



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

Report and Accounts
for the period 1 August 2011 to 31 July 2012

Registered Charity Number 1141526

Company Number 7256948

EXPERT • SCHOLARSHIP • AUTHORITY
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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 (from 23 May 2012)
Professor David Boucher (from 23 May 2012)
Sir John Cadogan
Professor Dianne Edwards
Professor Kenneth Dyson
Professor Robert Evans
Professor H Roy Evans (until 23 May 2012)
Professor The Baroness Ilorá Finlay (until 23 May 2012)
Professor Geraint H Jenkins (until 6 October 2011)
Sir Roger Jones
Sir Ronald Mason (until 23 May 2012)
Professor Susan Mendus (until 23 May 2012)
Professor Derec Llwyd Morgan (until 23 May 2012)
Professor Prys T J Morgan
Professor John Wyn Owen
Professor Roger Owen
Professor Ole Petersen (from 23 May 2012)
Professor Keith G Robbins
Professor Alan Shore (from 23 May 2012)
Professor Keith Smith
Professor Sir John Meurig Thomas
Professor M Wynn Thomas
Professor John Tucker
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 2011 to 31 July 2012) and occupied these positions on the date (16 January 2013) 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

Morgan Cole Solicitors, Park Place, Cardiff CF10 3DP

Chief Executive and Secretary (including Company Secretary)

Dr Lynn Williams

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.

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, ordinarily, Council members may serve for no more than two consecutive terms of office of no more than three years, 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 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 will be three years (to May 2013) and that of the remaining third will be four years (to May 2014). Nominations are invited from among the Fellowship as a whole to fill the vacancies thus created. The first members of the Inaugural Council to stand down under this process were replaced by six other Fellows in May 2012, further to an election held in the Spring of that year.

Members of Council and other Fellows have been asked to provide a list of their skills and expertise which can therefore 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 on 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 received 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 receive specific training on their responsibilities under the Charity Act and as Directors, and are provided with copies of relevant documentation. The members of the Inaugural Council have wide experience of governance and matters relating to the administration of charities and, as Founding Fellows, they 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 is Sir John Cadogan CBE DSc FRSE FRSC PLSW FRS, who was elected by the Fellows prior to incorporation. The Society's Regulations provide for other Officers to be appointed by and from among the members of the Council.

Other Officers

The Council has decided that four Officers should be appointed, in addition to the President:

Vice-Presidents:	Professor Dianne Edwards; and Professor M Wynn Thomas
Treasurer:	Sir Roger Jones (who stood down in May 2012, to be succeeded by Professor John Wyn Owen)
General Secretary:	Professor John Tucker

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)
- **the Arts, Humanities and Social Sciences** (Professor Wynn Thomas)

Committees

The Council has established three Committees to support it in its work and 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 Geraint Jenkins (resigned, 6 October 2012); Professor Prys Morgan; and Professor Keith Robbins;
- 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 John Wyn Owen; and Professor Robin Williams; Professor Vernon Morgan, a Fellow who is not a member of the Council, was co-opted to serve as a member of the Committee on 6 July 2011;
- the **Nominations Committee**: the President 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; and Professor M Wynn Thomas.

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

Related Parties

The Society is a fully independent organisation but pursues constructive interaction with representatives 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, the University of Wales (which has generously provided valuable pump-priming funding and other support to the Society on a “no strings” basis) and the other Welsh universities. 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 major risks facing the Society and approved a risk register and identified procedures and systems to manage and mitigate such risks as had been identified. The risk register will be reviewed and updated at least annually.

Objectives and Activities, Achievements and Performance

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.

The Society’s guiding ethos is *Celebrating Scholarship and Serving the Nation*: as well as 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, its purpose is also to harness and channel the nation’s talent, as embodied in its Fellows, for the benefit, primarily, of Wales and its people.

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 provide a representative and independent voice for all of the scholarly disciplines and to provide an independent forum for informed debate on all scientific, social and cultural subjects;
7. 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;
8. 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;
9. 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

Background: the Society's establishment

The Learned Society of Wales is Wales's first national scholarly academy and its establishment in May 2010 marked an important development in the intellectual and cultural life of the country. The establishment of such an organisation had been a subject of interest and discussion in Wales for some years before then. But the idea was taken forward in a practical way only in 2008 when a group of independent scholars, representing the major academic disciplines, came together in a wholly spontaneous and voluntary initiative to address and make good the lack of a national academy in Wales. They established themselves into a Shadow Council for what they decided should become The Learned Society of Wales. Sir John Cadogan was elected by the Founding Fellows to be the Society's Inaugural President in February 2010 and, having operated in shadow form for some months before then, on 18 May of that year, with the support of the Welsh Assembly Government, the Society was established on a formal basis, through its incorporation as a company limited by guarantee. It was formally launched during a ceremony held in the National Museum, Cardiff, on 25 May 2010. The Society was accorded Registered Charity status on 19 April 2011.

