



The Learned Society of Wales

**Report and Accounts
for the period 1 August 2013 to 31 July 2014**

**Registered Charity Number 1141526
Company Number 7256948**



**THE LEARNED SOCIETY OF WALES
CYMDEITHAS DDYSGEDIG CYMRU**

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



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DATHLU YSGOLHEICTOD A GWASANAETHU'R GENEDL

The Learned Society of Wales

(a registered charity and a company limited by guarantee)

Report and Accounts

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

Reference and Administrative Information

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.learnedsocietywales.ac.uk

Members of Council (Charity Trustees and Directors)

Professor Jane Aaron	Professor Roger Owen
Professor David Boucher	Professor Ole Petersen
Sir John Cadogan (until 14 May 2014)	Professor Teresa Rees (until 16 July 2014)
Professor Michael Charlton (from 14 May 2014)	Professor Keith G Robbins
Professor Kenneth Dyson	Professor M Wyn Roberts (until 5 March 2014)
Professor Dianne Edwards	Professor Alan Shore
Professor David Evans (from 14 May 2014)	Professor Keith Smith
Professor Robert Evans	Professor M Wynn Thomas
Sir Roger Jones	Professor John Tucker
Sir Emyr Jones Parry (from 14 May 2014)	Professor Peter Wells (from 14 May 2014)
Professor John Wyn Owen	Professor Robin H Williams

Except where indicated, the persons listed above served as Charity Trustees and Directors throughout the period covered by this Report (1 August 2013 to 31 July 2014) and occupied these positions on the date (14 January 2015) 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 LLP, Park Place, Cardiff CF10 3DR

Chief Executive and Secretary (including Company Secretary)

Dr Lynn Williams (throughout the period covered by this Report and 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 define its objects, powers and governance arrangements. During 2013/14, the Society initiated the process of applying for a Royal Charter.

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. The members of the Council serve as directors of the 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 members (Fellows) of the Society includes the presentation and adoption of the audited statement of Accounts for the year ended 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. The eighteen members of the Inaugural Council were elected by the Founding Fellows prior to the Society's incorporation.

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), although the Articles provide for the first term of office of the members of the Inaugural Council to be no more than four years. The term of office is renewable. The Council has approved a mechanism for ensuring the rotation of membership under which the initial term of office of one-third of the inaugural members was for two years (to May 2012), that of one-third was three years (to May 2013) and that of the remaining third was four years (to May 2014). Nominations are invited from among the Fellowship as a whole to fill the vacancies thus created.

Members of Council and other Fellows have been asked 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.

So as 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

Trustees have received specific training on their responsibilities under the Charity Act and as Directors, and are provided with copies of relevant documentation. The members of the Council have wide experience of governance and matters relating to the administration of charities and are fully familiar with the objects and aims of the Society and with its work.

Organisational Structure: Officers and Committees of Council

The Council has agreed that, in the first instance, a relatively simple governance structure will be appropriate.

President

The Society's Inaugural President was Sir John Cadogan CBE DSc FRSE FRSC PLSW FRS, who was elected by the Fellows prior to incorporation. His successor, Sir Emyr Jones Parry GCMG FInstP PLSW, was elected by the Fellows 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 2017). The Society's Regulations provide for other Officers to be appointed by and from among the members of the Council.

Other Officers

Provision exists under the Regulations for four other Officers to be elected by and from among the members of Council:

Vice-Presidents:	Professor Dianne Edwards (until 14 May 2014); Professor Ole Petersen (elected to serve from 14 May 2014 until the close of the Annual General Meeting to be held in 2017); Professor M Wynn Thomas (re-elected from 14 May 2014, to serve until the close of the Annual General Meeting to be held in 2017);
Treasurer:	Professor John Wyn Owen (elected to serve from 23 May 2012 until the close of the Annual General Meeting to be held in 2015);
General Secretary:	Professor John Tucker (re-elected to serve from 14 May 2014 until the close of the Annual General Meeting to be held in 2017).

Each of the Vice-Presidents has responsibility for one of the Society's two broad subject groupings into which the Society's Fellows are presently organised:

- **Science, Technology and Medicine** (Professor Dianne Edwards and, from 14 May 2014, Professor Ole Petersen);
- **the Arts, Humanities and Social Sciences** (Professor M Wynn Thomas).

