

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 2024

The Conversation Trust (UK) Limited

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The Conversation Trust (UK) Limited

Report of the Trustees for the year ended 31st July 2024

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 Nicholas John Eldred - resigned 16 May 2024 Dr David Anthony Lipton Levy Katharine Louise Metzler Diana Beech Emily Anne Bunting Vivienne Mary Hunt Parry Kavita Reddi Matthew Peter Walsh Professor David Gordon Sweeney Kirsty Walker Rachel Ann Walker – appointed 1 March 2024 Professor Einar Thorsen – appointed 1 March 2024 Professor Julie Christina Sanders – appointed 1 March 2024 |
| Editor Chief Executive Officer | Stephen Khan Chris Waiting |
| Registered Office | Shropshire House Capper Street London 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 31st July 2024

The trustees present their report along with the financial statements of the Trust for the year ended 31st July 2024.

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.

Activities and Achievements

The financial year ended 31st July 2024 saw The Conversation UK publish 3,852 stories written by 3,536 academics.

Following several years of decline from its 2020/1 peak, readership stabilised in 2024. Stories published by The Conversation UK were read a total of 120 million times in the year ended 31st July 2024, a 1% increase on the prior year. The Reuters Institute for the Study of Journalism at Oxford has extensively documented this trend which has affected all news publishers, highlighting 'news avoidance' and algorithmic changes from Google, Facebook and other platforms steering readers away from news sites. Republication, under our creative commons licence remains important, allowing our stories to reach new audiences. Partnerships, such as those with Reuters, the Press Association and Reach, encourage smaller, local news outlets to make use of our content, helping both to sustain their readership, and connecting those communities to local universities.

Despite this stabilisation, The Conversation network is continuing its strategy to focus less on pure reach and more on engagement and the impact on our journalism. Several pilot projects are underway to define and measure the way our output drives change in the real world.

As with many news organisations, we are mindful of the impact of AI, both as a tool and as a platform through which content is discovered by readers. As a publication founded on expertise and authenticity, we cannot allow generative AI to misrepresent research and have introduced policies to require that no unlabelled AI generated content can appear on site. There may be opportunities to licence our content to train AI models, which, if they are correctly attributed, would still help the public to engage with research. More broadly, with search engines using more AI summaries in results, we should expect fewer readers finding us through search, underscoring the need to deepen our connections with existing readers on site and through newsletters and podcasts.

Membership remains stable, with several new and returning members signing up, alongside a small number of leavers. We are aware that the UK higher education 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 ended 31st July 2024 we received almost £238k from four and a half thousand readers (excluding gift aid), an 12% increase on the year before, with more than 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. This year we have produced several eBooks, available only to donors as a reward for their support.

The Conversation Trust (UK) Limited

Report of the Trustees for the year ended 31st July 2024

The year saw several new appointments to the Board of Trustees, as several long serving board members stepped down. Together with the executive, a new strategic plan is in development, establishing our priorities for the next three years. 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 Conversation received total income of £2.3m for use by the charity in pursuing its charitable objects. As per the Statement of Financial Activities on page 13 this resulted in a loss for the year of £237k.

This loss reflects a period of transition as we invest in our commercial subsidiary, Universal Impact, and new products, as well as some project overspend within the year. Trustees have already reduced costs to ensure we return to surplus in the current financial year, while future budgets will ensure reserves are rebuilt and we have sufficient resources to face the uncertain period ahead.

A prior year adjustment has been made to reflect the overstatement of the gift aid accrued income in the prior year. The income had been received and not adjusted on receipt of funds. As a result, debtors, donations and unrestricted funds alongside the net surplus/(losses) have been restated for 2023.

Risk Management

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

Even before the pandemic, the Higher Education sector was experiencing considerable external pressure and uncertainty, with their income reliant on international students. Post pandemic, and with student revenue failing to keep pace with inflation, 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 Conversation'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. The Conversation will need to show it delivers ongoing value to universities by demonstrating global reach and impact, especially as universities fight for foreign students to bolster revenues.

2. Readership collapse:

Breakdown of re-publishing relationships, AI generated summaries and other changes to search algorithms, poor content quality or relevance, or failure in marketing/social media efforts could 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.

The Conversation Trust (UK) Limited

Report of the Trustees for the year ended 31st July 2024

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:

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. A review of TCUK's complaints process was recently conducted on behalf of its Editorial Board.

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 Conversation has attracted most 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 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. The remuneration of the senior management team is set by the Remuneration Committee and consists solely of salary and employer pension contributions, with no additional benefits, bonuses, or enhancements beyond those available to all staff.

