

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 YEAR ENDED 31 JULY 2018



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

(A Company Limited by Guarantee)

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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 YEAR ENDED 31 JULY 2018

Trustees

J T Albert
E Llwyd (resigned 9 March 2018)
A E Owen
Dr. A Rhys
Prof. M W Thomas
Dr. L Williams

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 YEAR ENDED 31 JULY 2018

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 (the "Charity") for the year ended 31 July 2018. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts 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.

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 to 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 Company has run research projects on the origins of the Celtic languages, the medieval literature 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 has 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 provides a focus for public support and participation.

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

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**STRATEGIC AND TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018**

Achievements and performance

a. Review of activities

Partnerships with the universities of Bangor, Cambridge, Glasgow, Leicester, and Gothenburg in Sweden, 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 workshop held at Gothenburg led to the establishment of an interdisciplinary research network on Bronze-age Europe. A three-year project on Latin texts relating to the saints of Wales in partnership with Cambridge University is funded by the Arts and Humanities Research Council (2017-19), and this year held public outreach events at Llandaff and St Asaph cathedrals. Charitable funding from the Leverhulme Trust 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 investigated how medieval settlement in England and Wales negotiated river-systems and wetlands. The four-year 'Curious Travellers' project concluded in 2018, and travel writing texts have been made freely available on the project website hosted by Glasgow University. Some eight hundred new words were added to the online Dictionary of the Welsh Language this year, and Welsh Government funding for a crowd-sourcing initiative has enabled volunteers to contribute to digitisation of the Dictionary's citation slips. A new website for the Dictionary of Welsh Biography has been developed in partnership with NLW which will enhance public use of this open-access resource. Postgraduates at the Centre organised a student conference focusing on presentational methods.

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.

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.

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

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**STRATEGIC AND TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018**

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 or election 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

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 Directors 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

European funding awarded under the Ireland-Wales Interreg scheme will support a four-year project led by University College Cork, 'Ports Past and Present: cultural crossings between Ireland and Wales' which will study travel between Wales and Ireland for the benefit of port communities in the two countries. 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. A funding application has been made for a new edition of the correspondence of the Morris Brothers of Anglesey. CAWCS is involved in a new project on connections between Scandinavia and the Iberian Peninsula in the Bronze Age, funded by the Swedish Research Council.

Information on fundraising practices

CAWCS makes applications to Research Councils and charitable funders for its research projects, and receives Welsh Government funding for its Dictionary Unit.

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

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**STRATEGIC AND TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018**

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 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 26/4/19 and signed on their behalf by:



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

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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 2018 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 2018; and the Statement of Financial Activities incorporating Income and Expenditure account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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 charitable 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 charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charitable company's trade, customers, suppliers and wider economy.

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

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

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 trustees 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.

Strategic and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' Report has 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 did not identify any material misstatements in the Strategic and Trustees' Report.

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 5, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company'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.

Other required reporting

Companies Act 2006 exception reporting

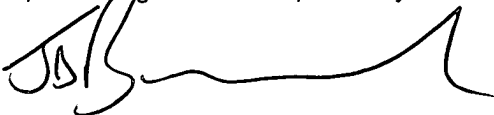
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. 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
Cardiff

Date: 30 April 2019

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

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STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2018

	Note	Unrestricted funds 2018 £000	Endowment funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Income and endowments from:					
Charitable activities	2	1,336	-	1,336	1,516
Other trading activities		3	-	3	10
Investments	3	2	65	67	90
Total income and endowments		1,341	65	1,406	1,616
Expenditure on:					
Charitable activities	4,5,6	1,335	58	1,393	1,683
Total expenditure	7	1,335	58	1,393	1,683
Net income / (expenditure) before investment gains/(losses)		6	7	13	(67)
Net gains/(losses) on investments	11	(77)	39	(38)	406
Net income / (expenditure) before transfers		(71)	46	(25)	339
Transferred from parent entity	15	-	-	-	2,043
Net income / (expenditure) before other recognised gains and losses		(71)	46	(25)	2,382
Net movement in funds		(71)	46	(25)	2,382
Reconciliation of funds:					
Total funds brought forward		760	1,622	2,382	-
Total funds carried forward		689	1,668	2,357	2,382

The notes on pages 11 to 21 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 2018**

	Note	£000	2018 £000	£000	2017 £000
Fixed assets					
Tangible assets	10		543		579
Investments	11		1,630		1,633
			<u>2,173</u>		<u>2,212</u>
Current assets					
Stocks	12	1		3	
Debtors	13	231		160	
Cash at bank and in hand		11		107	
		<u>243</u>		<u>270</u>	
Creditors: amounts falling due within one year	14	(59)		(100)	
Net current assets			<u>184</u>		<u>170</u>
Net assets			<u><u>2,357</u></u>		<u><u>2,382</u></u>
Charity Funds					
Endowment funds	15		1,668		1,622
Unrestricted funds	15		689		760
Total funds			<u><u>2,357</u></u>		<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 26/4/19 and signed on their behalf, by:

The notes on pages 11 to 21 form part of these financial statements.

ARwe! Eris Owa.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

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.