Royal Patron

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

Committees

The Council has established the following Committees to support it in its work and has appointed members as indicated:

- the **General Purposes Committee**: the five Officers are members *ex officio* and, in addition, the following have been elected as members of the Committee by and from among the members of Council: Professor M Wyn Roberts (until 5 March 2014); Professor David Boucher (from 14 May 2014); Professor Keith Robbins; and Professor Keith Smith;
- the **Finance Committee**: the Treasurer and the General Secretary are members *ex officio* and, in addition, the following have been elected as members of the Committee by and from among the members of Council: Professor Kenneth Dyson; Professor Ole Petersen; and Professor Robin Williams; Professor Vernon Morgan, a Fellow who is not a member of the Council, serves as a co-opted member of the Committee;
- the **Nominations Committee**: the President and the General Secretary are members *ex officio* and, in addition, the following has been elected as a member of the Committee by and from among the members of Council: Professor Kenneth Dyson;
- the **Presidential Search Committee**: established with the particular remit of supporting the task of identifying a new President during 2013/14; the Officers, with the exception of the President, and the other member of the Nominations Committee, Professor Kenneth Dyson, were members *ex officio*.

The Council is empowered, subject to certain restrictions, to delegate its powers and duties to Officers, committees or members of staff and has approved schedules of delegated authority to Officers and Committees.

Related Parties

The Society is a fully independent organisation but pursues 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 (a number of which have generously provided valuable funding and other support to the Society on a "no strings" basis). Since the majority of its Fellows are based in or have links with the universities in Wales, the Society's interaction with the Welsh higher education sector is particularly fruitful and important in helping to facilitate the achievement of its aims.

Risk Management

During the year, the Council carried out a review of the previously-approved schedule of the major risks facing the Society and of the procedures and systems that had been put in place to manage and mitigate such risks as had been identified. The schedule of risks is reviewed and updated at least annually.

Ethos, Objectives and Activities, Achievements and Performance

Guiding Ethos

The Society's **Guiding Ethos** is encapsulated in its strapline, *Celebrating Scholarship and Serving the Nation*. It 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 the nation's 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.

Charitable Objects

The Society's Charitable Objects are defined as follows in the Articles of Association:

- 4.1 The objects of the Society shall be for the benefit of the community, to advance learning and knowledge, and thereby to promote and contribute to cultural, social, environmental and economic development within Wales and beyond, including but without prejudice to the generality thereof:
 - 4.1.1 to establish and carry on, a learned society for Wales comprised of Fellows of the Society;
 - 4.1.2 to organise public lectures, meetings, debates and conferences;
 - 4.1.3 to publish newsletters, journals and reports, and other publications related to the activities and objects of the Society;
 - 4.1.4 to engage in outreach activities of all sorts;
 - 4.1.5 to participate in, support, fund and disseminate research, innovation and other activities relating to the advancement of learning, scholarship or knowledge;
 - 4.1.6 to advance public discussion and interaction on matters of national and international importance;
 - 4.1.7 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.

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.

Ensuring that the Society's work delivers its Objects and fulfils its Mission and Objectives

The Learned Society of Wales was incorporated as a company limited by guarantee on 18 May 2010, and was formally launched one week later during a ceremony held in the National Museum, Cardiff. It was accorded Registered Charity status on 19 April 2011. It is Wales's first national scholarly academy and its establishment in 2010, in a wholly spontaneous and voluntary initiative on the part of a group of independent scholars, marked an important development in the intellectual and cultural life of the country.

As a recently-established organisation, the work of the Society towards delivering its objects and fulfilling its mission and objectives is necessarily at an early stage. The Society will reach full maturity only over many years, the range of its activities will necessarily be built up gradually over time, and its plans must therefore focus on the long term. It has much to do – and will need the support not only of its Fellows and the academic community in Wales, and also of society more widely, if it is to fulfil the ambitions that it has set for itself.

The Society's current work should be seen in the context of the following short- to medium-term **Strategic Aim** that the Council has approved for the Society:

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.

As the paragraphs that follow show, building upon the work carried out during the period 2010/11 to 2012/13, the Learned Society of Wales has continued to take important steps towards fulfilling this aim and has enjoyed an encouraging fourth year.

The focus of the Society's work during 2013/14

In addition to the fundamental tasks of seeking to ensure the financial security of the Society and developing its governance systems and procedures, there were a number of main strands to the work of the Society during 2014/15:

- the organisation of a programme of lectures and other events;
- the pursuit of policy initiatives;
- publications;
- relationship building; and
- expanding the Fellowship.