Reserves Policy

Unrestricted funds totalled £280,426 as at 31 July 2024 (2023: £530,540). Restricted funds totalled £197,563 as at 31 July 2024 (2023: £184,498). Free reserves (unrestricted general funds minus fixed assets) of the charity at 31st July 2024 were £275k, below its current target of four months outgoings.

The Trustees keep the charity's reserves policy and adherence under review to ensure it strikes an appropriate balance between safeguarding against financial risks and future uncertainties, while also enabling investment in the charity's operations and growth.

The Conversation Trust (UK) Limited

Report of the Trustees for the year ended 31st July 2024

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. On this basis the directors have concluded that The Conversation has adequate resources to continue in operational existence for at least twelve months from the approval of the financial statements. The Conversation 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 committee, 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.

The Conversation Trust (UK) Limited

Report of the Trustees for the year ended 31st July 2024

Auditors

Moore Kingston Smith LLP have served as the charity's auditors during the year and are reappointed. However in line with good governance practice, the trustees intend to carry out a re-tendering process for audit services in the coming year. A decision on the appointment of auditors for the ensuing year will be made following that process.

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.

Approved by the Trustees on:

and signed on their behalf by:



Professor Nishan Canagarajah (Chair)

Date: 23rd April 2025

The Conversation Trust (UK) Limited

Independent Auditors 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 2024 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 2024 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.

The Conversation Trust (UK) Limited

Independent Auditors Report to the trustees of The Conversation Trust (UK) Limited

"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. "

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:

- 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, 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.

The Conversation Trust (UK) Limited

Independent Auditors Report to the trustees of The Conversation Trust (UK) Limited

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.

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.

The Conversation Trust (UK) Limited

Independent Auditors Report to the trustees of The Conversation Trust (UK) Limited

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
- 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.

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.

The Conversation Trust (UK) Limited
Independent Auditors Report to the trustees of The Conversation
Trust (UK) Limited

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

Date: 24th April 2025

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

9 Appold Street
London EC2A 2AP

The Conversation Trust (UK) Limited
Balance Sheet for the year ended 31st July 2024

| | Note | 2024 | 2024 | 2023 | 2023 |
|---|------|------------------|-----------------------|---------------------|-----------------------|
| | | £ | £ | £ As restated | £ As restated |
| Fixed assets | | | | | |
| Tangible fixed assets | 7 | | 5,876 | | 10,103 |
| Current Assets | | | | | |
| Debtors | 8 | 225,387 | | 366,922 | |
| Cash at bank and in hand | | <u>1,003,183</u> | | <u>1,001,274</u> | |
| | | 1,228,570 | | 1,368,196 | |
| Creditors: Amounts falling due within one year | 9 | <u>756,457</u> | | <u>663,261</u> | |
| Net Current Assets | | | <u>472,113</u> | | <u>704,935</u> |
| Total assets less current liabilities | | | 477,988 | | 715,038 |
| Net assets | | | <u><u>477,989</u></u> | | <u><u>715,038</u></u> |
| Funds | | | | | |
| Unrestricted funds | | | | | |
| General Funds | 10 | | 280,426 | | 530,540 |
| Restricted funds | 11 | | <u>197,563</u> | | <u>184,498</u> |
| Total | | | <u><u>477,989</u></u> | | <u><u>715,038</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 23rd April 2025

Signed on their behalf by:



Professor Nishan Canagarajah
Trustee
Company Number 08158264

The Conversation Trust (UK) Limited
Statement of Financial Activity for the year ended 31st July 2024

