maintains a skills matrix of current members. When recruiting new Trustees, the Board aims to maintain a balance of skills and backgrounds to ensure a diverse mix of people.

Auditors

Moore Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act, it is proposed that they be re-appointed auditors for the ensuing year.

Statement of trustees' responsibilities

The trustees (who are also directors of The Conversation Trust (UK) Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006. They are also responsible

The Conversation Trust (UK) Limited

Report of the Trustees

for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

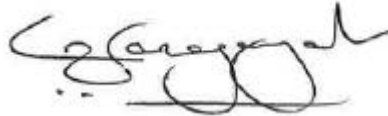
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small entities within Part 15 of the Companies Act 2006.

Approved by the Trustees on: 21/04/2022

and signed on their behalf by:

Professor Nishan Canagarajah (Chair)



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CONVERSATION TRUST (UK) LIMITED

Opinion

We have audited the financial statements of The Conversation Trust (UK) Limited for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CONVERSATION TRUST (UK) LIMITED

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CONVERSATION TRUST (UK) LIMITED

irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE CONVERSATION TRUST (UK) LIMITED

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Shivani Kothari, FCCA, DCha (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date 26 April 2022

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The Conversation Trust (UK) Limited
Statement of Financial Activities
(incorporating the Income and Expenditure account)
For the year ended 31st July 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
Income from:					
Donations					
Grants and donations	2	167,086	421,606	588,692	151,480
Membership subscriptions		1,336,447	-	1,336,447	1,307,625
Gifts in Kind	3	18,000	-	18,000	90,000
Other income		1,365	-	1,365	3,060
Total		<u>1,522,898</u>	<u>421,606</u>	<u>1,944,504</u>	<u>1,552,165</u>
Expenditure on:					
Charitable Activities					
Advancement of education	5	<u>1,378,453</u>	<u>311,288</u>	<u>1,689,741</u>	<u>1,396,094</u>
Total		<u>1,378,453</u>	<u>311,288</u>	<u>1,689,741</u>	<u>1,396,094</u>
Net income	4	<u>144,445</u>	<u>110,318</u>	<u>254,763</u>	<u>156,071</u>
Net movement in funds		<u>144,445</u>	<u>110,318</u>	<u>254,763</u>	<u>156,071</u>
Funds as at 1 August 2020		<u>332,539</u>	<u>19,159</u>	<u>351,698</u>	<u>195,627</u>
Fund balances carried forward as at 31 July 2021	12	<u><u>476,984</u></u>	<u><u>129,477</u></u>	<u><u>606,461</u></u>	<u><u>351,698</u></u>

All activities in the year were attributable to continuing operations.

The accompanying notes form part of these financial statements.

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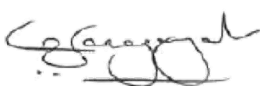
Balance Sheet as at 31st July 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible fixed assets	7		14,747		2,618
Current Assets					
Debtors	8	359,717		318,670	
Cash at bank and in hand		<u>630,136</u>		<u>443,294</u>	
		989,853		761,964	
Creditors: Amounts falling due within one year	9	<u>(398,139)</u>		<u>(412,884)</u>	
Net Current Assets			<u>591,714</u>		<u>349,080</u>
Total assets less current liabilities			606,461		351,698
Net assets			<u><u>606,461</u></u>		<u><u>351,698</u></u>
Funds					
Unrestricted funds					
General Funds	10		476,984		333,066
Restricted funds	11		<u>129,477</u>		<u>18,632</u>
Total			<u><u>606,461</u></u>		<u><u>351,698</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved and authorised for issue by the Board on ...21/04/2022...

Signed on their behalf by:



.....

Professor Nishan Canagarajah
Trustee
Company Number 08158264

The Conversation Trust (UK) Limited

Statement of Cash Flows

for the Year Ended 31 July 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash (used in)/ provided by operating activities	<u>202,730</u>	<u>62,973</u>
Cash flows from investing activities		
Payments to acquire tangible fixed assets	<u>(15,888)</u>	<u>(1,828)</u>
	<u>(15,888)</u>	<u>(1,828)</u>
Net increase/(decrease) in cash and cash equivalents	186,842	61,145
Cash and cash equivalents at beginning of year	<u>443,294</u>	<u>382,149</u>
Cash and cash equivalents at end of year	<u><u>630,136</u></u>	<u><u>443,294</u></u>
<hr/>		
Reconciliation of net income to net cash flow from operating activities		
	2021 £	2021 £
Net income including endowments	254,763	156,071
Adjustments for:		
Depreciation charges	3,759	1,889
Increase in debtors	(41,047)	(112,599)
(Decrease)/increase in creditors	(14,745)	17,612
	<u> </u>	<u> </u>
Net cash (used in)/provided by operating activities	<u><u>202,730</u></u>	<u><u>62,973</u></u>

The Conversation Trust (UK) Limited

Notes to the Financial Statements

For the year ended 31st July 2021

1 Accounting Policies

1.1 Basis of preparation of financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest one thousand pounds.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

1.2 Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. The trustees are able to reliably forecast a high proportion of pipeline income by reviewing annual memberships and repeated or multi-year grants. On the basis of such forecasts the trustees have concluded that the company has adequate resources to continue in operational existence for at least twelve months from the approval of the financial statements. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Income

All income is included in the Statement of Financial Activities when the Trust is entitled to the income and the amount can be quantified with reasonable accuracy.