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.

Its 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 2014/15, to have developed 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 2010/11, the Learned Society of Wales has continued to take important steps towards fulfilling this aim and has enjoyed an encouraging second year.

The focus of the Society's work during 2011/12

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 2011/12:

- 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. Lecture Series that have so far been launched are:

Frontiers - a lecture series in which distinguished academics are invited to speak about the frontiers of research and to place their own contributions in context; and

Anniversaries - a series of lectures, each associated with an anniversary, often marking people or achievements that have connections to Wales.

The following Themes have also been approved: *Invention, Innovation and Change; The Universities; Energy; The History of Science and Technology; Patronage; and Welsh Civil Society.*

The following events were organised during 2011/12.

27 October 2011 at Cardiff University

Stability and Complexity in Model Banking Systems, a lecture by Professor Lord May of Oxford OM AC Kt FRS, Oxford University, President of the Royal Society 2000-2005, arising from recent banking crises and examining the increasingly complex strategies for managing risk in individual banks and investment funds and the implications for overall systemic risks

1 November 2011 at Swansea University

Forty Years of Software Engineering, a lecture by Professor Brian Randell DSc FBCS FLSW, Emeritus Professor of Computing Science and Senior Research Investigator, Newcastle University, the first in a series of lectures at Swansea University by distinguished computer scientists; organised in association with the South Wales Branch of the British Computer Society

1 December 2011 at Cardiff University

The Genius of Michael Faraday, a lecture by Professor Sir John Meurig Thomas DSc ScD FLSW FRS, Cambridge University; organised by the Society in association with the Royal Society of Chemistry, as part of the International Year of Chemistry

2 December 2011 at Swansea University

William Grove: Wales's Most famous Scientist?, an *Anniversaries* lecture by Professor Sir John Meurig Thomas DSc ScD FLSW FRS, Cambridge University, celebrating the bicentenary of the birth of the "father of the fuel cell"; organised by the Society in association with the Royal Society of Chemistry, as part of the International Year of Chemistry

7 December 2011 to 2 May 2012 at the Pierhead Building, Cardiff Bay, and Cardiff University

Reforming European Economic Governance: Implications for the United Kingdom and Wales, a series of six events considering the implications of the major and evolving changes in European economic governance in the context of the largest financial and economic crisis since the 1930s, with speakers drawn from the UK and Welsh governments and private sectors, from EU institutions, from other Member States, and from academia; sponsored by the European Commission and the School of European Studies at Cardiff University; organised by Professor Kenneth Dyson AcSS FRHistS FLSW FBA, Professor Alistair Cole FRHistS AcSS FLSW *et al* in association with the Society

Individual events within the Reforming European Economic Governance series:

- A Federal Europe in the Making? Europe 2020, the European Semester, and the Euro Plus Pact (half-day conference, 7 December 2011)
- Managing Sovereign Debt Crisis in Europe (round-table meeting, 1 February 2012)
- Banking Crisis in Europe: Systemic Risk and Financial Stability (round-table, 22 February 2012)
- Social Europe: Scorched Earth or Fertile Ground? (round-table meeting, 7 March 2012)
- The Single Market in the Evolving European Economic Crisis: Opportunity, Constraint, Threat? (round-table meeting, 28 March 2012)
- Engaging with the New European Economic Governance Architecture (half-day conference, 2 May 2012)

7 March 2012 in Bangor University

Dylunio Bloodhound SSC, a Welsh-medium lecture, with simultaneous translation into English, on Designing the Bloodhound supersonic car, by Professor Kenneth Morgan FREng FLSW; organised by the Society in association with the School of Electronic Engineering at Bangor and the Institute of Physics (Wales)

26 March 2012 in Cardiff University

From Here to Infinity, a lecture (the 52nd William Menelaus Memorial Lecture) by Lord Rees of Ludlow OM Hon FREng FRS; organised by the South Wales Institute of Engineers Educational Trust (SWIET2007) in association with the Society

