



The Learned Society of Wales

**Report and Accounts
for the period 1 August 2014 to 31 July 2015**

**Registered Charity Number 1141526
Company Number 7256948**



THE LEARNED SOCIETY OF WALES
CYMDEITHAS DDYSGEDIG CYMRU

CELEBRATING SCHOLARSHIP AND SERVING THE NATION
DATHLU YSGOLHEICTOD A GWASANAETHU'R GENEDL

The Learned Society of Wales

(a registered charity and a company limited by guarantee)

Report and Accounts

for the period 1 August 2014 to 31 July 2015

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THE LEARNED SOCIETY OF WALES CYMDEITHAS DDYSGEDIG CYMRU

CELEBRATING SCHOLARSHIP AND SERVING THE NATION
DATHLU YSGOLHEICTOD A GWASANAETHU'R GENEDL

Legal and Administrative Information

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| Charity Name: | The Learned Society of Wales |
| Welsh name of Charity: | Cymdeithas Ddysgedig Cymru |
| Charity Registration Number: | 1141526 |
| Company Number: | 7256948 |
| Registered Office and operational address: | The University Registry King Edward VII Avenue Cathays Park Cardiff CF10 3NS |
| Website: | www.learnedsociety.wales |

Members of Council (Charity Trustees and Directors)

| | |
|--|--|
| Professor Jane Aaron (until 20 May 2015) | Professor Roger Owen |
| Professor David Boucher | Professor Ole Petersen |
| Professor Michael Charlton | Professor Keith G Robbins |
| Professor Kenneth Dyson | Professor Alan Shore (until 20 May 2015) |
| Professor Dianne Edwards | Professor Keith Smith |
| Professor David Evans | Professor M Wynn Thomas |
| Professor Robert Evans | Professor John Tucker |
| Sir Roger Jones | Professor Peter Wells |
| Sir Emyr Jones Parry | Professor Robin H Williams |
| Professor John Wyn Owen | Professor John Jones (from 20 May 2015) |
| Professor Judith Phillips (from 20 May 2015) | Professor Nancy Edwards (from 22 October 2014) |

Except where indicated, the persons listed above served as Charity Trustees and Directors throughout the period covered by this Report (1 August 2014 to 31 July 2015) and occupied these positions on the date (13 January 2016) on which the Report was approved.

Auditors

PricewaterhouseCoopers LLP, One Kingsway, Cardiff CF10 3PW

Bankers

HSBC (UK) Limited, 97 Bute Street, Cardiff Bay CF10 5NA

Legal Advisers

Blake Morgan, Bradley Court, Park Place, Cardiff CF10 3DR

Chief Executive and Secretary (including Company Secretary)

Dr Lynn Williams (until 9 December 2014)

Chief Executive

Professor Peter Halligan (from 1 January 2015)

Clerk (including Company Secretary)

Miss Gwen Lloyd Aubrey (from 1 January 2015)

Structure, Governance and Management

Governing Document

The Society was incorporated as a company limited by guarantee (company number, 7256948) on 18 May 2010 and was accorded charitable status on 19 April 2011 (Registered Charity Number 1141526). It was established under a Memorandum and Articles of Association which defined its objects, powers and governance arrangements. During 2013/14, the Society initiated the process of applying for a Royal Charter and this was successfully awarded on 28 September 2015.

Responsibilities of the Council

The Articles of Association provide for the Society's governing body to be the Council, which has responsibility "*for the entire control and management of the Society*" (Article 20.1), including the effective and efficient use of resources, the solvency of the Society and the safeguarding of its assets, as well as ensuring that all matters relating to Accounts and financial procedures are conducted in accordance with legal and regulatory requirements. Members of the Council serve as Directors of the Limited company for the purpose of company law and as Charity Trustees for the purpose of charity law.

The Annual General Meeting

The business of the Annual General Meeting of Fellows of the Society includes the presentation and adoption of the audited statement of Accounts for the year ending the previous 31st day of July and associated reports.

Council: recruitment and appointment of members

The members of the Council are nominated and elected by the Fellows of the Society, from among their number. In accordance with the Articles and Regulations, the term of office of members of Council is ordinarily three Society Years (a Society year being defined as the period between one Annual General Meeting and the next.) The term of office is renewable. Nominations are invited from among the Fellowship as a whole to fill the vacancies thus created.

Members of Council and other Fellows are required to provide a list of their skills and expertise which can be taken into account during the election and appointment of members of Council and other committees. The Society also keeps a register of interests for all Council members and members of Committees.

To ensure a representative balance of academic expertise amongst the members of the Council, no more than two-thirds of the members may ordinarily be from either of the broad category of Arts, Humanities and Social Sciences or the broad category of Science, Technology and Medicine.

All members of Council give of their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 5 to the Accounts.

Trustee induction and training

Throughout the year, Trustees and Fellows receive regular relevant information, and where necessary, guidance on their responsibilities under the Charity Act. Governance matters is a standard item on Council meeting agendas.