| | Notes | Unrestricted Funds | Restricted Funds | 2024 Total Funds | 2023 Total Funds As Restated |
|---|-------|--------------------|------------------|------------------|---------------------------------|
| | | £ | £ | £ | £ |
| Income from: | | | | | |
| Donations | | | | | |
| Grants and donations | 2 | 324,209 | 326,837 | 651,046 | 756,409 |
| Membership subscriptions | | 1,511,077 | - | 1,511,077 | 1,440,966 |
| Gifts in Kind | 3 | - | - | - | 18,000 |
| Other income | | | | | |
| Other charitable income | | 31,205 | - | 31,205 | 49,389 |
| Trading income | | 85,519 | - | 85,519 | 33,445 |
| Bank Interest | | 1,164 | - | 1,164 | - |
| Total | | <u>1,953,174</u> | <u>326,837</u> | <u>2,280,011</u> | <u>2,298,209</u> |
| Expenditure on: | | | | | |
| Charitable Activities | | | | | |
| Advancement of education | 5 | 2,203,288 | 313,772 | 2,517,060 | 2,297,905 |
| Raising Funds | | | | | |
| Trading costs | | - | - | - | 122,304 |
| Total | | <u>2,203,288</u> | <u>313,772</u> | <u>2,517,060</u> | <u>2,420,209</u> |
| Net income | 4 | (250,114) | 13,065 | (237,049) | (122,000) |
| Transfers between funds | | - | - | - | - |
| Net movement in funds | | (250,114) | 13,065 | (237,049) | (122,000) |
| Funds as at 1 August 2023 | | 530,540 | 184,498 | 715,038 | 837,038 |
| Fund balances carried forward as at 31 July 2024 | 12 | <u>280,426</u> | <u>197,563</u> | <u>477,989</u> | <u>715,038</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
Statement of Cash Flows for the year ended 31st July 2024

| | 2024 | 2023 |
|--|-----------|-----------|
| | £ | £ |
| Cash flows from operating activities | | |
| Net cash (used in)/ provided by operating activities | 5,281 | 130,776 |
| Cash flows from investing activities | | |
| Payments to acquire tangible fixed assets | (3,374) | (5,196) |
| | (3,374) | (5,196) |
| Net increase/(decrease) in cash and cash equivalents | 1,909 | 125,581 |
| Cash and cash equivalents at beginning of year | 1,001,274 | 875,693 |
| Cash and cash equivalents at end of year | 1,003,183 | 1,001,274 |
| Reconciliation of net income to net cash flow from operating activities | | |
| | 2024 | 2023 |
| | £ | £ |
| Net income including endowments | (237,049) | (52,620) |
| Adjustments for: | | |
| Depreciation charges | 7,229 | 9,190 |
| Profit of sale of fixed asset | 370 | - |
| Increase in debtors | 305,087 | 10,827 |
| (Decrease)/increase in creditors | (70,356) | 163,379 |
| Net cash (used in)/provided by operating activities | 5,281 | 130,776 |

The Conversation Trust (UK) Limited

Notes to the Financial Statements for the year ended 31st July 2024

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 2023 financial statements have been restated to reflect the overstatement of the gift aid accrued income in the prior year. The income had been received and not adjusted on the receipt of funds. As a result, debtors, donations and unrestricted funds alongside the net surplus/(losses)

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 2024

| 2 Grants | Unrestricted £ | Restricted £ | Total 2024 £ | Total 2023 £ As restated |
|-------------------------------|---------------------------|-------------------------|-------------------------|---|
| ISRF | - | 5,000 | 5,000 | 12,500 |
| IPPO | 52,506 | - | 52,506 | 151,546 |
| HEFCW | - | 50,000 | 50,000 | 25,000 |
| UK Research and Innovation | - | 271,837 | 271,837 | 263,919 |
| Stichtin 5 Media | - | - | - | 25,247 |
| Other grants | - | - | - | 900 |
| Donations | 271,703 | - | 271,703 | 277,297 |
| | <u>324,209</u> | <u>326,837</u> | <u>651,046</u> | <u>756,409</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:

| | 2024 £ | 2023 £ |
|--------------------|-------------------|-------------------|
| Rent and utilities | - | 18,000 |

4 Net income

The net income for the year is stated after charging:

| | 2024 £ | 2023 £ |
|---|-------------------|-------------------|
| Auditor's remuneration - audit fee current year | 13,800 | 13,200 |
| Auditor's remuneration - prior year | 7,867 | - |
| Other non-audit services | 1,000 | 875 |

| 5 Expenditure | Staff Costs | Direct Costs | Support costs | Total 2024 |
|-----------------------|------------------------|-------------------------|--------------------------|-------------------|
| | (note 6) | | (note 5a) | |
| | £ | £ | £ | £ |
| Charitable Activities | 2,070,842 | 217,216 | 229,002 | 2,517,060 |
| Public Learning | - | - | - | - |
| Raising Funds | - | - | - | - |
| Trading costs | - | - | - | - |
| | <u>2,070,842</u> | <u>217,216</u> | <u>229,002</u> | <u>2,517,060</u> |
| | Staff Costs | Direct Costs | Support costs | Total 2023 |
| | (note 6) | | (note 5a) | |
| | £ | £ | £ | £ |
| Charitable Activities | 1,830,025 | 176,623 | 291,257 | 2,297,905 |
| Public Learning | - | - | - | - |
| Raising Funds | - | - | - | - |
| Trading costs | 122,304 | - | - | 122,304 |
| | <u>1,952,329</u> | <u>176,623</u> | <u>291,257</u> | <u>2,420,209</u> |

Staff costs include £344,515 (2023: £222,600) of expenditure funded by restricted grants, see note 11.