Income received in advance is deferred where it would be repayable if conditions are not met in the future.

1.4 Gifts in kind

Where services are provided to the charity as a donation that would normally be purchased from suppliers, this contribution is included in the financial statements as an estimate based on the value of the contribution to the charity. Donated services and facilities are discussed in note 3.

1.5 Unrestricted funds

These resources arise from grants and donations provided for unrestricted purposes and from accumulated surpluses and deficits in the operations for charitable purposes and are expendable at the discretion of the trustees.

1.6 Designated funds

These funds have been designated for a particular purpose by the trustees.

1.7 Restricted funds

These funds arise from contributions made for specific purposes and are expended in accordance with these purposes.

The Conversation Trust (UK) Limited

Notes to the Financial Statements

For the year ended 31st July 2021

1.8 Expenditure

Expenditure is classified under the principal categories of charitable expenditure and the costs of raising funds rather than the type of expense, in order to provide more useful information to users of these accounts. Irrecoverable VAT is treated as an expense.

Charitable expenditure and costs of raising funds comprise direct expenditure attributable to the Trust. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources.

1.9 Defined contribution pension plans

The charity operates a defined contribution plan for its employees. The contributions are recognised as an expense when they are due in the statement of financial activities. All contributions were paid during the year and there are no amounts outstanding at either the 2020 or 2019 year end.

1.10 Governance costs

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

1.11 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. A full year's depreciation is charged in the year of acquisition and none in the year of disposal.

Depreciation has been calculated at the following annual rates, in order to write off each asset over its estimated useful life.

Computer equipment *3 years straight line*

The charity's capitalisation policy is to capitalise individual assets costing over £500.

1.12 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.13 Financial Instrument

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 8 and 9 for the debtor and creditor notes.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.15 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

- (i) The valuation of gifts in kind has been estimated as per note 1.4 and note 3.
- (ii) Useful Economic Lives - The annual depreciation charge for plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

The Conversation Trust (UK) Limited
Notes to the Financial Statements
For the year ended 31st July 2021

2 Grants and donations	Unrestricted	Restricted	Total 2021	2020
	£	£	£	£
UNDRR	-	11,856	11,856	-
Independent Social Research Foundation	-	40,050	40,050	12,500
UK Research and Innovation	-	369,700	369,700	60,900
COST Action	-	-	-	9,027
Individual donations	167,086	-	167,086	69,053
	<u>167,086</u>	<u>421,606</u>	<u>588,692</u>	<u>151,480</u>

All grants and donations in 2020 were restricted except for the individual donations which are unrestricted.

3 Gifts in Kind

An estimate of the support in kind, based on the value of the contribution to the charity, has been included as a donation and a cost, at amounts summarised below:

	2021	2020
	£	£
Rent and utilities	<u>18,000</u>	<u>90,000</u>

4 Net income

The net income for the year is stated after charging:

	2021	2020
	£	£
Auditor's remuneration - audit fee current year	6,960	7,618
Auditor's remuneration - prior year	1,098	-
Other non-audit services	1,030	-

5 Expenditure

	Staff Costs	Direct Costs	Support costs	Total 2021
	(note 6)		(note 5a)	
		£	£	£
Charitable Activities				
Public Learning	1,383,326	124,110	182,305	1,689,741
	<u>1,383,326</u>	<u>124,110</u>	<u>182,305</u>	<u>1,689,741</u>
	Staff Costs	Direct Costs	Support costs	Total 2020
	(note 6)		(note 5a)	
		£	£	£
Charitable Activities				
Public Learning	1,098,577	130,737	166,780	1,396,094
	<u>1,098,577</u>	<u>130,737</u>	<u>166,780</u>	<u>1,396,094</u>

Staff costs include £271,355 (2020: £75,300) of expenditure funded by restricted grants, see note 11.

5a Support costs

	2021	2020
	£	£
Office costs	46,597	109,494
Legal and professional fees	12,553	8,070
Insurance	10,745	2,250
Interest paid and bank charges	3,701	2,262
Travel	656	20,267
Depreciation	3,759	1,889
Marketing	89,564	14,930
Governance costs	14,730	7,618
	<u>182,305</u>	<u>166,780</u>

The Conversation Trust (UK) Limited
Notes to the Financial Statements
For the year ended 31st July 2021

6 Staff costs	2021	2020
	£	£
Salaries and wages	1,099,814	932,394
Social security costs	119,029	94,177
Employers pension contributions	54,381	23,944
Freelance costs	110,102	48,062
	<u>1,383,326</u>	<u>1,098,577</u>

No employee (2020: one) earned between £70,001 - £80,000 in the year.