The last two strands fall within the overall function of governance.

Lectures and other Events

As part of its initial programme the Society has begun to plan, and to deliver, an ambitious programme of themed lectures, symposia and other events and activities that support the world of learning.

The following events were organised during 2013/14.

9 August 2013, at the National Eisteddfod of Wales in Denbighshire

Yr Hen Fam: RS Thomas a'r Eglwys yng Nghymru, a lecture (the University of Wales's Eisteddfod Lecture) by Professor M Wynne Thomas OBE FLSW FBA; organised in association with the Learned Society of Wales

6 September 2013, at Cardiff University

A Tale of Two Friends: Richard Price and Thomas Bayes, an **Anniversaries Lecture** by Sharon McGrayne, Seattle; organised by the Learned Society of Wales in association with the Richard Price Society

16 & 17 September 2013, at Cardiff University

Bio-Nano-Photonics, a two-day international Symposium organised by, *inter alia*, Professor Paola Borri FLSW and Professor Walter Langbein FLSW (both of Cardiff University); supported by the Learned Society of Wales

17 October 2013, at Cardiff University

Honeybee comb: a marvel of sophisticated cellular structure, a lecture by Professor Bhushan Karihaloo DEng DSc FICE FLSW, School of Engineering, Cardiff University (a lecture in the School of Engineering Distinguished Lecture Series); organised in association with and supported by the Learned Society of Wales

31 October 2013, at Barry Art Central

Gwyn Thomas in the Kingdom of the Chip, a Learned Society of Wales **Anniversaries Discussion** of the life, work and legacy of the writer and broadcaster, Gwyn Thomas (born 1913), by Professor Dai Smith FLSW and Professor Peter Stead FLSW

1 November 2013, Swansea University

Laboratories of the Spirit, a Learned Society of Wales **Anniversaries Event** in which two Fellows, the Most Rev'd Dr Barry Morgan FLSW and the Right Rev'd Dr Rowan Williams PC DD FRSL FLSW FBA, discussed the religious poetry of RS Thomas, commemorating the centenary of the late poet's birth (chaired by Professor M Wynn Thomas OBE FLSW FBA); organised in association with the Research Institute for Arts and Humanities and the Centre for Research into the English Literature and Language of Wales (CREW), Swansea University

13 November 2013, at Cardiff University

Cracking Pancreatitis, a Cardiff Scientific Society lecture by Professor Ole Petersen CBE FMedSci MAE FLSW FRS; organised in association with the Learned Society of Wales

19 November 2013, at the National Library of Wales, Aberystwyth

Ar Drywydd Edward Lhwyd (On the Trail of Edward Lhwyd), the **Inaugural 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 Brynley Roberts CBE DLitt FLA FLSW

2 December 2013, at the British Academy, London

The Witness of RS Thomas, a Learned Society of Wales **Anniversaries Lecture** by Lord Gowrie PC FRSL (Grey Gowrie of Ruthven); jointly organised by the Learned Society of Wales and the British Academy

6 December 2013, at Swansea University

Championing the Chapels, a Learned Society of Wales lecture by the broadcaster, Huw Edwards

9 December 2013, at Swansea University

The Representation of Lady Rhondda: a biographical challenge, a Learned Society of Wales lecture by Professor Angela John FRHistS FLSW

17 December 2013, at Cardiff University

Chemistry and Light, the **Inaugural Learned Society of Wales Christmas Lecture**, by Dr Peter Douglas, Swansea University; attended by, *inter alia*, students of local schools and colleges

14 January 2014, at Cardiff University

Wallace and the Limits to Evolution, a lecture by Professor Steve Jones DSc FLSW FRS, University College London, in the Cardiff University Wallace Lecture Series, 2013/14; organised in association with and supported by the Learned Society of Wales

20 March 2014, Brackla House, Bridgend

Iolo Morganwg: Radical and Romantic, a lecture by Professor Prys Morgan, FRHistS, FSA, FLSW; organised by the Richard Price Society in association with and supported by the Learned Society of Wales

24 March 2014, at Cardiff University

Delivering the Olympics, a lecture (the 54th William Menelaus lecture), by Sir John Armit CBE FREng FICE, Chairman, Olympic Delivery Authority; organised by SWIET2007, in association with the Learned Society of Wales

3 April 2014, at Swansea University

From the Lab to Wall Street (and to patients): the ups and downs of a drug hunter, a lecture by Professor Chris McGuigan, Cardiff University; organised by the Royal Society of Chemistry in association with and supported by Swansea University and the Learned Society of Wales