Directors are provided with copies of all relevant documentation. Members of Council have wide experience of governance and matters relating to the administration of charities and all are familiar with the objects and aims of the Society and its work.

Organisational Structure: Officers and Committees of Council

President

The Society's current President is Sir Emyr Jones Parry GCMG FInstP PLSW, who was elected by the Fellowship during 2013/14 and took office at the close of the Annual General Meeting on 14 May 2014 (to serve until the close of the Annual General Meeting to be held in May 2017).

Other Officers

In addition to the President, provision exists under the Regulations for up to four other Officers to be elected by and from among the members of Council and during the reporting period (2014-2015) these were as follows:

Vice-Presidents (each of which have responsibility for one of the Society's two broad subject groupings into which the Society's Fellows are presently organised):

- Professor Ole Petersen CBE FLSW FRS (*Science, Technology and Medicine*)
- Professor M Wynn Thomas OBE FLSW FBA (*Arts, Humanities and Social Sciences*)

Treasurer

- Professor John Wyn Owen CB FRGS FHSM FRSocMed FLSW

General Secretary

- Professor John Tucker FBCS FLSW

Royal Patron

From March 2014, His Royal Highness, The Prince of Wales, graciously accepted the Society's invitation to become its Royal Patron and took on this role for an initial period of five years.

Committees

The Council is empowered, subject to certain restrictions, to delegate its powers and duties to Officers, Secretariat, and Committees and has approved schedules of delegated authority. For this purpose, the Council has established the following Committees to support it in its work:

- **General Purposes Committee:** Members are the five Officers (*ex officio*), three members appointed by the Council from among the members of the Council and such other person or persons not exceeding two in number as the Committee may think fit to co-opt as members.
- **Finance Committee:** Members are the Treasurer and the General Secretary (*ex officio*), three members appointed by the Council from among the members of the Council and such other person or persons not exceeding two in number as the Committee may think fit to co-opt as members.
- **Nominations Committee:** This Committee did not meet during the reporting period of 2014-15.
- **Presidential Search Committee:** This Committee was established with the particular remit of supporting the task of identifying a new President. The members include Officers, with the exception of the President, and the other members of the Nominations Committee.

During the reporting period, the following Committees were also established:

- **The Executive Committee:** on the 14 January 2015 the Council approved the constitution and terms of reference for an Executive Committee whereby its members (*ex officio*) would be the Society's Officers, Chief Executive and Clerk. The Council delegated to the Executive, the conduct to support business of the Society for the purpose of ensuring the effective and timely management of the day-to-day business of the Society.
- **The Development Funding Committee:** In December 2014, the Committee held its Inaugural meeting. Members comprised the three core members appointed by the Council from among the Fellows of the Society (one of whom shall be Chairman), members for the time being of the Finance Committee (*ex officio*) and such other person or persons not exceeding two in number as the Committee may think fit to co-opt as members of which there was none.

Engagement

Although fully independent, the Society engages in constructive interaction with representatives of a number of other bodies, including other Learned Societies in the UK, the Welsh Government, the National Assembly for Wales, the Higher Education Funding Council for Wales, the UK Research Councils, and the Welsh Universities. As some 70% of the Fellowship are based in or have links with the Universities in Wales, the Society's interaction with the Welsh higher education sector is particularly strong and important.

Risk Management

During the year, the Society regularly carried out reviews of the previously-approved schedule of major risks facing the Society and the procedures and systems that had been put in place to manage and mitigate such risks, as far as can be identified. The schedule of risks is reviewed and updated annually and during the reporting period this was undertaken by the Council during its 30 June 2015 meeting.

Royal Charter

The Society's Royal Charter petition was submitted to the Privy Council on 22 January 2015. At the Privy Council meeting held at Buckingham Palace on 11 February 2015, Her Majesty approved an Order referring the Society's draft Charter to a Committee of the Privy Council for consideration and report. The Petition was subsequently published in the London Gazette on 12 February 2015. On the 10 June 2015, Her Majesty the Queen approved an Order from the Privy Council granting the Society a Charter of Incorporation. The Royal Charter took legal effect when the Great Seal was applied to the vellum copy sealed by the Crown Office at the House of Lords on 28 September 2015. For the Learned Society of Wales, the award of Royal Charter is a particular distinction and assurance that the Society is sound and well established, and that its members have a high level of qualification and experience and that their conduct and activities will be properly monitored. The Society has begun transitioning to the new charter body and hopes to complete the transition by the end of the current financial year 31 July 2016 with a view of operating as the new charter body from 1 August 2016. Following the transition, it is expected that the current charitable company will become dormant and will be dissolved in due course.

Objectives and Activities, Achievements and Performance

Society Purpose and Mission

The Society's *guiding mission* is summarised in its strapline, *Celebrating Scholarship and Serving the Nation*. The Society exists to promote and add value to Welsh scholarly achievements, to celebrate, recognise, safeguard and encourage excellence in every one of the scholarly disciplines and in the professions, industry and commerce, the arts and public service, and also to harness and channel Wales's intellectual talent, as embodied in its Fellows, for the benefit, primarily, of Wales and its people, and thereby to have a significant positive impact on their quality of life.

