

Registered number: 09299718  
Charity number: 1163796

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD**  
**(CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**



**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**CONTENTS**

	<b>Page (s)</b>
<b>Reference and Administrative Details of the Charity, its Trustees and Advisers</b>	<b>1</b>
<b>Trustees' Report</b>	<b>2 - 5</b>
<b>Independent Auditors' Report</b>	<b>6 - 7</b>
<b>Statement of Financial Activities</b>	<b>8</b>
<b>Balance Sheet</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 18</b>

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**Trustees**

J T Albert (appointed 12 June 2015)  
E Llwyd (appointed 12 June 2015)  
A E Owen (appointed 6 November 2014)  
Dr. A Rhys (appointed 6 November 2014)  
Prof. M W Thomas (appointed 6 November 2014)  
Dr. L Williams (appointed 12 June 2015)

**Company registered number**

09299718

**Charity registered number**

1163796

**Registered office**

The University of Wales Registry, King Edward VII Avenue, Cardiff, CF10 3NS

**Independent auditors**

PricewaterhouseCoopers LLP, One Kingsway, Cardiff, CF10 3PW

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**STRATEGIC AND TRUSTEES' REPORT  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

The Trustees present their annual report together with the audited financial statements of Canolfan Uwchefrydiau Cymreig a Cheltaidd (Centre for Advanced Welsh and Celtic Studies) Cyfyngedig for the financial period 1 February 2016 to 31 July 2017. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

The Charity was dormant until 1 August 2016 and the figures in the accounts are for 1 August 2016 to 31 July 2017.

**Objectives and Activities**

**a. Policies and objectives**

The Charity's objective is to promote the arts, culture, history and heritage of Wales and other Celtic countries for the public benefit through the operation of a research centre running long-term collaborative projects in the field of Welsh and Celtic studies (including *Geiriadur Prifysgol Cymru – A Dictionary of the Welsh Language*), and such associated activities as contribute to the cultural life of Wales.

**b. Strategies and activities for achieving objectives**

Running long-term research projects in collaboration with other academic and public sector institutions, and disseminating the outcomes of those projects to academic colleagues and the general public by publications in both print and electronic form and by lectures, seminars, day schools and conferences.

**c. Main activities undertaken to further the charity's purposes for the public benefit**

During the reporting period the Charity has run research projects on the origins of the Celtic languages, the saints of Wales, Welsh place-names, travel writing about Wales and Scotland, Welsh biography, and a historical dictionary of the Welsh language. These projects have all produced open-access online resources, details of which are available on the Centre's website. A fortnightly series of public seminars was held at the Centre during the autumn and spring terms, and outreach events were held in collaboration with national and local societies at various venues across Wales. Social media have been extensively used to promote public awareness of all the Centre's activities and resources, in particular the *Dictionary of the Welsh Language* for which a 'Friends of the Dictionary' society has been established as a focus for public support and participation.

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**STRATEGIC AND TRUSTEES' REPORT (continued)  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**Achievements and performance**

**a. Review of activities**

Partnerships with the universities of Bangor, Cambridge, Glasgow, Leicester, Nottingham, Oxford, and with the National Library of Wales [NLW], the Royal Commission on the Ancient and Historic Monuments of Wales [RCAHMW], and the Honourable Society of Cymmrodorion have enabled the Centre to develop new fields of research and reach new audiences. A four-year project on Welsh-language texts relating to the saints of Wales ended in March 2017, and was followed by a new project in partnership with Cambridge University on the Latin texts, both projects funded by the Arts and Humanities Research Council. Charitable funding from the Leverhulme Trust has enabled participation in a collaborative project led by the University of Leicester, 'Flood and Flow: Place-names and the changing hydrology of river-systems' (2016-18), which is investigating how medieval settlement in England and Wales negotiated river-systems and wetlands. The 'Curious Travellers' project organized an exhibition of contemporary artists' responses to Thomas Pennant's *Tours* which was held at three separate venues, Glyndwr University in Wrexham, Plas Brondanw at Llanfrothen, and the Old College in Aberystwyth, and has been chosen by the AHRC as one of their six featured exhibitions for 2016-17. Increased public funding has secured the staffing of the Dictionary Unit, and during this year some eight hundred new words were added to the online dictionary. Two postgraduates gained their PhDs at the Centre this year.

**Financial review**

**a. Going concern**

After making appropriate enquiries, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**b. Principal funding**

The Charity derives its principal funding from grants.

**c. Material investments policy**

Investments are held and administered by the University of Wales (being the Parent Company) within its Common Investment Fund.

**Structure, governance and management**

**a. Constitution**

The Charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 6 November 2014.

The Charity is constituted under a Memorandum of Association dated 6 November 2014 and is a registered charity number 1163796.

**b. Method of appointment of Trustees**

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

**c. Policies adopted for the induction and training of Trustees**

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**STRATEGIC AND TRUSTEES' REPORT (continued)  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

The Charity is included within the policies adopted by its parent company.

**d. Pay policy for senior staff**

Staff are seconded to the Charity from the Parent Company and adhere to the Parent Company's pay policy.