8 April 2014, at Cardiff University

Wallace and vaccination: great minds don't always think alike, a lecture by Dr Stephen Inglis, Director of the National Institute for Biological Standards and Control, in the Cardiff University Wallace Lecture Series, 2013/14; organised in association with and supported by the Learned Society of Wales

10 April 2014, Swansea University

Viking Swansea – Fact or Fable?, a one-day symposium organised by the Swansea University Centre for Medieval and Early Modern Research, in association with and supported by the Learned Society of Wales; speakers included Dr John Davies FLSW

12 April 2014, Cardiff University

Atlantic Europe in the Metal Ages, a one-day Forum organised by the University of Wales Centre for Advanced Welsh and Celtic Studies and supported by the Arts and Humanities Research Council and the Learned Society of Wales; speakers included Professor John Koch FLSW and Sir Barry Cunliffe CBE FSA FLSW FBA

24-25 May 2014, at Cardiff University

Translation in Music, an international interdisciplinary Symposium, organised by Cardiff University and Welsh National Opera, and supported by the Learned Society of Wales

30 May 2014, at Oriel Ynys Môn, Llangefni

Images and Meanings: What Does Art Represent?, the Sir Kyffin Williams Trust Annual Lecture, by Dr Rowan Williams PC DD FRSL FLSW FBA; supported by the Isle of Anglesey County Council and the Learned Society of Wales

10 June 2014, at Cardiff University

Wallace, Darwin and human evolution, a lecture by Chris Stringer, Natural History Museum, in the Cardiff University School of Earth and Ocean Sciences Wallace Lecture series, 2013/14, supported by the Learned Society of Wales

17 June 2014, at the Pierhead, Cardiff Bay

Viable Communities: language survival in Wales, a public lecture by Heini Gruffudd, organised and supported by the Learned Society of Wales

19 and 20 June 2014, at Swansea University

The Face of Battle in Medieval History and Literature, a conference and lecture organised by the Centre for Medieval and Early Modern Research, Swansea University, and supported by the Learned Society of Wales

3 and 4 July 2014, at Aberystwyth University

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

3 July 2014, at Swansea University

The presentation of the *Learned Society of Wales Menelaus Medal* to Sir John Cadogan, for excellence in engineering and technology; followed by a lecture by Sir John on the subject, *From pure science to profit and quality of life: the importance of blue sky scientific research*

Lectures and other events are widely publicised and are normally open to all and free.

Policy initiatives

Further to its Mission “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”, the Society has identified a number of policy areas in which it will engage. These include: higher education funding and policy; research funding and policy; science policy including the environment and energy; cultural policy; language policy; social policy, including social cohesion and exclusion; and economic policy.

During the year, the Society addressed a number of areas of government policy, as well as other matters of public interest, by issuing comments and consultation responses and by engaging in dialogue with key figures. Formal policy interventions included the following:

Research Council funding for Welsh Research

In November 2013, further to the recent publication of data that showed that the research council success rate for awards to researchers in Wales had fallen to 2 per cent of the total funding for the UK, the Society published a paper commenting on the funding of research in Wales and drawing attention to the impact in this regard of the persistent gap between the level of funding for higher education in Wales and that in England and, in particular, Scotland, a gap on which the Society had previously commented (*The Funding Gap*, October 2011). The paper pointed out that (as the Society had shown in its earlier paper, *Recognising the Quality of Research at Universities in Wales*, February 2013), considering their financial handicap, the Welsh universities had performed remarkably well, especially in the Arts, Humanities and Social Sciences, and that they could have done better still had they been funded at levels approaching those available to universities in Scotland.

Making Laws in the Fourth Assembly

In May 2014, the Society submitted a response to a consultation by the Constitutional and Legislative Affairs Committee of the National Assembly for Wales on *Making Laws in the Fourth Assembly*. The response noted that the legislative competence of the Assembly had been considerably enhanced following the 2011 Assembly elections as a consequence of the result of the referendum on the Assembly Act provisions held in March of that year and commented in detail on a range of matters including: scrutiny by Assembly Committees; the practice of reserving powers to government to amend what appears on the face of a primary enactment by means of subordinate legislation; the structure of Bills and their accessibility, bilingualism; overview and purpose provisions; schedules and short titles, substantive provisions; and the legislative process and technology.