Mission and Objectives

The Council has approved the following Mission and Objectives (as distinct from Charitable Objects) for the Society:

Mission

- to celebrate, recognize, preserve, protect and encourage excellence in all of the scholarly disciplines, and in the professions, industry and commerce, the arts and public service;
- to promote the advancement of learning and scholarship and the dissemination and application of the results of academic enquiry and research; and
- to act as a source of independent and expert scholarly advice and comment on matters affecting the wellbeing of Wales and its people and to advance public discussion and interaction on matters of national and international importance.

Objectives

1. to promote the academic excellence and achievements of Wales and to disseminate Welsh research and scholarship in the United Kingdom and internationally;
2. to engage the public's interest in, and understanding and appreciation of, science, technology and medicine, and the arts, humanities and social sciences in Wales;
3. to foster partnerships and links between academia and other sectors of society, including industry and commerce, the professions, the arts, public service, and schools and colleges, thereby promoting the health of intellectual life in Wales;
4. to support research and innovation in Wales, in higher education and more widely, to stimulate the development of new research areas, including applied, multi-disciplinary and inter-sectoral research, and to aid the commercialisation of research-driven, innovative ideas;
5. to work with and support Welsh higher education and other relevant sectors in these tasks;
6. to facilitate engagement between policy-makers in Wales and well-informed practitioners in a variety of fields, and to offer assistance, where appropriate, in the formation of national policy, by acting as an expert, impartial and independent source of scholarly enquiry, evidence, advice and comment;
7. to enable Wales to participate at the highest level in the international world of learning and scholarship, and to promote the academic excellence and achievements of Wales to the wider world;
8. to establish and maintain links with comparable academies in the United Kingdom and overseas.

Fellowship

Election to Fellowship is by nomination from existing Fellows. Each nominated candidate undergoes a rigorous staged annual selection process which culminates in a ballot by the whole Fellowship. The Ballot result is announced in April of each year, and new Fellows are formally admitted at the Society's Annual General Meeting in May of each year.

The Society is an equal opportunities organisation and Fellowship is open to all those:

- *who have a demonstrable record of excellence and achievement in any of the academic disciplines or who, being members of the professions, the arts, industry, commerce or public service, have made a distinguished contribution to the world of learning; and*
- *who are resident in Wales, or who are persons of Welsh birth but are resident elsewhere, or who otherwise have a particular connection with Wales.*

Following the election of forty new Fellows during its fifth annual election cycle in 2014/15, the Society now has more than three hundred and eighty Fellows, all prominent figures within their respective fields.

As a young organisation, Council recognises that the Society will take some time to reach full maturity. The Society's short-to medium-term **Strategic Aim** approved by Council is to be both modest and meaningful within this growth period given the level of staffing and resources available. Specifically the Society's strategic plan is:

"by the end of the current planning period (July 2018), to develop itself as a sustainable organisation that is 'fit for purpose' and that is acknowledged both as the recognised representative of the world of Welsh learning internationally and as a source of authoritative, scholarly and critical comment and advice to the National Assembly and other bodies on policy issues affecting Wales".

During 2014/15, the Council built on the work that had been done during the period following the Launch of the Society in May 2010 towards the fulfilment of the short-to medium-term Strategic Aim approved for the Society namely:

"to develop itself as a sustainable organisation that is fit for purpose and that is acknowledged both as the recognised representative of the world of Welsh learning internationally and as a source of authoritative, scholarly and critical comment and advice to the National Assembly and other bodies on policy issues affecting Wales".

With this in mind the Secretariat continues to support the following **Society's core activities**:

- Facilitating and servicing the year-long nomination and electoral process for new Fellows;
- Organising, arranging and marketing the Society's programme of lectures, awards, and outreach events;
- Producing the Annual Report and Accounts (December/ January), Annual Review (August/ September), quarterly *InBrief* newsletters;
- Maintaining and developing the Society's website;
- Organising this year's very successful first international symposium at Portmeirion;
- Progressing Society Themes including the History of Science, Welsh Studies and Patronage;
- Progressing Society initiatives including this year the Royal Charter and Royal Title;
- In association with the Officers provide comments and consultation responses on a number of government policy and other issues;
- Communicating with Fellows and adopting a higher profile with the media;
- Relationship building: Improving connections between business and academia within Wales and the UK. Engaging on a regular basis with the Welsh Universities, the National Assembly for Wales, the Welsh Government, Welsh industry, and cognate organisations elsewhere in the UK and internationally;
- Enhancing the public's understanding of science and culture issues e.g Menelaus Medal Lecture, LSW Christmas Lecture for Schools, the annual Edward Lhuyd lecture and supporting Brain Games, Dylan Thomas Centenary conference;
- Ensuring the financial security of the Society;
- Preparing, typesetting and designing publications and marketing material;
- Servicing over 25 committee meetings (including Council), and 12 scrutiny group meetings in the nomination cycle throughout the Society year;
- Updating and maintaining the governance systems, procedures and documents including ensuring compliance with all relevant legislation including liaising with Companies House and the Charity Commission.

