

**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 2022**

# The Conversation Trust (UK) Limited

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# **The Conversation Trust (UK) Limited**

## **Report of the Trustees for the year ended 31st July 2022**

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	Professor Nishan Canagarajah - Chair - appointed 12 November 2021 Professor Colin Bryan Riordan - Chair to resignation - resigned 12 November 2021 Nicholas John Eldred Dr David Anthony Lipton Levy Katharine Louise Metzler Diana Beech Emily Anne Bunting - appointed 15 September 2022 Vivienne Mary Hunt Parry - appointed 15 September 2022 Kavita Reddi - appointed 15 September 2022 Matthew Peter Walsh - appointed 15 September 2022 Professor David Gordon Sweeney - appointed 1 October 2022 Kirsty Walker - appointed 18 May 2023 Jonathan Julian Hyams - resigned 29 September 2021 David Henry Smith - resigned 25 May 2022 Adrian Neil Monck - resigned 31 July 2022 Dr Joanna Frances Newman MBE - resigned 1 December 2022 Caroline Agnes Morgan Thomson - resigned 1 December 2022 Michael Spence - resigned 18 May 2023
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 6th Floor 9 Appold Street London EC2A 2AP
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 for the year ended 31<sup>st</sup> July 2022**

The trustees present their report along with the financial statements of the Trust for the year ending 31 July 2022.

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 2022 saw The Conversation move beyond the COVID-19 pandemic. While our journalism and operations continued to be influenced by it, we find ourselves looking forward, and returning to some of our working patterns from before 2020. Our on-site readership declined slightly but we saw further increases to newsletter subscriptions and podcasts downloads, reflecting our most engaged readers.

Stories published by The Conversation UK were read a total of 153 million times in the year ending July 2022, a 9% decrease on the record-breaking year before. This decline is consistent with those seen by many other news publishers through 2022, with the Reuters Institute for the Study of Journalism identifying 'covid fatigue' and 'news avoidance' as key drivers of this trend. 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.

After a couple of years of stasis, membership numbers returned to growth, with a number of new and returning members signing up. We are aware that the UK HE sector remains braced for a challenging period and so continue to look to diversify our income. However 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 2022 we received almost £206k from four thousand readers, an 18% increase on the year before, with almost half now donating 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. However as we enter a challenging economic era, we expect the pressures of the cost of living crisis to limit further growth in reader donations.

We're grateful to Research England for its continued support, as our long running Insights project, and the pandemic-related Covid-Insights project have merged into a new three-year initiative, Insights & Applications. This project commissions longer-read stories which can explore topics more fully – and has led to significant coverage in other media. The new 'Applications' side considered the ways that research impacts society, ranging from discoveries and innovations developed during the pandemic, to other ways research is shaping the UK economy.

FY22 was a transition year, with the appointment of a new Editor, Jo Adetunji, and a new Chair, Professor Nishan Canagarajah, Vice Chancellor of the University of Leicester, along with a number of new Trustees. Together with the Chief Executive, senior leadership, they are working on a new strategic review, establishing our priorities for the next three years, building on those we agreed in 2019:

# **The Conversation Trust (UK) Limited**

## **Report of the Trustees for the year ended 31<sup>st</sup> July 2022**

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

We are grateful to the Trustees who have left the board over the last 12 months for their work throughout their terms.

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

### **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 £2.2m 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 £195k. This was in line with forecast, before the impact of the backlog of gift aid claims.

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 collapse:**

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 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.

# **The Conversation Trust (UK) Limited**

## **Report of the Trustees for the year ended 31<sup>st</sup> July 2022**

### **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 marshals 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.

### **Future Plans**

The charity has attracted the majority of research-intensive UK universities as members. Future plans will focus on the value delivered to member institutions and the impact delivered by our journalism. Trust, Foundation and public (donation) funding will be explored further, but will remain secondary to membership revenue. We will continue to support the UK Higher Education sector through the challenges it faces – helping them engage with the public, to demonstrate the value of research, and helping that research reach new audiences. In the longer term, our 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 Remuneration Committee of the Board of Trustees.

### **Reserves Policy**

Unrestricted funds totalled £709,469 as at 31 July 2022 (2021 as restated: £512,740). Restricted funds totalled £127,569 as at 31 July 2022 (2019: £129,477). 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 four months outgoings, approximately £600,000. Free reserves (unrestricted general funds minus fixed assets) of the charity at 31 July 2022 were £695,371. In forward planning, trustees will ensure free reserves continue to meet the reserves policy.