Higher Education Policy: the Higher Education (Wales) Bill

In May 2014, the Welsh Government published the Higher Education (Wales) Bill 2014 and, in June, in responding to a consultation on the Bill by the National Assembly’s Children, Young People and Education Committee, the Society emphasised the importance of the maintenance of institutional autonomy and academic freedom, and expressed concern that the Bill as drafted would provide the Government with much greater powers to regulate the affairs of the universities. The Society also expressed concern at the inclusion in the Bill of the power subsequently to define and make amendments to existing provisions through subordinate legislation and regulations – a matter on which it had also commented more generally in its response to the consultation on *Making Laws in the Fourth Assembly*.

During the year, the Society also submitted advice and comments on a number of other matters of public interest, including its responses to:

- *The future of our past*, the Welsh Government’s consultation on proposals for the historic environment of Wales (October 2013);
- the Welsh Affairs Committee’s *Inquiry into the International Representation and Promotion of Wales by UK bodies* (March 2014); and
- the draft policy statement issued by the First Minister of the Welsh Government on the Welsh Language, *laith fyw : laith byw – bwrw ymlaen (A Living Language : a language for living – moving forward)* (July 2014).

Publications

The Society maintains a web-site through which it advertises its events, publishes information about its activities and communicates its views on a wide range of issues to its Fellows and to the wider public. During the year, the Society issued a number of publications, all of which are publicly available *via* the website and some of which were also issued in printed format. These were:

- the *Annual Review* for 2012/13 (October 2013);
- the response to *The future of our past*, the Welsh Government's consultation on proposals for the historic environment of Wales (October 2013);
- *Comments on Research Council funding for Welsh research* (November 2013);
- the *Report and Accounts* for the period 1 August 2012 to 31 July 2013 (February 2014);
- the response to the Welsh Affairs Committee's *Inquiry into the International Representation and Promotion of Wales by UK bodies* (March 2014);
- *The Report and Recommendations of the Learned Society of Wales Gender Balance Working Group* (March 2014);
- the President's Fifth Annual Address (May 2014);
- the response to the Welsh Government's consultation on *Making Laws in the Fourth Assembly* (May 2014);
- *Curiosity-driven 'Blue Sky' Research: a threatened vital activity?*, a report by the Society's Inaugural President, Sir John Cadogan (June 2014); and
- the response to the draft policy statement issued by the First Minister of the Welsh Government on the Welsh Language, *laith fyw : laith byw – bwrw ymlaen (A Living Language : a language for living – moving forward)* (July 2014).

In addition, the Society's Memorandum and Articles of Association and its Regulations are published on the website.

Relationship building

The building of relationships with stakeholders is an important aspect of the Society's development and, during the year, the Society's Officers held discussions and corresponded with representatives of a range of organisations, including:

- the Vice-Chancellors and other officers and staff of Welsh Universities;
- officers and representatives of organisations that support the academic work of the Universities;
- UK Government, Welsh Government and other politicians and senior civil servants;
- officers and representatives of other learned societies;
- officers and representatives of other national organisations in Wales;
- officers and representatives of other charities;
- the Office of the Privy Council; and
- the Office of HRH The Prince of Wales.

Expanding the Fellowship: the Election Cycle 2013/14

Underpinning the successful development of all of the Society's activities are its Fellows. They are the main resource through whose voluntary activities the Society's aims are taken forward for the benefit of the public and of society in general in Wales and more widely. Since the Fellowship represents a body of intellectual expertise of international standard and of the very highest possible contemporary calibre, the Learned Society is uniquely placed in Wales to fulfil a wide range of roles, including: (a) keeping the general public abreast of the very latest developments in the arts, humanities, sciences and medical sciences; (b) commenting on public policy in a wide range of areas; (c) providing Welsh Government ministers and senior officials with expert advice that can be fed into policy formation and decision-making; and (d) addressing issues of great public and governmental interest and moment (for example, climate change, science research and teaching, and cultural development) from an expert, disinterested and authoritative point of view, so facilitating informed debate.

Election to Fellowship of the Learned Society of Wales is *via* nomination by existing Fellows. It is open to men and women of all ages and from all ethnic groups:

- 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.

This focus on excellence and achievement ensures that the Society's Fellowship represents the very best of which Wales is currently capable in the major academic disciplines.