Staffing Levels

Staffing levels as a proportion of Society Fellowship remains low compared to other UK learned societies. Although the Fellowship has grown significantly by 119% over the past 5 years (2011/15) staffing levels remain low with a current ratio of staff to Fellowship of 114:1, compared to ratios of 42:1 at the Royal Society of Edinburgh and 33:1 at the British Academy. Beginning with 2.0 FTEs (a Chief Executive and an Executive Officer) in December 2011 the society had by October 2013, acquired a second Executive Officer. Up until December 2014, the Society had three full-time members of staff, Dr Lynn Williams, Chief Executive and Secretary, Dr Georgia Burdett and Dr Sarah Morse, Executive Officers.

In December 2014, Dr Lynn Williams retired and in January 2015, the Society Professor Peter Halligan joined as the Society's new Chief Executive and Miss Gwen Lloyd Aubrey as the newly established role of Clerk and Company Secretary. The Society

currently had 3.4 FTEs (a Chief Executive, part-time Clerk and 2 Executive Officers) servicing a Fellowship compliment of 388 Fellows.

The Society continues to depend on the generous in-kind support provided by the University of Wales for office accommodation, IT, Payroll, meeting space, internet, stationery, telephone and translation services.

Relationship Building

Recognising the importance of communicating the Society's mission and benefits and also building relationships with a range of stakeholders, the Officers and Chief Executive have during the year devoted considerable time and energy to meeting representatives of a range of organisations. These included:

- Vice-Chancellors, Chairs of Council and other officers and staff of Welsh Universities (Including Julie Lydon VC and Gareth Williams Chair, University of South Wales, Professor Colin Riordan, VC of Cardiff University, Anthony Chapman VC and Barbara Wilding Chair of Cardiff Metropolitan University, Professor John Hughes, VC Bangor University and Professor Medwin Hughes, VC of the University of Wales / TSD);
- Welsh Government senior civil servants (*including* Sir Derek Jones (Permanent Secretary, Welsh Government, Chief Scientific Adviser, Professor Julie Williams, Huw Morris, Neil Surman, senior officials of the Welsh Government Department for Education and Skills);
- Officers and representatives of other learned societies (including David Blaney, Chief Executive of HEFCW, The Chief Executive of the British Academy and Royal Society, Keith Lawrey, the Foundation for Science and Technology, Anita Shaw, Deputy Chief Executive Techniquet, Dr Prys Morgan, President of the Hon Society of Cymmrodorion, Lee Waters, Institute of Welsh Affairs, Denise Powell, Open Innovation Manager IQE, Denys Morgan, South Wales Institute of Engineers Educational Trust, Helgard Krause, University of Wales Press, Jenny Scott, Director of British Council Wales;
- The Chief Executive also arranged for extended visits to the Royal Society of Edinburgh and the Royal Irish Academy;
- The Office of HRH The Prince of Wales;
- Officers and representatives of other national organisations in Wales including the National Library, the National Eisteddfod, Welsh Crucible, David Coates, Chief Executive of Academia Europaea, Professor Graham D. Caie, ALLEA and Simon Bradley, VP Airbus.

In the last Society year, events were organised in collaboration with the Academia Europaea, SWIEET 2007 (The South Wales Institute of Engineers Education Trust – two annual lectures, the William Menelaus Memorial Lecture, and the Society's Menelaus Medal Lecture), the Coleg Cymraeg Cenedlaethol (a jointly-organised annual Welsh-medium lecture, *Darlith Flynyddol Edward Lhuyd / The Annual Edward Lhuyd Lecture*). The links with the University of Wales Press have resulted in a decision by the Press to launch a series on *The Scientists of Wales*, on whose Editorial Board the Society's General Secretary, Professor John Tucker serves.

Publications

During the year, the Society issued a number of publications, all of which are available *via* the Publications page of the website. These include:

- Comments on Draft Policy Statement 'Iaith Fyw: Iaith Byw: Bwrw Mlaen' (July 2014)
- the Annual Review for 2013/14 (September 2014);
- Submission to the Review of Higher Education Funding and Student Finance Arrangements in Wales (Diamond Review, January 2015);
- Submission to The Nurse Review of Research Councils (April 2015).

Programme of lectures and other events

The following lectures and events have been held during the Financial Year 2014-15:

3 – 4 July 2014, in Aberystwyth University

WISERD (Wales Institute of Social & Economic Research, Data and Methods) *Annual Conference*; supported by the Learned Society of Wales

3 July 2014, in Swansea University

The presentation of the *Learned Society of Wales Menelaus Medal* to Sir John Cadogan CBE DSc FRSC FRSE MAE FLSW FRS, for excellence in engineering and technology; followed by a lecture by Sir John, entitled, *From pure science to profit and quality of life: the importance of blue sky scientific research*

5 August 2014 in the National Eisteddfod in Llanelli, Carmarthenshire

Cymunedau Hyfyw: parhad y Gymraeg, the Society's Annual Eisteddfod Lecture, by Heini Gruffudd