**e. Organisational structure**

The Director of CAWCS and Senior Staff report to the Board of Directors.

**f. Risk management**

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

**Plans for future periods**

**a. Future developments**

The statutory list of historic place-names being compiled by RCAHMW will be a valuable resource for research, on the basis of which the Centre is planning a new project on place-names as evidence for early church history in Wales. When the current project on travel writing ends in 2018 our focus in that field will turn to travel between Wales and Ireland, and also to the correspondence of the Morris Brothers of Anglesey. New evidence from ancient DNA has exciting implications for European prehistory, and a major project on the development of the Indo-European languages is planned in collaboration with academic partners in Sweden, Ireland, England and the USA. A new website for the Dictionary of Welsh Biography is being developed in partnership with NLW which will enhance public use of this open-access resource.

**Trustees' responsibilities statement**

The Trustees (who are also directors of Canolfan Uwchefrydiau Cymreig a Cheltaidd (Centre for Advanced Welsh and Celtic Studies) Cyfyngedig 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**STRATEGIC AND TRUSTEES' REPORT (continued)  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

the charitable company's transactions and 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 14/5/18 and signed on their behalf by:



(CHAIRMAN)

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion Canolfan Uwchefrydiau Cymreig a Cheltaidd (Centre for Advanced Welsh and Celtic Studies) Cyfyngedig's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Trustees Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 July 2017; statement of financial activities incorporating income and expenditure account; and the notes to the financial statements.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.



Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Trustees' Annual Report*

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the trustees for the financial statements*

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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.

### *Auditors' responsibilities for the audit of the financial statements*

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 auditors' 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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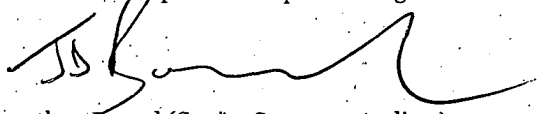
## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

  
Jonathan Bound (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors

24 May 2018



**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

	Note	Unrestricted funds 2017 £000	Endowment funds 2017 £000	Total funds 2017 £000
<b>Income and endowments from:</b>				
Charitable activities	2	1,516	-	1,516
Other trading activities		10	-	10
Investments	3	90	-	90
<b>Total income and endowments</b>		<b>1,616</b>	<b>-</b>	<b>1,616</b>
<b>Expenditure on:</b>				
Charitable activities	6	1,683	-	1,683
<b>Total expenditure</b>	7	<b>1,683</b>	<b>-</b>	<b>1,683</b>
<b>Net expenditure before investment gains</b>		<b>(67)</b>	<b>-</b>	<b>(67)</b>
Net gains on investments	11	179	227	406
<b>Net income before transfers</b>		<b>112</b>	<b>227</b>	<b>339</b>
Transferred from parent entity	15	648	1,395	2,043
<b>Net income before other recognised gains and losses</b>		<b>760</b>	<b>1,622</b>	<b>2,382</b>
<b>Net movement in funds</b>		<b>760</b>	<b>1,622</b>	<b>2,382</b>
<b>Reconciliation of funds:</b>				
Total opening funds		-	-	-
<b>Total funds carried forward</b>		<b>760</b>	<b>1,622</b>	<b>2,382</b>

The notes on pages 10 to 18 form part of these financial statements.

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)  
REGISTERED NUMBER: 09299718**

**BALANCE SHEET  
AS AT 31 JULY 2017**

	Note	£000	2017 £000
<b>Fixed assets</b>			
Tangible assets	10		579
Investments	11		1,633
			<u>2,212</u>
<b>Current assets</b>			
Stocks	12	3	
Debtors	13	160	
Cash at bank and in hand		107	
		<u>270</u>	
<b>Creditors: amounts falling due within one year</b>	14	(100)	
<b>Net current assets</b>			<u>170</u>
<b>Net assets</b>			<u><u>2,382</u></u>
<b>Charity Funds</b>			
Endowment funds	15		1,622
Unrestricted funds	15		760
<b>Total funds</b>			<u><u>2,382</u></u>

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 14/5/18 and signed on their behalf, by:

*Alwen Gwyn Jones*

The notes on pages 10 to 18 form part of these financial statements.

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**1. Accounting Policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Canolfan Uwchefrydiau Cymreig a Cheltaidd (Centre for Advanced Welsh and Celtic Studies) Cyfyngedig meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

**1.2 Company status**

The Charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £- per member of the Charity.

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**1. Accounting Policies (continued)**

**1.3 Income**

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Charity, or the Charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' Report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**1. Accounting Policies (continued)**

**1.5 Turnover**

Turnover comprises revenue recognised by the Charity in respect of goods and services supplied during the financial period, exclusive of Value Added Tax and trade discounts.