17 April 2012 in Cardiff University

Back to the Big Bang, the Large Hadron Collider, a Frontiers lecture by Professor Lyn Evans CBE FLSW FRS (CERN), given as part of the Welsh Institute of Mathematical and Computational Sciences (WIMCS) Meeting on Noncommutative Geometry at Cardiff University; funded by WIMCS, the Isaac Newton Institute for Mathematical Sciences, Cambridge, and Oxford University Press, and organised in association with the Society

18 April 2012 in Cardiff University

The spectral point of view on Geometry and Physics, a Frontiers lecture by Professor Alain Connes (College de France, IHES and Vanderbilt), given as part of the Welsh Institute of Mathematical and Computational Sciences (WIMCS) Meeting on Noncommutative Geometry at Cardiff University; funded by WIMCS, the Isaac Newton Institute for Mathematical Sciences, Cambridge, and Oxford University Press, and organised in association with the Society

20 April 2012 in St Donat's Arts Centre, St Donat's Castle, Llantwit Major

The Prince of Welsh Romantics: Iolo Morganwg and his legacy, a lecture on the founder of the Gorsedd by Professor Geraint Jenkins FLSW; organised by the Society in partnership with Atlantic College and with Eisteddfod Genedlaethol Bro Morgannwg as part of the build-up to the Vale of Glamorgan National Eisteddfod in August 2012

10 May 2012 in Theatr y Drwm, National Library of Wales, Aberystwyth

Saunders Lewis: Ein Theatr Heddiw, a Welsh-medium lecture, with simultaneous translation into English, by Professor Tudur Hallam (Academi Hywel Teifi, Swansea University), on the state of contemporary Welsh theatre and the relevance to it of the dramatic works of Saunders Lewis; organised by Cronfa Goffa Saunders Lewis, in association with Academi Hywel Teifi, the National Library of Wales and the Society

15 May 2012 in Cardiff University

Building a Stronger Innovation Culture: The Benefits for Universities, business and the Economy in Engaging in Innovation and Enterprise, an Invention, Innovation and Change lecture by Professor Sir Christopher Snowden FRS FREng FIET FIEEE FCGI (Vice-Chancellor of the University of Surrey); organised by the School of Engineering, Cardiff University, in association with the Society

24 – 26 May 2012, in Chapter Arts Centre, Cardiff

Poetry under Pressure: a discussion of cultural policy, poetry and censorship and poetry translation, together with readings by two German poets, Uwe Kolbe and Richard Pietraß; organised by the German section of the School of European Languages, Translation and Politics (EUROP) at Cardiff University, in association with the Society

31 May 2012, Cardiff University

Language Based Area Studies: Challenges and Perspectives: an Event to Launch the Wales Doctoral Training Centre's Pathway in Language Based Area Studies; organised by the School of European Languages, Translation and Politics (EUROP) at Cardiff University, and the Department of Politics and Cultural Studies at Swansea University, in association with the Society

11 June Swansea University

Information Visualization for Knowledge Discovery: an Invention, Innovation and Change lecture by Professor Ben Shneiderman, Professor for Computer Science at the Human-Computer Interaction Laboratory at the University of Maryland; organised in association with the Department of Computer Science at Swansea University

15 June Cardiff University

A Celebration of Organic Chemistry: a symposium, showcasing the very best in Organic Chemistry and featuring lectures by two Nobel Laureates and an RSC Prize Winner; organised in association with the Royal Society of Chemistry (RSC) and hosted by Professor Keith Smith FLSW of the School of Chemistry, Cardiff University

22 June 2012 in the National Waterfront Museum, Swansea

Dillwyn Day: Science Culture, Society: a one-day *History of Science and Technology* symposium celebrating the legacy and contribution of the Dillwyn family to culture, science and society, and considering William Dillwyn's contribution to the anti-Slavery movement, the pioneering work in early photography of John Dillwyn Llewellyn and Mary Dillwyn, the life and literature of Amy Dillwyn (author and female industrialist), the Dillwyns and Victorian Science, and Lewis Llewelyn Dillwyn in the context of Liberal politics and Cymru Fydd; organised in association with the Centre for Research into the English Literature and Language of Wales, Swansea University

28 June 2012, Cardiff University

Mapping the Miracle: Gerard Manley Hopkins and the Psychocartography of Welsh Space: a *Frontiers* lecture by Professor Damian Walford Davies of Aberystwyth University, organised in association with the University of Wales Press and Cardiff University

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 proposes to engage. These include: higher education funding and policy; research funding and policy; science policy including the environment and energy; cultural policy; social policy, including social cohesion and exclusion; and economic policy.