### **Going concern**

The directors have assessed whether the use of the going concern basis is appropriate and have consider 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 challenging environment for the UK Higher Education sector. The directors have carried out analysis on budget forecasts to 31 July 2024 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 membership 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.

# **The Conversation Trust (UK) Limited**

## **Report of the Trustees for the year ended 31<sup>st</sup> July 2022**

### **Appointment of new trustees**

Potential Trustees are proposed to or approached by The Conversation's Nominations subcommittee, with vacancies publicly advertised. 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 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:

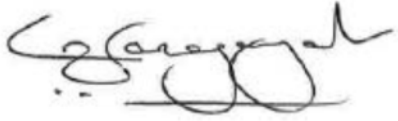
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

**The Conversation Trust (UK) Limited**  
**Report of the Trustees for the year ended 31<sup>st</sup> July 2022**

Approved by the Trustees on: 25<sup>th</sup> July 2023

and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'N. Canagarajah', with a horizontal line underneath.

Professor Nishan Canagarajah (Chair)



# **Auditor's Report to the Trustees of The Conversation Trust (UK) Limited**

## **Opinion**

We have audited the financial statements of The Conversation Trust (UK) for the year ended 31 July 2022 which comprises the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 2022 and of 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## **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 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 group's and parent 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.

We have nothing to report in this regard.

# **Auditor's Report to the Trustees of The Conversation Trust (UK) Limited**

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 have 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 from preparing a Strategic Report.

## **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 4, 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 and under the Companies Act 2006 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.

# **Auditor's Report to the Trustees of The Conversation Trust (UK) Limited**

## **Auditor's responsibilities for the audit of the financial statements (continued)**

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 control 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 control.
- 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 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.

## **Explanation as to what Extent the Audit was Considered Capable of Detecting Irregularities, Including Fraud**

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

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 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
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement

# **Auditor's Report to the Trustees of The Conversation Trust (UK) Limited**

- 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

## **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 charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the company's members those matters 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 and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Moore Kingston Smith LLP*

**Shivani Kothari (Senior Statutory Auditor)  
For and on behalf of Moore Kingston Smith LLP**

Date: 28 July 2023

9 Appold Street  
London EC2A 2AP

**The Conversation Trust (UK) Limited**  
**Statement of Financial Activities**  
**(incorporating the Income and Expenditure account)**  
**For the year ended 31st July 2022**

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £	2021 Total Funds as restated £
<b>Income from:</b>					
<b>Donations</b>					
Grants and donations	2	435,247	252,804	688,051	624,448
Membership subscriptions		1,504,725	-	1,504,725	1,336,447
Gifts in Kind	3	18,000	-	18,000	18,000
<b>Other income</b>		11	-	11	1,365
<b>Total</b>		<u>1,957,983</u>	<u>252,804</u>	<u>2,210,787</u>	<u>1,980,260</u>
<b>Expenditure on:</b>					
Charitable Activities					
Advancement of education	5	<u>1,761,254</u>	<u>254,712</u>	<u>2,015,966</u>	<u>1,689,741</u>
<b>Total</b>		<u>1,761,254</u>	<u>254,712</u>	<u>2,015,966</u>	<u>1,689,741</u>
<b>Net income</b>	4	<u>196,729</u>	<u>(1,908)</u>	<u>194,821</u>	<u>290,519</u>
<b>Net movement in funds</b>		<u>196,729</u>	<u>(1,908)</u>	<u>194,821</u>	<u>290,519</u>
Funds as at 1 August 2021		<u>512,740</u>	<u>129,477</u>	<u>642,217</u>	<u>351,698</u>
<b>Fund balances carried forward as at 31 July 2022</b>	12	<u>709,469</u>	<u>127,569</u>	<u>837,038</u>	<u>642,217</u>

All activities in the year were attributable to continuing operations.

The accompanying notes form part of these financial statements.

# The Conversation Trust (UK) Limited

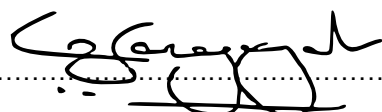
## Balance Sheet as at 31st July 2022

	Note	2022 £	2022 £	2021 as restated £	2021 as restated £
<b>Fixed assets</b>					
Tangible fixed assets	7		14,098		14,747
<b>Current Assets</b>					
Debtors	8	447,129		395,473	
Cash at bank and in hand		<u>875,693</u>		<u>630,136</u>	
		1,322,822		1,025,609	
<b>Creditors: Amounts falling due within one year</b>	9	<u>(499,882)</u>		<u>(398,139)</u>	
<b>Net Current Assets</b>			<u>822,940</u>		<u>627,470</u>
<b>Total assets less current liabilities</b>			837,038		642,217
<b>Net assets</b>			<u><u>837,038</u></u>		<u><u>642,217</u></u>
<b>Funds</b>					
Unrestricted funds					
General Funds	10		709,469		512,740
Restricted funds	11		<u>127,569</u>		<u>129,477</u>
<b>Total</b>			<u><u>837,038</u></u>		<u><u>642,217</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 25th July 2023 .....