3 – 5 September 2014, at Swansea University

Dylan Unchained: The Dylan Thomas Centenary Conference 1914-2014, organised by the Centre for Research into the English Literature and Language of Wales at Swansea University and supported by the Learned Society of Wales

4 – 6 September 2014, at Bangor University

The 7th Colloquium of the Societas Celto-Slavica, supported by the Learned Society of Wales

6 September 2014, at the National Library of Wales, Aberystwyth

Dwy iaith, dau ddiwylliant? Two languages, two cultures?, a one day conference organised by the Centre for Advanced Welsh and Celtic Studies and supported by the British Academy and the Learned Society of Wales

19 September 2014, at the National Museum Wales, Cardiff

Classical Celtic: Wales and Scotland in Mediterranean Light, a one-day conference organised by the University of Wales Centre for Advanced Welsh and Celtic Studies and Amgueddfa Cymru-National Museum Wales and supported by the Learned Society of Wales

14 October 2014, at the Mercure Hotel, Cardiff

Severn Region: Energy Opportunities, an evening conference organised by the Learned Society of Wales, in association with the Royal Society of Arts Wales

15 October 2014, at Cardiff University

Sir Humphry Davy: Inventor, Discoverer, Natural Philosopher, Poet, Man of Action, a Cardiff Scientific Society Lecture held in association with the Learned Society of Wales, by Professor Sir John Meurig Thomas DSc ScD HonFREng HonFRSE MAE FLSW FRS

27 October 2014, at Aberystwyth University

The turn of the tide: melancholy and modernity in mid-Victorian Wales, a lecture by Dr Robin Chapman FLSW

30 October 2014, at Swansea University

Modern art - enemy or friend of religious art?, a Theology Public Lecture by Lord Harries of Pentregarth FRSL FLSW, supported by the Learned Society of Wales

30 October 2014, in Swansea University

Ribbon of Fire: how US strip mill technology came to Wales, a lecture by Jonathan Aylen, Manchester University, organised by Swansea University and the Newcomen Society, in association with and supported by the Learned Society of Wales

7 November 2014, in Bangor University

Empires in Wales: from Gruffudd ap Llywelyn to Llywelyn ap Gruffudd, the Third J E Lloyd Lecture (part of the Seventh Annual Bangor Colloquium on Medieval Wales), by Dr David Stephenson, Bangor University, supported by the Learned Society of Wales

12 November 2014, in Swansea University

Newid hinsawdd sydyn: datgelu cyfrinachau'r gorffennol, the Annual Edward Lhuyd Lecture of the Coleg Cymraeg Cenedlaethol (the National Welsh College) and The Learned Society of Wales), a Welsh-medium lecture by Professor Siwan Davies, Swansea University

26 November 2014, in Gregynog

Welsh Studies: the way forward, a one-day conference organised by the Learned Society of Wales and supported by the Higher Education Funding Council for Wales

8 December 2014, in the University of Wales Trinity Saint David (Lampeter Campus)

The largest university press in the world: Editing and Writing the Contemporary History of Oxford University Press (1970-2004), the first Annual Learned Society of Wales lecture by Professor Keith Robbins DLitt FRSE FRHistS FLSW

9 December 2014, In Cardiff University

Marine energy resources: opportunities and challenges, a lecture by Professor Roger Falconer DSc DEng FEng FLSW in the Cardiff University School of Earth and Ocean Sciences lecture series, *Earth's Natural Resources: here today, gone tomorrow?*, supported by the Learned Society of Wales

11 December 2014, in Cardiff University

Life with Ruskin: The Janet Gnosspelius Collection of Letters, Diaries, and Art of W. G. Collingwood, a public lecture of the Cardiff University School of Law and Politics by Professor James Spates, Hobart and William Smiths Colleges, NY, supported by the Learned Society of Wales

17 December 2014, in Bangor University

Chemistry and Light, **the Annual Learned Society of Wales Christmas Lecture**, by Dr Peter Douglas, Swansea University

20 January 2015, Cardiff University

Lecture by President of Academia Europaea, Professor Sierd Cloetingh, supported by the Learned Society of Wales

5 February 2015, Pierhead

Launch of International Year of Light, organised by Professor Alan Shore FLSW, supported by the Learned Society of Wales

23 February 2015, Swansea University

Brute Force and Insight: Dealing with a Web of Data: A Computer Science Distinguished Lecture by Sir Nigel Shadbolt, supported by the Learned Society of Wales and the British Computer Society

9 March 2015, Cardiff University

Engineering for Growth The 55th William Menelaus Memorial Lecture, by Sir John Parker GBE FEng. Organised by SWIET2007 in association with the Learned Society of Wales

12 March 2015, Brackla House Bridgend

'Richard Price in the History of Science' A lecture by Professor John Tucker, organised by the Richard Price Society (lecture supported by the Learned Society of Wales)