The Conversation Trust (UK) Limited
Notes to the Financial Statements for the year ended 31st July 2024

| 5a Support costs | 2024 | 2023 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Office costs | 71,983 | 66,441 |
| Legal and professional fees | 24,492 | 53,215 |
| Insurance | 5,691 | 2,677 |
| Interest paid and bank charges | 3,913 | 1,680 |
| Travel | 33,048 | 34,830 |
| Depreciation | 7,229 | 8,890 |
| Bad Debt Expense | 4,269 | - |
| Marketing | 33,763 | 80,274 |
| Governance costs | 44,614 | 43,250 |
| | <u>229,002</u> | <u>291,257</u> |

| 6 Staff costs | 2024 | 2023 |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Salaries and wages | 1,722,917 | 1,590,361 |
| Social security costs | 182,152 | 169,827 |
| Employers pension contributions | 130,300 | 120,028 |
| Redundancy Costs | - | 18,000 |
| Freelance costs | 35,473 | 54,113 |
| | <u>2,070,842</u> | <u>1,952,329</u> |

Zero employee (2023: one) earned between £60,000 - £69,999 in the year.

Two employee (2023: zero) earned between £70,000 - £79,999 in the year.

zero employee (2023: one) earned between £90,001 - £99,999 in the year.

Two employee (2023: one) earned between £100,000 - £110,000 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 £420,178 (2023: £398,436). No trustee received any remuneration as part of this figure. Total pension payments included in this amount were £27,928 (2023: £26,436).

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

| | 2024 | 2023 |
|-----------|-------------|-------------|
| Employees | <u>39</u> | <u>37</u> |

The Conversation Trust (UK) Limited
Notes to the Financial Statements for the year ended 31st July 2024

7 Tangible Fixed Assets

| | | Computer & office equipment £ |
|-----------------------|---------------------|--|
| Cost | | |
| | As at 1 August 2023 | 50,992 |
| | Additions | 3,374 |
| | Disposals | <u>(22,425)</u> |
| | As at 31 July 2024 | <u><u>31,941</u></u> |
| Depreciation | | |
| | As at 1 August 2023 | 40,888 |
| | Charge in year | 7,229 |
| | Disposal | <u>(22,053)</u> |
| | As at 31 July 2024 | <u><u>26,065</u></u> |
| Net book value | | |
| | As at 31 July 2024 | <u><u>5,876</u></u> |
| | As at 31 July 2023 | <u><u>10,103</u></u> |

8 Debtors

| | 2024 | 2023 |
|--------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Trade debtors | 103,459 | 319,959 |
| Provision for Doubtful Debts | (4,269) | - |
| Prepayments and accrued income | <u>126,198</u> | <u>46,963</u> |
| | <u><u>225,387</u></u> | <u><u>366,922</u></u> |

9 Creditors: Amounts falling due within one year

| | 2024 | 2023 |
|------------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Trade creditors | 46,657 | 39,752 |
| Accruals and deferred income | 481,563 | 515,232 |
| Other taxation and social security | 46,641 | 92,652 |
| Other debtors | 163,552 | - |
| Other creditors | <u>18,044</u> | <u>15,625</u> |
| | <u><u>756,457</u></u> | <u><u>663,261</u></u> |

Deferred income relates to membership for the next financial year

| | 2024 | 2023 |
|-----------------|-----------------------|-----------------------|
| | £ | £ |
| Brought forward | 502,032 | 430,667 |
| Amount added | 1,340,365 | 525,318 |
| Amount released | <u>(1,401,848)</u> | <u>(453,953)</u> |
| Carried forward | <u><u>440,549</u></u> | <u><u>502,032</u></u> |

