

**Institute of Welsh Affairs**  
**(A company limited by guarantee and not**  
**having a share capital)**

**Directors' report and financial statements**

31 March 1998

Registered number 2151006



## **Directors' report and financial statements**

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## **Directors and advisors**

### **Directors**

Geraint Talfan Davies	-	Chairman
Sir Donald Walters	-	Vice Chairman
John Bowen	-	Deputy Chairman
D Keith M James	-	Deputy Chairman
Lynden Arnold		
H Hugh Thomas		
Professor Teresa Rees		
Robert Wigley		
Ivor Lightman CB		
Dr Gareth Jones		
Roy Thomas		
Professor R Gareth Wyn Jones		
David Huw Roberts		Resigned 24 October 1997
Gareth Rowlands		
Meirion Thomas		
Paul Twamley		
Robert James Hancock		Appointed 17 October 1997
Susan Jane Camper		Appointed 17 October 1997

### **Executive director**

John Osmond

### **Secretary**

H Hugh Thomas

### **Hon Treasurer**

G Elwyn Roberts  
Price Waterhouse Coopers  
Churchill House  
Churchill Way  
Cardiff  
CF1 4XQ

### **Solicitors**

Morgan Bruce  
Bradley Court  
Park Place  
Cardiff  
CF1 3DP

### **Auditors**

KPMG  
Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff  
CF2 1TE

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 1998.

### **Principal activities and business review**

The Institute of Welsh Affairs is an independent body funded by corporate and individual subscriptions and donations established to encourage debate upon and research into economic, social and cultural issues in Wales. Membership consists of the major corporate bodies in Wales, Trade Unions, County and District Councils and charities. Individual membership is also welcomed and the intention is that a wide and increasing membership will represent and unite all sectors and opinions within the Principality. The aim is to be inclusive, not exclusive.

We work closely with the University of Wales, the Training and Enterprise Councils and the Institutes of Higher Education and where appropriate retain consultants in the preparation of our reports which are published in order to provide a factual basis for future action. We seek to make an effective contribution to the future prosperity of Wales.

### **Results and dividends**

The surplus for the year after taxation amounted to £26,521 (1997: £18,875). As the company is limited by guarantee and does not have a share capital, it cannot recommend a dividend. The directors recommend that the above surplus is transferred to reserves.

### **Directors and directors' interests**

The directors of the company during the year are stated on page 1.

### **Auditors**

A resolution for the reappointment of KPMG as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board



**H Hugh Thomas**  
*Secretary*

Ty Oldfield  
Llantrisant Road  
Llandaff  
Cardiff  
CF5 2YZ

*18 September* 1998

## **Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff  
CF2 1TE  
United Kingdom

## **Report of the auditors to the members of the Institute of Welsh Affairs (Limited by guarantee)**

We have audited the financial statements on pages 5 to 10.

### **Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1998 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

*19 October* 1998

*Chartered Accountants  
Registered Auditors*

**Income and expenditure account**  
*for the year ended 31 March 1998*

	<i>Note</i>	<b>1998</b> £	<b>1997</b> £
<b>Income</b>	<b>3</b>	<b>225,727</b>	<b>227,480</b>
<b>Expenditure</b>		<b>(202,306)</b>	<b>(209,120)</b>
		<hr/>	<hr/>
		<b>23,421</b>	<b>18,360</b>
Interest receivable	6	<b>3,852</b>	<b>667</b>
		<hr/>	<hr/>
<b>Surplus on ordinary activities before taxation</b>	<b>3-4</b>	<b>27,273</b>	<b>19,027</b>
Tax on surplus on ordinary activities	7	<b>(752)</b>	<b>(152)</b>
		<hr/>	<hr/>
<b>Retained surplus for the financial year</b>	<b>10</b>	<b>26,521</b>	<b>18,875</b>
		<hr/> <hr/>	<hr/> <hr/>

The above represents the total recognised gains and losses for both financial years.

**Balance sheet**  
**at 31 March 1998**

	Note	1998	1997
		£	£
<b>Fixed assets</b>	8	1,397	-
<b>Current assets</b>			
Debtors	9	45,840	36,993
Cash at bank and in hand		96,230	72,986
		<u>142,070</u>	<u>109,979</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(99,424)</u>	<u>(92,457)</u>
<b>Net current assets</b>		<u>42,646</u>	<u>17,522</u>
<b>Net assets</b>		<u>44,043</u>	<u>17,522</u>
<b>Reserves</b>			
Income and expenditure account	11	<u>44,043</u>	<u>17,522</u>

These financial statements were approved by the board of directors on 18 September 98 and were signed on its behalf by:



**G Talfan Davies**  
*Director*



## **Notes**

*(forming part of the financial statements)*

### **1 Status of the company**

The company is a company limited by guarantee and does not have a share capital. The liability of each member of the company is limited to £1.

### **2 Accounting policies**

The following policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards. Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

#### ***Income***

Income comprises subscription income and donations received, income from the sale of publications and other fund raising activities, books and for contributions towards specific projects already started. Subscriptions and corporate donations are credited to income when receivable.

#### ***Fixed assets and depreciation***

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their useful economic lives as follows:

Computer equipment	-	25% per annum
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#### ***Taxation***

Because of the nature of the company's activities, the charge for taxation is based only on interest received during the year.

### **3 Analysis of income and surplus on ordinary activities before taxation**

All income and the surplus before taxation is derived from the company's principal activities, and all income arises entirely in the UK.

**Notes (continued)**

**4 Surplus on ordinary activities before taxation**

	1998 £	1997 £
<i>Surplus on ordinary activities before taxation is stated after charging</i>		
Operating lease rentals	18,572	10,937
	<u>          </u>	<u>          </u>

No auditors' remuneration was charged in arriving at the surplus on ordinary activities before taxation.

**5 Staff numbers and costs**

The average number of directors and persons employed by the company during the year, analysed by category, was as follows:

	Number of employees 1998	1997
Directors	17	16
Executive director	1	1
Full time staff	2	1
	<u>          </u>	<u>          </u>

The aggregate payroll costs of the executive director and full time staff borne by the company were as follows:

	1998 £	1997 £
Wages and salaries	64,304	49,925
Social security costs	6,077	5,604
	<u>          </u>	<u>          </u>
	70,381	55,529
	<u>          </u>	<u>          </u>

The directors received no remuneration from this company, with the exception of the executive director.

**Notes (continued)**

**6 Interest receivable**

	1998 £	1997 £
Bank interest	3,852	667
	<u>          </u>	<u>          </u>

**7 Taxation**

	1998 £	1997 £
UK corporation tax at 21% (1997: 25%) on interest received	752	152
	<u>          </u>	<u>          </u>

**8 Fixed assets**

	Computer equipment £
<i>Cost</i>	
Additions in year	1,397
	<u>          </u>
<i>Depreciation</i>	
Charge for year	-
	<u>          </u>
<i>Net book value</i>	
At 31 March 1998	1,397
	<u>          </u>

**9 Debtors**

	1998 £	1997 £
Prepayments and accrued income	45,840	36,993
	<u>          </u>	<u>          </u>