25-26 March 2015, Cardiff

New Challenges in Biomedical Sciences An International Symposium on 'New Challenges in the Biomedical Sciences', including invited lectured by world-leading experts in some of the most important areas of current biomedical research. Organised by Professor Ole Petersen in association with the Learned Society of Wales

9 April 2015, Swansea University

3D Printing, from Principles to Application A lecture by Professor David Gethin FLSW and Dr Daniel Thomas, organised by the Royal Institution of South Wales in association with the Learned Society of Wales

13-15 April 2015, Portmeirion

The First Learned Society of Wales International Symposium: Economic policies for peripheral economies Organised by the Learned Society of Wales, supported by Bangor University

30 June - 2 July 2015, in Cardiff

WISERD (Wales Institute of Social & Economic Research, Data and Methods) *Annual Conference*; supported by the Learned Society of Wales

2-5 July 2015, Swansea University

The British Society for the History of Science (BSHS) Annual Conference; supported by the Learned Society of Wales

Financial Review

The establishment of the Society and its operation during its first three years of existence (2010/11 to 2012/13) were made possible by generous, unrestricted, pump-priming support from the University of Wales. The University of Wales continues to provide further unrestricted funding to the Society during the accounting period, 2014/15 and has also in addition provided, *pro bono*, office space and other significant infrastructure support. During 2014/15, the Society has also benefited from generous, unrestricted financial support for its core activities in the form of grants from Cardiff University, Swansea University, Bangor University and Aberystwyth University. Swansea University continues to host the Society's website. In addition, PricewaterhouseCoopers LLP generously provided audit services on a *pro bono* basis.

The Society also continues to derive income from subscriptions charged to Fellows and from admission fees charged to newly-elected Fellows. Total subscription income payable by Fellows during 2014/15 was £46,395 and income from admission fees was £2,925.

Over and above the income received from grants from the Universities and from subscriptions and admission fees, during the year, the Society also received: donations from Fellows amounting to £800, a £5,000 donation from S P McGill ESQ & Mrs E J McGill and a £6,000 grant from the South Wales Institute of Engineers Educational Trust.

The Society's accounts for the period from 1 August 2014 to 31 July 2015 will be presented to the Annual General Meeting on 18 May 2016. These accounts show that all but £6,000 of the Society's total incoming resources (£291,828) for the accounting period fell into the category of unrestricted funds. The Balance Sheet shows net assets amounting to £324,765 at the end of the period.

The Society's policy on reserves follows the practice adopted by other charities in this regard, namely to ensure that it retains in reserve at all times at least the equivalent of the cost of six months of staff salaries. Present funding levels enable the Society to operate at a fairly modest but still meaningful level, with the range of its activities growing gradually over time. The extent to which activities can be further developed can be further enhanced over the coming years will depend to a large extent upon the level of additional funding the Society will be able to secure over and above those that are already available.

The Council also recognises that it is necessary to diversify the Society's income sources and that other, additional sources of funding are being explored, in order to enable the Society to develop its programme over the next few years. This includes the work of the recently established Development Funding Committee. The Society will also aim to broaden the base of its support still further by approaching charitable trusts, commercial organisations and other potential sources of funding.

Responsibilities of the Council

Company law requires the Council to prepare financial statements for each accounting period (financial year) which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the period. In preparing those financial statements, the Council should follow best practice and:

- *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 not appropriate to assume that the company will continue on that basis.*

The Council is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable it to ensure that the financial statements comply with the Companies Act 2006. The Council is 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.

The members of the Council, who are Directors of the company for the purpose of company law and Charity Trustees for the purpose of charity law, who served during the accounting period covered by this report and up to the date of the report are listed on page 1.

Declaration

In accordance with company law, as the company's Directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

PricewaterhouseCoopers LLP were re-appointed as the charitable company's auditors during the year.

This report has been prepared in accordance with:

- the *Statement of Recommended Practice: Accounting and Reporting by Charities* (March 2005);
- the Charity Commissions guidance, *Charities and Public Benefit: an overview and PB1, PB2 and PB3* (16 September 2013), *The Advancement of Education for the Public Benefit* (December 2008, as amended December 2011 which is currently under review); and
- the provisions of the Companies Act 2006 relating to small companies.

The report was approved by the Council on 13 January 2016 and signed on its behalf by:



Sir Emyr Jones Parry (President)



Professor John Wyn Owen (Treasurer)



Professor Peter William Halligan (Chief Executive)



Miss Gwen Lloyd Aubrey (Clerk and Company Secretary)

Date: 13 January 2016

Auditors' Report

Independent auditors' report to the members of The Learned Society of Wales

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2015 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by The Learned Society of Wales, comprise:

- the balance sheet as at 31 July 2015;
- the statement of financial activities and the summary income and expenditure account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. 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 trustees were not entitled to: prepare financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Responsibilities of the Council Statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees 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.