Following the election of forty-three new Fellows during its fourth annual election cycle in 2013/14, the Society now has more than three hundred and fifty Fellows, who are prominent figures within their respective fields. The Society's continuing focus on excellence and achievement as it builds a strong, representative Fellowship is intended to ensure that it will represent the very best of which Wales is capable in the major academic disciplines.

How the Society's activities deliver public benefit

As is required under the terms of the Charities Act 2006, each of the aims of the Learned Society of Wales is for the public benefit. Those aims are defined in the Society's Objects, as set out in its Articles of Association, and elaborated upon in its statement of Mission and Objectives (see above). All of these aims are "charitable purposes" as defined in the Act in that (i) they are for the public benefit and (ii) they fall in particular within the descriptions of two of the purposes defined in Part 1, section 2, sub-section 2 of the Act, namely:

b) the advancement of education; and

f) the advancement of the arts, culture, heritage or science.

The primary benefits to the public from the Society's activities are defined in the preamble to its Objects clause, as set out in the Articles and noted above ("The objects of the Society shall be for the benefit of the community, to advance learning and knowledge, and thereby to promote and contribute to cultural, social, environmental and economic development within Wales and beyond ..."). The benefits include in particular:

- (1) the promotion, support and advancement of scholarship (research, learning, knowledge, and innovation) and its transmission and dissemination across a range of different sectors (including higher education, further education, schools, industry, politicians and government, and the general public); and
- (2) the facilitation of informed debate and public and inter-sectoral interaction on a wide range of issues and subjects, with consequential improvements in public understanding of those issues and subjects, in the development of related policies, and in the health of intellectual life in general.

These benefits accord well with what is said in section D2 of the Commission's *Guidance on The Advancement of Education for the Public Benefit*, including:

"A society needs learning (knowledge about subjects) and skills and competences to tackle the many challenges of human existence";

"Education also leads to innovation and major advancements that improve the lives of everyone"; and

"Adding to the store of useful human knowledge is beneficial".

The beneficiaries of the Society's activities are the public and "society" in general (in Wales, in particular, but also more widely): its lectures, events and publications support benefit (1), above, and are normally open to all and free, with any outputs from them being made publicly available, usually through the Society's website; and its work in policy initiatives supports benefit (2), above, and is intended not only to inform debate but also to result in improved policy and provision to the benefit of all.

The Society operates on a pan-Wales basis (and may in future operate beyond Wales as well) so that benefits are not restricted by geography. Nor are there any restrictions based on charitable need, personal characteristics, or (the Fellows not being beneficiaries of the Society's activities) eligibility for Fellowship (F8). With regard to access to facilities (Guidance, F7), lectures and other events organised by the Society are ordinarily open to the public and any outputs from or reports on such events are made publicly available.

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 provided a further, unrestricted grant of £75,000 to the Society during the accounting period, 2013/14 and has also made an advance payment of £75,000 to the Society in respect of a grant for 2014/15. In addition, it provides, *pro bono*, office space and other significant infrastructure support. The Society is very grateful to the Council of the University for its far-sighted commitment to helping to bring the vision of a national academy for Wales to fruition. Having provided this support, the University has stepped away and has left the Society to conduct its business entirely independently.

During 2013/14, for the first time, the Society has also benefited from generous, unrestricted financial support for its core activities in the form of grants from Cardiff University (£43,000), Swansea University (£25,000) and Bangor University (£25,000), for which it is also most grateful.

The Society also derives some income from subscriptions charged to Fellows and from admission fees charged to newly-elected Fellows. Total subscription income payable by Fellows during 2013/14 was £44,400 and income from admission fees was £3,150. 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 more than £1,500; a grant from the South Wales Institute of Engineers Educational Trust (£4,000); and repayment from HMRC amounting to £19,006 under the Gift Aid provisions.

In addition, the Society has also received generous in-kind support from Aberystwyth University, Bangor University, Cardiff University and Swansea University, and from other organisations, including, the National Assembly for Wales, Oriel Ynys Môn, the British Academy, and the National Library of Wales, all of which have helpfully provided venues for Society events at no charge during 2013/14. Swansea University also hosts the Society's website. In addition, PricewaterhouseCoopers LLP have generously provided audit services on a *pro bono* basis.