The Funding Gap: Welsh Assembly Government support for the Welsh universities

On 1 March 2011, the Council had issued a paper commenting on the Funding Gap (available on our website: <http://learnedsocietymwales.ac.uk/node/62>). This addressed the question of policy on university funding in

Wales and showed that, although the Welsh Government has a devolved duty to nourish the infrastructure of Wales's universities so that they are fit for purpose, it had been Government policy over the previous decade to underfund Welsh universities compared with those in England and Scotland and that the cumulative funding gap between Wales and England over the ten years 2000 to 2009 was more than £360 million and that between Wales and Scotland was more than £1 billion. The paper, which is also available on the Society's website (<http://learnedsocietywales.ac.uk/node/283>), was circulated widely and covered by the Welsh media.

The Society believes that this issue is of immense importance for Wales and that such underfunding undermines the sustainability of Wales's dominant knowledge base. It has pointed out that:

- not surprisingly, given the figures identified, on most indicators the Welsh universities were not performing well compared with those elsewhere in the UK and worldwide;
- underfunding of the universities was damaging to the Welsh economy because the negative impact on Wales's science, engineering and technology base made the country less attractive to industry and commerce, particularly from the high technology sector.

During 2011/12, the Society continued to take forward the argument for a more appropriate level of university funding – one that truly abolishes the Funding Gap - and, on 18 October 2011, it published *The Funding Gap*, its correspondence with the Minister for Education and Skills, Leighton Andrews AM, about the funding of the Welsh Universities (<http://learnedsocietywales.ac.uk/node/283>).

Science Policy

During the autumn of 2011, the Society was invited to provide comments on a draft of *Science for Wales: a strategic agenda for science in Wales* that had been issued by the Office of the Chief Scientific Adviser (CSA). Further to consultation with members of Council, on behalf of the Society, the President submitted comments personally to the CSA. The final version of the document, which took some account of the comments that had been submitted by the Society, was published by the Welsh Government on 12 March 2012.

Research Funding Policy

On 21 January 2012, further to discussion of the issue by the Council, the President wrote to the Rt Hon David Willetts MP, Minister of State for Universities and Science, to express concerns about recent policy changes introduced by the Engineering and Physical Sciences Research Council (EPSRC) under the title "Shaping Capability" and, in particular, about the new requirement that applicants for EPSRC grants "will have to clearly identify the national importance of their proposed research project, over a 10-50 year time frame". These concerns echoed those which had been expressed by a large number of academics from across the United Kingdom.

The Arts, Humanities and Social Sciences

Consideration is being given to making the particular financial difficulties now facing the Arts, Humanities and Social Sciences the subject of the Society's next programme of action.

Publications

The Society maintains a website 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. These were:

- the Funding Gap: correspondence with the Minister for Education and Skills, Leighton Andrews AM, about the funding of the Welsh Universities(18 October 2011);
- the Society's Report and Accounts for the period 18 May 2010 (the date of Incorporation) to 31 July 2011 (1 February 2012)
- the President's Third Annual Address (23 May 2012).

Some of these publications were also issued in printed format.

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 early stages of the Society's development. During the year, its Officers met with a range of Welsh Government and other politicians and senior civil servants and further meetings are planned with politicians of all political parties.

The Society has already established links with a number of other learned societies, including The Royal Society, the British Academy, the Royal Academy of Engineering, and the Royal Society of Edinburgh, as well as subject-specific learned societies such as the Royal Society of Chemistry, the Royal Historical Society, the British Computer Society and the Institute of Physics. Further such links (including international links) will be developed as the Society's Fellowship base and activities expand.

The majority of the Society's Fellows are based in or have links with the universities in Wales. As indicated above, its interaction with the Welsh higher education sector is therefore particularly fruitful and important in helping to facilitate the achievement of the Society's aims. In addition to its links with the University of Wales (see Financial Review, below), the Society has continued to build links with the other Welsh Universities, including Cardiff, Aberystwyth, Bangor and Swansea Universities, which have provided venues for or otherwise supported Society events; other events are planned for each of the other Universities in due course. Meetings have been held with Vice-Chancellors and other officers and staff of the Universities and with their representative bodies, Higher Education Wales (HEW) and the Chairs of Higher Education Wales (CHEW).