Jonathan Bound (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Cardiff

13 January 2016

- (a) The maintenance and integrity of The Learned Society of Wales website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Financial Activities

Learned Society of Wales Limited

Statement of Financial Activities (including Income & Expenditure Account) for the year ending 31 July 2015

| | Notes | Unrestricted Funds 2015 £ | Restricted Funds 2015 £ | TOTAL FUNDS 2015 £ | TOTAL FUNDS 2014 £ |
|--|-------|------------------------------------|----------------------------------|---------------------------------------|-----------------------------|
| Statement of Financial Activities | | | | | |
| Incoming Resources | | | | | |
| Incoming Resources from Generated Funds: | | | | | |
| Voluntary Income | 2 | 284,160 | 6,000 | 290,160 | 243,285 |
| Other Incoming Resources | 3 | 1,668 | - | 1,668 | 22,615 |
| Total Incoming Resources | | 285,828 | 6,000 | 291,828 | 265,900 |
| Resources Expended | | | | | |
| Charitable activities | | 183,721 | 3,746 | 187,467 | 97,025 |
| Governance costs | | 62,607 | - | 62,607 | 59,873 |
| Total Resources Expended | 4 | 246,328 | 3,746 | 250,074 | 156,898 |
| Net Incoming Resources | | 39,500 | 2,254 | 41,754 | 109,002 |

All incoming resources and resources expended derive from continuing operations.

There is no material difference between the profit on ordinary activities for the financial year stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

Balance Sheet

Learned Society of Wales Limited

Balance Sheet as at 31 July 2015

| | Notes | £ 2015 | £ 2015 | £ 2014 |
|--|-----------|----------------|------------------------------|-----------------------|
| Fixed Assets | | | | |
| Tangible Assets | 8 | | 950 | 694 |
| Current Assets | | | | |
| Debtors | | 44,979 | | 35,025 |
| Cash at bank and in hand | | <u>308,700</u> | | <u>336,822</u> |
| | | | 353,679 | 371,847 |
| Creditors: amounts falling due within one year | 9 | | (29,864) | (89,530) |
| Net Current Assets | | | <u>323,815</u> | <u>282,317</u> |
| Net Assets | | | <u><u>324,765</u></u> | <u><u>283,011</u></u> |
| Unrestricted Funds | | | | |
| General funds | | | 319,451 | 279,951 |
| Restricted Funds | | | | |
| General funds | | | 5,314 | 3,060 |
| Total Funds | 11 | | <u><u>324,765</u></u> | <u><u>283,011</u></u> |

These accounts are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005) and the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the Council on 13 January 2016 and signed on its behalf by:

Sir Emyr Jones Parry (President)

Emyr Jones Parry

Professor John Wyn Owen (Treasurer)

John Wyn Owen

Professor Peter William Halligan (Chief Executive)

Peter W Halligan

Miss Gwen Lloyd Aubrey (Clerk and Company Secretary)

Gwen Aubrey

Notes to the Accounts

Notes forming part of the Financial Statements for the year ended 31 July 2015

1 Accounting Policies

The principal accounting policies are summarised below and have been applied consistently throughout the year and in the preceding twelve month period.

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006, Charities Act 2011, and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005, as applied to the Financial Reporting Standards for Smaller Entities. As noted in the Structure, Governance and Management section on page 4, following the granting of Royal Charter status the Society has begun the process of transitioning to a new charter body. The current charitable company will then become dormant, however given that the entire operations and net assets of the charity will be transferred and remain ongoing in the new charter body, it is considered appropriate to prepare the accounts using the going concern basis.

(b) Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

(c) Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- i. Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- ii. Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

(d) Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. floor areas, per capita or estimated usage as set out in Note 4.

(e) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 4 years.

(f) Donated Services

The basis of the valuation used for donated services (Note 10) is as follows:

| | |
|--------------------------------|--|
| Serviced Office Space | - market value |
| Computing Support | - notional cost provided by supplying body |
| Venues for Meetings and Events | - market value |
| Professional Services | - market value |

| | 2015 | 2014 |
|--|----------------|----------------|
| | £ | £ |
| General Grant from the University of Wales | 75,000 | 75,000 |
| Membership Subscriptions | 46,395 | 44,400 |
| General Grant from Cardiff University | 43,000 | 43,000 |
| Donated Services | 29,040 | 22,195 |
| Other Grants for Activities | 28,000 | 4,000 |
| General Grant from Bangor University | 25,000 | 25,000 |
| General Grant from Swansea University | 25,000 | 25,000 |
| General Grant from Aberystwyth University | 10,000 | - |
| Donations | 5,800 | 1,540 |
| Membership Admission Fees | 2,925 | 3,150 |
| | <u>290,160</u> | <u>243,285</u> |

3 Other Incoming Resources

| | £ | £ |
|----------------------|--------------|---------------|
| Gift Aid | - | 19,006 |
| Bank Interest | 51 | 604 |
| Miscellaneous Income | 1,617 | 3,005 |
| | <u>1,668</u> | <u>22,615</u> |