The Society's accounts for the period from 1 August 2013 to 31 July 2014 will be presented to the Annual General Meeting on 20 May 2015. These accounts show that all but £4,000 of the Society's total incoming resources (£265,900) for the accounting period fell into the category of unrestricted funds. The Balance Sheet shows net assets amounting to £283,011 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 necessarily being built up gradually over time. This is reflected in staffing levels during 2013/14 – one full-time Chief Executive and two full-time Executive Officers, supplemented by donated support and administrative services. The extent to which its activities can be developed and to which its value to the nation can be further enhanced over the coming years will depend in large measure upon the extent to which it will be able to secure additional financial and other resources, over and above those that are already available.

The Council and the Finance Committee recognise that it is necessary to diversify the Society's income sources and that other, additional, sources of funding need to be explored as a matter of urgency, in order to enable the Society to develop its programme over the next few years. They have, accordingly, begun work on the development of a fundraising strategy and the Council has taken action to establish a Development Funding Committee. The universities in Wales and their academics are among the Society's most natural supporters and, as a first step towards achieving a more secure financial environment by diversifying the range of funding streams, the Council has decided to seek financial support from Welsh universities other than those that are already providing support. 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.

Despite its current reliance on a few sources of income, the Society has hitherto been able to conduct its business entirely independently. It will continue to do so.

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.

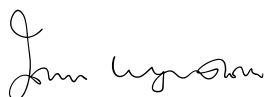
This report has been prepared in accordance with:

- the *Statement of Recommended Practice: Accounting and Reporting by Charities* (March 2005);
- Charity Commission guidance, *Charities and Public Benefit* (January 2008) and *The Advancement of Education for the Public Benefit* (December 2008); and
- the provisions of the Companies Act 2006 relating to small companies.

The report was approved by the Council on 14 January 2015 and signed on its behalf by:



Sir Emyr Jones Parry (President)



Professor John Wyn Owen (Treasurer)



Professor Peter William Halligan (Chief Executive)

Date: 14 January 2015

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 2014 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 2014;
- the statement of financial activities and the summary income and expenditure account for the year then ended; and
- 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; take advantage of the small companies' exemption in preparing the Trustees' Annual Report; 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 set out on page 13, 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
14 January 2015

The maintenance and integrity of the Learned Society of Wales's website is the responsibility of the directors; 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Financial Activities

The Learned Society of Wales
Statement of Financial Activities (including Income & Expenditure Account)
for the year ended 31 July 2014

	Notes	Unrestricted Funds 2014 £	Restricted Funds 2014 £	TOTAL FUNDS 2014 £	TOTAL FUNDS 2013 £
Statement of Financial Activities					
Incoming Resources					
Incoming Resources from Generated Funds:		-	-	-	-
Voluntary Income	2	239,285	4,000	243,285	148,569
Other Incoming Resources	3	22,615	-	22,615	1,573
Total Incoming Resources		<u>261,900</u>	<u>4,000</u>	<u>265,900</u>	<u>150,142</u>
Resources Expended					
Costs of generating voluntary funds:					
Costs of generating voluntary income		-	-	-	-
Fundraising trading		-	-	-	-
Charitable activities		92,734	4,291	97,025	78,151
Governance costs		59,873	-	59,873	44,307
Total Resources Expended	4	<u>152,607</u>	<u>4,291</u>	<u>156,898</u>	<u>122,458</u>
Net Incoming/ (Outgoing) Resources		<u>109,293</u>	<u>(291)</u>	<u>109,002</u>	<u>27,684</u>

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

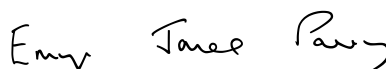
Learned Society of Wales Balance Sheet as at 31 July 2014

	Notes	2014 £	2014 £	2013 £
Fixed Assets				
Tangible Assets	8		694	1,734
Current Assets				
Debtors		35,025		56,930
Investments		-		75,000
Cash at bank and in hand		336,822		191,632
Total Current Assets			371,847	323,562
Creditors: amounts falling due within one year	9		(89,530)	(151,287)
Net Current Assets			282,317	172,275
Total Assets Less Current Liabilities			283,011	174,099
Net Assets			283,011	174,009
Unrestricted Income Funds				
General funds			279,951	170,658
Restricted Income Funds				
General funds			3,060	3,351
Total Charity Funds			283,011	174,009

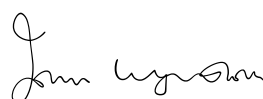
These accounts are prepared in accordance with the *Statement of Recommended Practice: Accounting and Reporting by Charities* (March 2005) and the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The accounts were approved by the Council on 14 January 2015 and signed on its behalf by:

Sir Emyr Jones Parry (President)



Professor John Wyn Owen (Treasurer)



Professor Peter William Halligan (Chief Executive)



Notes to the Accounts

Notes forming part of the Financial Statements for the year ended 31 July 2014

1 Accounting Policies

The principal accounting policies are summarised below. The accounting policies 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 and on a 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:

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.