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 £1 per member of the Charity.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1. Accounting Policies (continued)

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.

1.5 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	-	10 to 50 years
Office equipment	-	4 to 10 years

1.6 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.

1.7 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1. Accounting Policies (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1. Accounting Policies (continued)

1.14 Critical accounting estimates and areas of judgement

Estimates and judgements 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.

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are, however, no 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..

2. Income from charitable activities

	Unrestricted funds 2018 £000	Total funds 2017 £000
Research	889	795
Support of other projects and administration	447	721
	1,336	1,516
Total 2017	1,516	

3. Investment income

	Unrestricted funds 2018 £000	Endowment funds 2018 £000	Total funds 2017 £000
Investment income - local listed investments	2	65	90
Total 2017	90	-	

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

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Direct costs

	Research £000	Support of other projects £000	Total 2018 £000	Total 2017 £000
Staff costs	879	-	879	920
Grants	-	95	95	148
	<u>879</u>	<u>95</u>	<u>974</u>	<u>1,068</u>
Total 2017	<u>920</u>	<u>148</u>	<u>1,068</u>	

5. Support costs

	Research £000	Other £000	Total 2018 £000	Total 2017 £000
Staff costs	217	-	217	249
Administration	163	-	163	326
Depreciation	-	36	36	37
	<u>380</u>	<u>36</u>	<u>416</u>	<u>612</u>
Total 2017	<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 (2017: none).

6. Governance costs

	Unrestricted funds 2018 £000	Total funds 2017 £000
Governance Auditors' remuneration	<u>3</u>	<u>3</u>

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7. Analysis of Expenditure by expenditure type

	Depreciation 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Research	-	1,259	1,259	1,495
Support of other projects	-	95	95	148
Other	36	-	36	37
Charitable activities	36	1,354	1,390	1,680
Expenditure on governance	-	3	3	3
	36	1,357	1,393	1,683
Total 2017	37	1,646	1,683	

8. Income

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

All income arose within the United Kingdom.

9. Net income

This is stated after charging:

	31 July 2018 £000	18 months ended 31 July 2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	36	37
Auditors' remuneration - audit	3	3

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

4 Trustees received reimbursement of expenses amounting to £1,000 in the current year, (2017 - 0 Trustees - £NIL).

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10. Tangible fixed assets

	Freehold property £000	Office equipment £000	Total £000
Cost			
At 1 August 2017 and 31 July 2018	600	16	616
Accumulated Depreciation			
At 1 August 2017	33	4	37
Charge for the year	27	9	36
At 31 July 2018	60	13	73
Net book value			
At 31 July 2018	540	3	543
At 31 July 2017	567	12	579

11. Fixed asset investments

	Listed securities £000
Market value	
At 1 August 2017	1,633
Disposals	(44)
Revaluations	41
At 31 July 2018	1,630

Investments at market value comprise:

	2018 £000	2017 £000
Listed investments	1,630	1,633

All the fixed asset investments are held in the UK.

12. Stocks

	2018 £000	2017 £000
Finished goods and goods for resale	1	3

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13. Debtors

	2018	2017
	£000	£000
Trade debtors	217	146
Amounts owed by group undertakings	11	-
Prepayments and accrued income	3	14
	231	160

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	59	100

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15. Statement of funds

Statement of funds - current year

	Balance at 1 August 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 July 2018 £000
Designated funds					
Capital reserve	579	-	-	(36)	543
Centenary Development Campaign Fund	40	-	-	-	40
Furniture & equipment fund	39	-	-	3	42
Planned / long term maintenance fund	30	-	-	3	33
	<u>688</u>	<u>-</u>	<u>-</u>	<u>(30)</u>	<u>658</u>
General funds					
Revaluation reserve	75	-	-	(40)	35
General Fund	(3)	1,341	(1,335)	(7)	(4)
	<u>72</u>	<u>1,341</u>	<u>(1,335)</u>	<u>(47)</u>	<u>31</u>
Total Unrestricted funds	<u>760</u>	<u>1,341</u>	<u>(1,335)</u>	<u>(77)</u>	<u>689</u>
Endowment funds					
Capital balance	1,622	65	(58)	39	1,668
Total of funds	<u>2,382</u>	<u>1,406</u>	<u>(1,393)</u>	<u>(38)</u>	<u>2,357</u>

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15. Statement of funds (continued)

Statement of funds - prior period

	Balance at 1 February 2016 £000	Income £000	Expenditure £000	Transfers from parent entity £000	Gains/ (Losses) £000	Balance at 31 July 2017 £000
Designated funds						
Capital reserve	-	-	-	579	-	579
Centenary Development Campaign 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>
General funds						
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>
Endowment funds						
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>

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16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £000	Endowment funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	543	-	543
Fixed asset investments	38	1,592	1,630
Current assets	167	76	243
Creditors due within one year	(59)	-	(59)
	<u>689</u>	<u>1,668</u>	<u>2,357</u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2017 £000	Endowment funds 2017 £000	Total funds 2017 £000
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)
	<u>760</u>	<u>1,622</u>	<u>2,382</u>

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.