The Conversation Trust (UK) Limited
Notes to the Financial Statements for the year ended 31st July 2024

| 10 Unrestricted Funds | As at 1 Aug 23 As Restated £ | Income £ | Expenditure £ | Transfers £ | As at 31 Jul 24 As Restated £ |
|--|---|---|--------------------------|------------------------|--|
| General Fund | <u>530,540</u> | <u>1,953,174</u> | <u>(2,203,288)</u> | <u>-</u> | <u>280,426</u> |
| | As at 1 Aug 22 £ | Income As Restated £ | Expenditure £ | Transfers £ | As at 31 Jul 23 £ |
| General Fund | <u>709,469</u> | <u>1,845,244</u> | <u>(2,075,694)</u> | <u>51,521</u> | <u>530,540</u> |
| 11 Restricted funds | As at 1 Aug 23 £ | Income £ | Expenditure £ | Transfers £ | As at 31 Jul 24 £ |
| (b) Independent Social Research Foundation | - | 5,000 | (3,831) | - | 1,169 |
| (b) International Public Policy Observatory (IPPO) | 35,396 | 271,837 | (267,796) | - | 39,437 |
| (b) HEFCW | - | 50,000 | (42,145) | - | 7,855 |
| (b) UK Research and Innovation | 149,102 | - | - | - | 149,102 |
| | <u>184,498</u> | <u>326,837</u> | <u>(313,772)</u> | <u>-</u> | <u>197,563</u> |
| | As at 1 Aug 22 £ | Income £ | Expenditure £ | Transfers £ | As at 31 Jul 23 £ |
| (a) United Nations Office for Disaster Risk Reduction | - | - | - | - | - |
| (b) Independent Social Research Foundation | - | 12,500 | (12,500) | - | - |
| (b) International Public Policy Observatory (IPPO) | - | 151,546 | (64,629) | (51,521) | 35,396 |
| (b) HEFCW | - | 25,000 | (25,000) | - | - |
| (b) UK Research and Innovation | 127,569 | 263,919 | (242,386) | - | 149,102 |
| | <u>127,569</u> | <u>452,965</u> | <u>(344,515)</u> | <u>(51,521)</u> | <u>184,498</u> |
| (a) The charity received a grant to report on specific topical events. | | | | | |
| (b) The charity received a grant to fund a specific role. | | | | | |

The Conversation Trust (UK) Limited

Notes to the Financial Statements for the year ended 31st July 2024

12 Analysis of Net Assets between Funds

| | 2024 | | |
|---|----------------|-----------------|------------------|
| | General £ | Restricted £ | Total Funds £ |
| Fund balances at 31st July 2024 represented by: | | | |
| Fixed assets | 5,876 | - | 5,876 |
| Net current assets | 274,550 | 197,563 | 472,113 |
| Total net assets | <u>280,426</u> | <u>197,563</u> | <u>477,989</u> |

| | 2023 | | |
|---|----------------|-----------------|------------------|
| | General £ | Restricted £ | Total Funds £ |
| Fund balances at 31st July 2023 represented by: | | | |
| Fixed assets | 10,103 | - | 10,103 |
| Net current assets | 520,437 | 184,498 | 704,935 |
| Total net assets | <u>530,540</u> | <u>184,498</u> | <u>715,038</u> |

13 Transactions with Trustees

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

One trustees (2023: one) was reimbursed £82 (2023: £509) travel and subsistence expenses in the period.

14 Related party transactions

During the year one trustee (2023: one) made donations of £20 (2022: £50) to The Conversation Trust.

Dr David Levy is on the board of The Conversation Media Group which is the sister company of The Conversation Trust (UK) operating in Australia. The Conversation Trust (UK) pay a license fee to The Conversation Media Group for its use of the brand £151,835 (2023: 91,366). Professor Nishan Canagarajah works for the University of Leicester, Einar Thorsen works for Bournemouth University and Kirsty Walker works for University College London, all of which are members of The Conversation and David Sweeney performs consulting works for 3 of our member universities - Birmingham, Liverpool and Aberdeen and 2 of our grant providers UKRI & MEDR (formally HEFCW).

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 2024

16 Prior Period Adjustment

A prior year adjustment has been made in order to reflect the overstatement of the gift aid accrued income in the prior year. The income had been received and not adjusted on the receipt of funds. As a result, debtors, donations and unrestricted funds alongside the net surplus/(losses) have been restated for 2023.

SOFA - Restated

| | Per signed accounts 2023 £ | Adjustments 2023 £ | Restated 2023 £ |
|----------------------|---|-----------------------------------|--------------------------------|
| Grants and donations | 825,789 | (69,380) | 756,409 |

Balance Sheet - Restated

| | Per signed accounts 2023 £ | Adjustments 2023 £ | Restated 2023 £ |
|------------------------------|---|-----------------------------------|--------------------------------|
| Prepayments & Accrued Income | 116,343 | (69,380) | 46,963 |
| Unrestricted funds | 599,920 | (69,380) | 530,540 |