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:

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

2	Voluntary Income	Notes	2014 £	2013 £
	Grant from the University of Wales		75,000	75,000
	Membership Subscriptions		44,400	40,425
	Grant from Cardiff University		43,000	-
	Grant from Swansea University		25,000	-
	Grant from Bangor University		25,000	-
	Donated Services	10	22,195	20,030
	Other Grants		4,000	4,000
	Membership Admission Fees		3,150	5,100
	Donations		1,540	4,014
			243,285	148,569

3	Other Incoming Resources	2014 £	2013 £
	Gift Aid	19,006	-
	Bank Interest	604	1,080
	Miscellaneous Income	3,005	493
		22,615	1,573

4	Total Resources Expended	Notes	Basis of Allocation	Events 2014 £	Publications 2014 £	Policy Initiatives 2014 £	Governance 2014 £	TOTAL 2014 £	TOTAL 2013 £
	Costs directly allocated to activities								
	Travel	5	Direct	1,630	-		2,582	4,212	3,622
	Professional charges		Direct	-	-	350	3,769	4,119	3,300
	Supplies and services		Direct	8,349	1,472	-	5,431	15,252	10,746
	Support costs allocated to activities								
	Staff costs	6	Staff time	40,859	15,322	10,215	35,751	102,147	83,335
	Administration		Staff time	6,570	2,460	1,642	5,740	16,412	8,395
	Premises		Usage	4,800	1,800	1,200	4,200	12,000	10,200
	Computing		Usage	220	80	56	2,400	2,756	2,860
	Total Resources Expended			62,428	21,134	13,463	59,873	156,898	122,458

5 Travel and Related Costs

	2014 £	2013 £
Trustees		
Travel	1,893	1,395
Accommodation	549	-
Subsistence	287	74
	<u>2,729</u>	<u>1,469</u>
Staff	950	1,810
Events: Speakers & Guests	533	343
	<u>4,212</u>	<u>3,622</u>

No members of the Council received any remuneration during the year.
Travel and related costs amounting to £2,018 were reimbursed to eighteen members of the Council.

6 Staff Costs

	2014 £	2013 £
Salaries	94,193	75,062
National Insurance contributions	7,954	8,273
	<u>102,147</u>	<u>83,335</u>

No employee received emoluments of more than £60,000.

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

	2014 Number	2013 Number
Chief Executive	1.00	1.00
Executive Officers	1.83	1.00
	<u>2.83</u>	<u>2.00</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 s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

8 Tangible Fixed Assets

	Office Equipment	Office Equipment
Cost	2014	2013
	£	£
At 1 August	4,171	4,171
Additions	-	-
At 31 July	<u>4,171</u>	<u>4,171</u>
Accumulated Depreciation	2014	2013
	£	£
At 1 August	2,437	1,397
Charge for the period	1,040	1,040
At 31 July	<u>3,477</u>	<u>2,437</u>
Net Book Value	2014	2013
	£	£
At 1 August	1,734	2,774
At 31 July	<u>694</u>	<u>1,734</u>

9 Creditors: amounts falling due within one year

	2014	2013
	£	£
Receipts in Advance	75,000	150,000
Trade Creditors	14,530	1,287
	<u>89,530</u>	<u>151,287</u>

10 Donated Services

	2014	2013
	£	£
Serviced Office Space	12,000	10,200
Venues for Meetings and Events	5,375	5,270
Computing Support	1,320	1,260
Professional Services	3,500	3,300
	<u>22,195</u>	<u>20,030</u>

11 Summary of Fund Movements.

Fund	Fund Balances brought forward £	Income £	Expenditure £	Fund Balances carried forward £
Unrestricted Funds				
General Funds	170,658	261,900	152,607	279,951
Restricted Funds				
General Funds	3,351	4,000	4,291	3,060
Total Funds	<u>174,009</u>	<u>265,900</u>	<u>156,898</u>	<u>283,011</u>



THE LEARNED SOCIETY OF WALES CYMDEITHAS DDYSGEDIG CYMRU

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

For more information about the Society, contact:

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The University Registry
King Edward VII Avenue
Cathays Park
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www.learnedsocietywales.ac.uk