Looking beyond cognate learned societies and the Welsh Universities, the Society is already working, or expects to work in future, with a wide range of other organisations including: other national organisations in Wales – *inter alia*, the National Library, the National Museum, the National Eisteddfod, and the Institute of Welsh Affairs; the UK Research Councils; UK Government departments; the European Commission; the Office of HRH The Prince of Wales; and other charities such as the South Wales Institute of Engineers Educational Trust, the Leverhulme Trust and the National Trust.

Expanding the Fellowship: the Inaugural Election Cycle 2010/11

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 could 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 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.

During the Inaugural Election in 2010/11, 119 new Fellows were elected, to add to the list of Founding Fellows – those people who had come together in a spontaneous and voluntary initiative to establish the Society. A further 119 Fellows were elected during the Inaugural Election of new Fellows in 2010/11. During the second Election in 2011/12, 73 more Fellows were elected, so that the total number of Fellows then stood at 250. The Society has been strengthened considerably by these two annual elections which are the first stages in a rolling process towards the building of a strong, representative Fellowship.

How the Society's activities deliver public benefit

As is required under the terms of the Act, 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 Charities Act 2006 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 two years of existence (2010/11 and 2011/12) have been made possible by generous pump-priming support from the University of Wales. The University committed to provide a grant over the three-year period from 2009/10 to the end of 2011/12 in the first instance, and is also providing office space and other significant infrastructure support. The total value of the grant provided by the University of Wales to the Society during the accounting period, 2011/12, was £65,759. Without this help, it would not have been possible to establish the Society, let alone make the progress that has so far been achieved in developing its programme of work. 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.

The Society received grants from the Royal Society of Chemistry (£1,000) and the South Wales Institute of Engineers Educational Trust (£3,000), for which it is most grateful.

The Society has also benefited from generous in-kind support from other organisations. These include Cardiff, Swansea and Bangor Universities, which have helpfully provided venues for Society events at no charge during 2011/12. Swansea University also hosts the Society's website.

The Society derives some income from subscriptions charged to Fellows and from admission fees charged to newly-elected Fellows. Total subscription income payable by Fellows for 2011/12 was £31,200 and income from admission fees payable by the Fellows who were newly-elected during the year was £5,475. Over and above the income received from subscriptions and admission fees, during the year, further to an invitation issued by the President to subscribe to a Fellows' Appeal Fund, the Society received from Fellows generous donations amounting to a total of £13,655.

The Society's accounts for the period from 1 August to 31 July 2012 will be presented to the Annual General Meeting on 22 May 2013. These accounts show that all but £4,000 of the Society's total incoming resources (£144,326) for the accounting period fell into the category of unrestricted funds. The Balance Sheet shows net assets amounting to £146,326 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. This is reflected in staffing levels during 2011/12 – one full-time Chief Executive (for the whole of the period) and one full-time Executive Officer (from December 2011), supplemented by donated support and administrative services.

The Council has recognised 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. The Finance Committee has begun work on the development of a fundraising strategy.

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 set out 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 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 16 January 2013 and signed on its behalf by:

Sir John Ivan George Cadogan (President)

Professor John Wyn Owen (Treasurer)

Dr Lynn Eden Williams (Chief Executive and Secretary)

Date: 16 January 2013

Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE LEARNED SOCIETY OF WALES

We have audited the financial statements of The Learned Society of Wales for the period ended 31 July 2012 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. 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).

Respective responsibilities of trustees and auditors

As explained more fully in the Council's Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 International Standards on Auditing (UK and 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 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.

Scope of the audit of the financial statements

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 charitable 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 annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

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

Statement of Financial Activities

The Learned Society of Wales
Statement of Financial Activities (including Income & Expenditure Account)
for the year ended 31 July 2012 (fifteen month period ending 31 July 2011)

	Notes	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Endowment Funds 2012 £	TOTAL FUNDS 2012 £	TOTAL FUNDS 2011 £
Statement of Financial Activities						
Incoming Resources						
Incoming Resources from Generated Funds:		-	-	-	-	-
Voluntary Income	2	139,550	4,000	-	143,550	216,584
Other Incoming Resources	3	776	-	-	776	255
Total Incoming Resources		140,326	4,000	-	144,326	216,839
Resources Expended						
Resources Expended						
Costs of generating voluntary funds:						
Costs of generating voluntary income		-	-	-	-	
Fundraising trading		-	-	-	-	
Charitable activities		67,093	2,150	-	69,243	65,302
Governance costs		45,421	-	-	45,421	34,873
Total Resources Expended	4	112,514	2,150	-	114,664	100,175
Net Incoming Resources		27,812	1,850	-	29,662	116,664

All incoming resources and resources expended derive from continuing operations.