One employee (2020: none) earned between £80,001 - £89,999 in the year.

One employee (2020: one) earned between £90,001 - £99,999 in the year.

Key management personnel includes the trustees, Chief Executive (and three senior staff reporting directly to the Chief Executive). The total employee benefits of the charity's key management personnel were £312,655 (2020: £315,863). No trustee received any remuneration as part of this figure. Total pension payments included in this amount were £5,145 (2020: £5,263).

The average number of employees (including casual and part time staff) during the year was as follows:

	2021	2020
	27	24
Employees	<u>27</u>	<u>24</u>

7 Tangible Fixed Assets

**Computer &
office
equipment
£**

Cost

As at 1 August 2020	23,247
Additions	15,888
As at 31 July 2021	<u>39,135</u>

Depreciation

As at 1 August 2020	20,629
Charge in year	3,759
As at 31 July 2021	<u>24,388</u>

Net book value

As at 31 July 2021	<u>14,747</u>
As at 31 July 2020	<u>2,618</u>

8 Debtors	2021	2020
	£	£
Other debtors	327,838	292,786
Prepayments and accrued income	31,879	25,884
	<u>359,717</u>	<u>318,670</u>

9 Creditors: Amounts falling due within one year	2021	2020
	£	£
Trade creditors	51,566	48,301
Accruals and deferred income	346,573	364,583
	<u>398,139</u>	<u>412,884</u>

The Conversation Trust (UK) Limited
Notes to the Financial Statements
For the year ended 31st July 2021

9 Creditors: Amounts falling due (continued)
within one year

Deferred income in 2021 relates to membership for the next financial year.

	2021	2020
	£	£
Brought forward	359,083	388,375
Amount added	338,833	359,083
Amount released	(359,083)	(388,375)
Carried forward	<u>338,833</u>	<u>359,083</u>

10 Unrestricted Funds

	As At 1	Income	Expenditure	Transfers	As At 31
	August 2020	£	£	£	July 2021
	£				£
General Fund	<u>332,539</u>	<u>1,522,898</u>	<u>(1,378,453)</u>	<u>-</u>	<u>476,984</u>

	As At 1	Income	Expenditure	Transfers	As At 31
	August 2019	£	£	£	July 2020
	£				£
General Fund	<u>174,646</u>	<u>1,469,738</u>	<u>(1,311,845)</u>	<u>-</u>	<u>332,539</u>

11 Restricted funds

	As At 1	Income	Expenditure	Transfers	As At 31
	August 2020	£	£	£	July 2021
	£				£
(b) Lloyds Register Foundation	20,981	-	(20,981)	-	-
(b) Independent Social Research Foundation	12,425	40,050	(52,475)	-	-
(b) UK Research and Innovation	(14,774)	369,700	(225,449)	-	129,477
(a) COST Action	527		(527)		-
(a) United Nations Office for Disaster Risk Reduction	-	11,856	(11,856)		-
	<u>19,159</u>	<u>421,606</u>	<u>(311,288)</u>	<u>-</u>	<u>129,477</u>

	As At 1	Income	Expenditure	Transfers	As At 31
	August 2019	£	£	£	July 2020
	£				£
(b) Lloyds Register Foundation	20,981			-	20,981
(b) Independent Social Research Foundation	-	12,500	(75)	-	12,425
(b) UK Research and Innovation	-	60,900	(75,674)	-	(14,774)
(a) COST Action	-	9,027	(8,500)		527
	<u>20,981</u>	<u>82,427</u>	<u>(84,249)</u>	<u>-</u>	<u>19,159</u>

The Conversation Trust (UK) Limited
Notes to the Financial Statements
For the year ended 31st July 2021

11 Restricted funds (contined)

- (a) The charity received a grant to report on specific topical events.
- (b) The charity received a grant to fund a specific editor/intern role.

12 Analysis of Net Assets between Funds

	General £	Restricted £	2021 Total Funds £
Fund balances at 31st July 2021 represented by:			
Fixed assets	14,747	-	14,747
Net current assets	462,237	129,477	591,714
	<hr/>	<hr/>	<hr/>
Total net assets	<u>476,984</u>	<u>129,477</u>	<u>606,461</u>
	General £	Restricted £	2020 Total Funds £
Fund balances at 31st July 2020 represented by:			
Fixed assets	2,618	-	2,618
Net current assets	328,099	20,981	349,080
Long term liabilities			
	<hr/>	<hr/>	<hr/>
Total net assets	<u>330,717</u>	<u>20,981</u>	<u>351,698</u>

13 Transactions with Trustees

There was no remuneration paid to the trustees during the period.

No trustees (2020: two) were reimbursed (2020: £187) travel and subsistence expenses in the period.

14 Related party transactions

During the year one trustee (2020: one) made donations of £250 (2020: £100) to The Conversation Trust.

There were no other related party transactions during the year (2020: none).

15 Limited Liability

The company is limited by guarantee and has no share capital. In the event of it winding up the liability of each member is limited to £1.