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 2022

	2022 £	2021 as restated £
<b>Cash flows from operating activities</b>		
Net cash (used in)/ provided by operating activities	<u>252,518</u>	<u>202,730</u>
<b>Cash flows from investing activities</b>		
Payments to acquire tangible fixed assets	<u>(6,961)</u>	<u>(15,888)</u>
	<u>(6,961)</u>	<u>(15,888)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	245,557	186,842
Cash and cash equivalents at beginning of year	<u>630,136</u>	<u>443,294</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>875,693</u></u>	<u><u>630,136</u></u>
<hr/>		
<b>Reconciliation of net income to net cash flow from operating activities</b>		
	2022 £	2021 £
<b>Net income including endowments</b>	194,821	290,519
<b>Adjustments for:</b>		
Depreciation charges	7,610	3,759
Increase in debtors	(51,656)	(76,803)
(Decrease)/increase in creditors	101,743	(14,745)
	<u>          </u>	<u>          </u>
<b>Net cash (used in)/provided by operating activities</b>	<u><u>252,518</u></u>	<u><u>202,730</u></u>

# **The Conversation Trust (UK) Limited**

## **Notes to the Financial Statements**

### **For the year ended 31st July 2022**

#### **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 pound.

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 2022**

#### **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 2022 or 2021 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**

'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 2022**

<b>2 Grants and donations</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total 2022</b>	<b>2021 as restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
UNDRR	23,170	-	23,170	11,856
Independent Social Research Foundation	-	25,000	25,000	40,050
UK Research and Innovation	20,001	227,804	247,805	369,700
Stichtin 5 Media	25,088	-	25,088	-
Other grants	92,470	-	92,470	-
Individual donations	240,893	-	240,893	167,086
Gift aid receivable	33,625	-	33,625	35,756
	<u>435,247</u>	<u>252,804</u>	<u>688,051</u>	<u>624,448</u>

**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:

	<b>2022 £</b>	<b>2021 £</b>
Rent and utilities	<u>18,000</u>	<u>18,000</u>

**4 Net income**

The net income for the year is stated after charging:

	<b>2022 £</b>	<b>2021 £</b>
Auditor's remuneration - audit fee current year	8,190	6,960
Auditor's remuneration - prior year	1,200	1,098
Other non-audit services	40	1,030

**5 Expenditure**

	<b>Staff Costs (note 6)</b>	<b>Direct Costs</b>	<b>Support costs (note 5a)</b>	<b>Total 2022</b>
		<b>£</b>	<b>£</b>	<b>£</b>
Charitable Activities				
Public Learning	1,608,087	140,860	267,019	2,015,966
	<u>1,608,087</u>	<u>140,860</u>	<u>267,019</u>	<u>2,015,966</u>
	<b>Staff Costs (note 6)</b>	<b>Direct Costs</b>	<b>Support costs (note 5a)</b>	<b>Total 2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>
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 include £222,600 (2021: £271,355) of expenditure funded by restricted grants, see note 11.

**5a Support costs**

	<b>2022 £</b>	<b>2021 £</b>
Office costs	83,796	46,597
Legal and professional fees	20,255	12,553
Insurance	1,049	10,745
Interest paid and bank charges	1,365	3,701
Travel	24,626	656
Depreciation	7,610	3,759
Marketing	98,470	89,564
Governance costs	29,848	14,730
	<u>267,019</u>	<u>182,305</u>

Governance costs are made up of, in entirety, accountancy and audit fees.

**The Conversation Trust (UK) Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st July 2022**

<b>6 Staff costs</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Salaries and wages	1,287,511	1,099,814
Social security costs	140,627	119,029
Employers pension contributions	110,301	54,381
Freelance costs	69,648	110,102
	<u>1,608,087</u>	<u>1,383,326</u>

No employee (2021: one) earned between £80,001 - £89,999 in the year.

Two employees (2021: 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 £325,588 (2021: £312,655). No trustee received any remuneration as part of this figure. Total pension payments included in this amount were £10,157 (2021: £5,145).