4 Total Resources Expended.

| | Notes | Basis of Allocation | Public Policy | | | | TOTAL 2015 £ | TOTAL 2014 £ |
|---|-------|---------------------|----------------|---------------|---------------|---------------|--------------------|--------------------|
| | | | Activities | Publications | Development | Governance | | |
| | | | 2015 £ | 2015 £ | 2015 £ | 2015 £ | | |
| Costs directly allocated to activities | | | | | | | | |
| Travel | 5 | Direct | 17,607 | - | 100 | 5,472 | 23,179 | 4,212 |
| Professional charges | | Direct | - | - | - | 4,058 | 4,058 | 4,119 |
| Supplies and services | | Direct | 33,785 | 6,975 | 9,816 | 4,476 | 55,052 | 15,252 |
| Support costs allocated to activities | | | | | | | | |
| Staff costs | 6 | Staff time | 67,206 | 13,441 | 13,441 | 40,323 | 134,411 | 102,147 |
| Administration | | Staff time | 5,477 | 2,402 | 1,201 | 3,600 | 12,680 | 16,412 |
| Premises | | Usage | 10,800 | 1,800 | 1,800 | 3,600 | 18,000 | 12,000 |
| Computing | | Usage | 1,078 | 269 | 269 | 1,078 | 2,694 | 2,756 |
| Total Resources Expended | | | <u>135,953</u> | <u>24,887</u> | <u>26,627</u> | <u>62,607</u> | <u>250,074</u> | <u>156,898</u> |

5 Travel and Related Costs

| | £ | £ |
|-------------------|---------------|--------------|
| Trustees | | |
| Travel | 4,014 | 1,893 |
| Accommodation | 824 | 549 |
| Subsistence | 215 | 287 |
| | <u>5,053</u> | <u>2,729</u> |
| Staff | 3,450 | 950 |
| Speakers & Guests | 14,676 | 533 |
| | <u>23,179</u> | <u>4,212</u> |

No members of the Council received any remuneration during the year.

Travel and related costs amounting to £2,315 were reimbursed to nine members of the Council.

6 Staff Costs

| | £ | £ |
|----------------------------------|----------------|----------------|
| Salaries | 119,390 | 94,193 |
| National Insurance contributions | 10,513 | 7,954 |
| Pension contributions | 4,508 | - |
| | <u>134,411</u> | <u>102,147</u> |

No employee received emoluments of more than £60,000 during the year. One post was filled for part of the year which would have resulted in emoluments in excess of £60,000 on a full year basis:

| | | |
|-------------------|----------|----------|
| £60,000 - £69,999 | <u>1</u> | <u>-</u> |
|-------------------|----------|----------|

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

| | Number | Number |
|--------------------|-------------|-------------|
| Chief Executive | 1.00 | 1.00 |
| Clerk | 0.23 | - |
| Executive Officers | 2.00 | 1.83 |
| | <u>3.23</u> | <u>2.83</u> |

7 Taxation

As a charity, the Learned Society of Wales is exempt from tax on income and gains falling within section 505 of the Taxes Act 1998 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen to the charity.

8 Tangible Fixed Assets

| | £ | £ |
|---------------------------------|--------------|--------------|
| Office Equipment | | |
| Cost | | |
| At 1 August 2014 | 4,171 | 4,171 |
| Additions | 1,112 | - |
| At 31 July 2015 | <u>5,283</u> | <u>4,171</u> |
| Accumulated Depreciation | | |
| At 1 August 2014 | 3,477 | 2,437 |
| Charge for the period | 856 | 1,040 |
| At 31 July 2015 | <u>4,333</u> | <u>3,477</u> |
| Net Book Value | | |
| At 1 August 2014 | 694 | 1,734 |
| At 31 July 2015 | <u>950</u> | <u>694</u> |

9 Creditors: amounts falling due within one year

| | £ | £ |
|---------------------|---------------|---------------|
| Receipts in Advance | - | 75,000 |
| Trade Creditors | 24,679 | 14,530 |
| | <u>24,679</u> | <u>89,530</u> |

10 Donated Services

| | £ | £ |
|--------------------------------|---------------|---------------|
| Serviced Office Space | 18,000 | 12,000 |
| Venues for Meetings and Events | 6,190 | 5,375 |
| Computing Equipment | 1,350 | 1,320 |
| Professional Services | 3,500 | 3,500 |
| | <u>29,040</u> | <u>22,195</u> |

11 Summary of Fund Movements.

| Fund | Fund Balances brought forward £ | Income £ | Expenditure £ | Fund Balances carried forward £ |
|---------------------------|--|---------------------|--------------------------|--|
| Unrestricted Funds | | | | |
| General Funds | 279,951 | 285,828 | 246,328 | 319,451 |
| Restricted Funds | | | | |
| General Funds | 3,060 | 6,000 | 3,746 | 5,314 |
| Total Funds | 283,011 | 291,828 | 250,074 | 324,765 |

Note: the restricted funds apply to grants from SWIEET2007, a funded Educational Trust with objectives relating to development and support in engineering education and training.

For more information about the Society, contact:

The Learned Society of Wales

The University Registry

King Edward VII Avenue

Cathays Park

Cardiff CF11 1NU

029 2037 6971

email: lsw@lsw.wales.ac.uk

or visit the Society's website: www.learnedsociety.wales