Balance Sheet

Learned Society of Wales

Balance Sheet as at 31 July 2012

	Notes	2012 £	2012 £	2011 £
Fixed Assets				
Tangible Assets	8		2,774	3,817
Current Assets				
Debtors		22,173		19,275
Cash at bank and in hand		143,783		103,007
		<u>165,956</u>		122,282
Creditors: amounts falling due within one year	9	(22,404)		(9,435)
			<u>143,552</u>	<u>112,847</u>
Net Current Assets				
Net Assets				
			<u>146,326</u>	<u>116,664</u>
Unrestricted Funds				
General funds			144,476	116,664
Restricted Funds				
General funds			1,850	
Total Funds				
			<u>146,326</u>	<u>116,664</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 16 January 2013 and signed on its behalf by:

Sir John Ivan George Cadogan (President)

Professor John Wyn Owen (Treasurer)

Dr Lynn Eden Williams (Chief Executive and Secretary)

Notes to the Accounts

Notes forming part of the Financial Statements for the year ended 31 July 2012

1 Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and throughout the preceding fifteen 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 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

(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	2012	2011
			£	£
	Grant from the University of Wales		65,759	124,795
	Other Grants		4,000	-
	Donated Services	10	23,462	47,714
	Membership Subscriptions		31,200	22,800
	Membership Admission Fees		5,475	8,925
	Donations		13,655	12,350
			143,551	216,584

3	Other Incoming Resources		£	£
	Bank Interest		43	-
	Miscellaneous Income		733	255
			776	255

4 Total Resources Expended

	Notes	Basis of Allocation	Events	Publications	Policy Initiatives	Governance	TOTAL 2012	TOTAL 2011
			£	£	£	£	£	£
Costs directly allocated to activities								
Travel	5	Direct	1,212	-	-	2,191	3,403	6,700
Professional charges		Direct	-	-	-	7,273	7,273	4,588
Supplies and services		Direct	8,255	400	250	2,268	11,173	13,478
Support costs allocated to activities								
Staff costs	6	Staff time	28,815	10,805	7,205	25,213	72,038	25,144
Administration		Staff time	3,546	1,329	886	3,102	8,863	37,250
Premises		Usage	3,840	1,440	960	3,360	9,600	10,532
Computing		Usage	185	70	46	2,014	2,315	2,483
Total Resources Expended			45,853	14,044	9,347	45,421	114,665	100,175

5 Travel and Related Costs

	2012	2011
	£	£
Trustees		
Travel	1,327	1,742
Accommodation	-	80
Subsistence	123	196
	1,450	2,018
Staff	1,121	1,449
Events: Speakers & Guests	832	3,233
	3,403	6,700

No members of the Council received any remuneration during the year.
Travel and related costs amounting to £2,018 were reimbursed to 7 members of the Council.

6 Staff Costs

	£	£
Salaries	64,907	22,500
National Insurance contributions	7,130	2,644
	72,037	25,144

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:

	2012	2011
	Number	Number
Chief Executive	1.0	0.4
Executive Officer	0.66	-
	1.66	0.4

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 2012	Office Equipment 2011
Cost		
	£	£
At 1 August 2011	4,171	-
Additions	-	4,171
At 31 July 2012	4,171	4,171

Accumulated Depreciation

	£	£
At 1 August 2011	354	-
Charge for the period	1,043	354
At 31 July 2012	1,397	354

Net Book Value

	£	£
At 1 August 2011	3,817	-
At 31 July 2012	2,774	3,817

9 Creditors: amounts falling due within one year

	£	£
Receipts in Advance	20,916	9,210
Trade Creditors	1,488	225
	22,404	9,435

10 Donated Services

	£	£
Seconded Staff	4,242	33,379
Serviced Office Space	9,600	10,500
Computing Support	1,200	900
Venues for Meetings and Events	5,420	2,935
Professional Services	3,000	-
	23,462	47,714



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

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

**For more information about the Society,
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