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

	<b>2022</b>	<b>2021</b>
	<b></b>	<b></b>
Employees	<u>33</u>	<u>27</u>

**7 Tangible Fixed Assets**

	<b>Computer &amp; office equipment £</b>
<b>Cost</b>	
As at 1 August 2021	39,135
Additions	6,961
As at 31 July 2022	<u>46,096</u>
<b>Depreciation</b>	
As at 1 August 2021	24,388
Charge in year	7,610
As at 31 July 2022	<u>31,998</u>
<b>Net book value</b>	
As at 31 July 2022	<u>14,098</u>
As at 31 July 2021	<u>14,747</u>

<b>8 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>as restated £</b>
Other debtors	345,975	327,838
Prepayments and accrued income	101,154	67,635
	<u>447,129</u>	<u>395,473</u>

<b>9 Creditors: Amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	5,558	51,566
Accruals and deferred income	440,057	346,573
Other taxation and social security	40,576	-
Other creditors	13,691	-
	<u>499,882</u>	<u>398,139</u>

**The Conversation Trust (UK) Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st July 2022**

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

Deferred income relates to membership for the next financial year.

	2022 £	2021 £
Brought forward	338,833	359,083
Amount added	454,493	338,833
Amount released	(338,833)	(359,083)
Carried forward	<u>454,493</u>	<u>338,833</u>

**10 Unrestricted Funds**

	As At 1 August 2021 £	Income £	Expenditure £	Transfers £	As At 31 July 2022 £
General Fund	512,740	1,957,983	(1,761,254)	-	709,469

	As At 1 August 2020 £	Income as restated £	Expenditure £	Transfers £	As At 31 July 2021 as restated £
General Fund	332,539	1,558,654	(1,378,453)	-	512,740

**11 Restricted funds**

	As At 1 August 2021 £	Income £	Expenditure £	Transfers £	As At 31 July 2022 £
(b) Lloyds Register Foundation	-				-
(b) Independent Social Research Foundation	-	25,000	(25,000)		-
(b) UK Research and Innovation	129,477	227,804	(229,712)		127,569
(a) COST Action	-				-
(a) United Nations Office for Disaster Risk Reduction	-				-
	<u>129,477</u>	<u>252,804</u>	<u>(254,712)</u>	<u>-</u>	<u>127,569</u>

	As At 1 August 2020 £	Income £	Expenditure £	Transfers £	As At 31 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>

**The Conversation Trust (UK) Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st July 2022**

**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 £	2022 Total Funds £
Fund balances at 31st July 2022 represented by:			
Fixed assets	14,098	-	14,098
Net current assets	695,371	127,569	822,940
	<hr/>	<hr/>	<hr/>
Total net assets	<u>709,469</u>	<u>127,569</u>	<u>837,038</u>
	General as restated £	Restricted £	2021 Total Funds as restated £
Fund balances at 31st July 2021 represented by:			
Fixed assets	14,747	-	14,747
Net current assets	497,993	129,477	627,470
	<hr/>	<hr/>	<hr/>
Total net assets	<u>512,740</u>	<u>129,477</u>	<u>642,217</u>

**13 Transactions with Trustees**

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

No trustees (2021: none) were reimbursed travel and subsistence expenses in the period.

**14 Related party transactions**

During the year one trustee (2021: one) made donations of £250 (2021: £250) to The Conversation Trust.

There were no other related party transactions during the year (2021: 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.

**The Conversation Trust (UK) Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st July 2022**

**16 Prior year adjustment**

**Reconciliation of changes in reserves**

		1 August 2020	31 July 2021
	Notes	£	£
<b>Adjustments to prior year</b>			
Prior year underaccrual of gift aid receivable	8	-	35,756
Total reserves as previously reported		351,698	606,461
		<hr/>	<hr/>
Total reserves as adjusted		<u>351,698</u>	<u>642,217</u>

**Reconciliation of changes in surplus for the previous financial year**

		2021 £
	Notes	
<b>Adjustments to prior year</b>		
Prior year underaccrual of gift aid receivable	8	35,756
Surplus as previously reported		254,763
		<hr/>
Surplus as adjusted		<u>290,519</u>

During the current reporting period, management has identified a material error relating to underaccrued gift aid receivable in the prior period financial statements. This error has resulted in an understatement of income and current assets in the financial statements for the year ended 31 July 2021, which were previously issued.

The under-accrual of gift aid receivable occurred due to a backlog of gift aid claims not actioned until after the year end, which should have been recognized and accrued in the prior reporting period.

The impact of this error has been assessed and quantified by management, resulting in an increase in income and current assets for the prior period. The adjustment required to correct the error has been recorded as above.