**1.6 Tangible fixed assets and depreciation**

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 50 years
Office equipment	- 4 years

**1.7 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating Income and Expenditure Account.

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

**1.9 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 Debtors**

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

**1.11 Cash at Bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**1. Accounting Policies (continued)**

**1.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.13 Financial instruments**

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.14 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

**1.15 Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**2. Income from charitable activities**

	Unrestricted funds 2017 £000
Research	787
Teaching	8
Support of other projects and administration	721
	<u>1,516</u>

**3. Investment income**

	Unrestricted funds 2017 £000
Investment income - local listed investments	90

**4. Direct costs**

	Teaching £000	Support of other projects £000	Total 2017 £000
Staff costs	920	-	920
Grants	-	148	148
	<u>920</u>	<u>148</u>	<u>1,068</u>

**5. Support costs**

	Research £000	Other £000	Total 2017 £000
Staff costs	249	-	249
Administration	326	-	326
Depreciation	-	37	37
	<u>575</u>	<u>37</u>	<u>612</u>

All staff costs recognised by the Charity are recharges made by the University. The Charity does not have any employees itself.

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(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**6. Governance costs**

	Unrestricted funds 2017 £000
Governance Auditors' remuneration	3

**7. Analysis of Expenditure by expenditure type**

	Depreciation 2017 £000	Other costs 2017 £000	Total 2017 £000
Research	-	575	575
Teaching	-	920	920
Support of other projects and administration	-	148	148
Other	37	-	37
<b>Charitable activities</b>	<b>37</b>	<b>1,643</b>	<b>1,680</b>
<b>Expenditure on governance</b>	<b>-</b>	<b>3</b>	<b>3</b>
	<b>37</b>	<b>1,646</b>	<b>1,683</b>

**8. Turnover**

The whole of the turnover is attributable to research undertaken at an institute of higher education.

All turnover arose within the United Kingdom.

**9. Net income**

This is stated after charging:

	18 months ended 31 July 2017 £000
Depreciation of tangible fixed assets: - owned by the charity	37
Auditors' remuneration - audit	3

During the financial period, no Trustees received any remuneration.

During the financial period, no Trustees received any benefits in kind.

During the financial period, no Trustees received any reimbursement of expenses.

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**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**10. Tangible assets \*\*O/S\*\***

	<b>Freehold property £000</b>	<b>Office equipment £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 February 2016	-	-	-
Additions	600	16	616
At 31 July 2017	600	16	616
<b>Depreciation</b>			
At 1 February 2016	-	-	-
Charge for the financial period	33	4	37
At 31 July 2017	33	4	37
<b>Net book value</b>			
At 31 July 2017	567	12	579

**11. Investments**

	<b>Listed securities £000</b>
<b>Market value</b>	
At 1 February 2016	-
Additions	1,509
Revaluations	124
At 31 July 2017	1,633

**Investments at market value comprise:**

	<b>2017 £000</b>
Listed investments	1,633

All the fixed asset investments are held in the UK

**12. Stocks**

	<b>2017 £000</b>
Finished goods and goods for resale	3

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**13. Debtors**

	2017 £000
Trade debtors	146
Prepayments and accrued income	14
	<u>160</u>

**14. Creditors: Amounts falling due within one year**

	2017 £000
Trade creditors	<u>100</u>

**15. Statement of funds**

**Statement of funds - current year**

	Balance at 1 February 2016 £000	Income £000	Expenditure £000	Transfers from parent entity £000	Gains/ (Losses) £000	Balance at 31 July 2017 £000
<b>Designated funds</b>						
Capital reserve	-	-	-	579	-	579
Furniture & equipment fund	-	-	-	40	-	40
Furniture & equipment fund	-	-	-	39	-	39
Planned / long term maintenance fund	-	-	-	30	-	30
	<u>-</u>	<u>-</u>	<u>-</u>	<u>688</u>	<u>-</u>	<u>688</u>
<b>General funds</b>						
Revaluation reserve	-	-	-	122	(47)	75
General Fund	-	1,616	(1,683)	(162)	226	(3)
	<u>-</u>	<u>1,616</u>	<u>(1,683)</u>	<u>(40)</u>	<u>179</u>	<u>72</u>
Total Unrestricted funds	<u>-</u>	<u>1,616</u>	<u>(1,683)</u>	<u>648</u>	<u>179</u>	<u>760</u>
<b>Endowment funds</b>						
Capital balance	-	-	-	1,395	227	1,622
Total of funds	<u>-</u>	<u>1,616</u>	<u>(1,683)</u>	<u>2,043</u>	<u>406</u>	<u>2,382</u>

**CANOLFAN UWCHEFRYDIAU CYMREIG A CHELTAIDD (CENTRE FOR ADVANCED WELSH AND CELTIC STUDIES) CYFYNGEDIG**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2017**

**16. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2017 £000</b>	<b>Endowment funds 2017 £000</b>	<b>Total funds 2017 £000</b>
Tangible fixed assets	579	-	579
Fixed asset investments	80	1,553	1,633
Current assets	201	69	270
Creditors due within one year	(100)	-	(100)
	<b>760</b>	<b>1,622</b>	<b>2,382</b>

**17. Related party transactions**

Due to the nature of the Charity's operation and the composition of the Council (being drawn from public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations which a member of Council may have an interest are conducted in accordance with the financial regulation and normal procurement procedures. No transactions require disclosure under Financial Reporting Standard 102, section 33, Related Party Disclosures.