



The Learned Society of Wales

**Trustees' Report and Unaudited Financial Statements
for the year ended 31 July 2023**

Registered Charity Number 1168622



THE LEARNED SOCIETY OF WALES
CYMDEITHAS DDYSGEDIG CYMRU

The Learned Society of Wales

(a registered charity)

Trustees' Report and Unaudited Financial Statements for the year ended 31 July 2023

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**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023**

President's welcome

I am delighted to introduce this year's Annual Review, reflecting on a year that was about making connections.

The links we have with our fellow academies in Scotland and Ireland, through the Celtic Academies Alliance, are vital in extending our influence. As for our relationships with academies in Europe, we were delighted to be involved in organising the ALLEA annual conference which came to London this year. Work like this ensures that Wales' voice is heard beyond our borders.

Within Wales we continue to have excellent relations with all our universities. I thank them for their support of the Society.

On the individual level, it was fabulous to meet face-to-face with Fellows at our annual dinner and AGM, in-person events for the first time since the pandemic. It was wonderful to meet so many new Fellows. The new intake included more than 50% women for the first time, as we start to make good on our strengthened diversity, equity and inclusion commitments.

The role we play as a national academy that has come of age was recognised in the agreement we reached with HEFCW. The agreement with its long-term support will allow us to deliver our newly launched five-year strategy.

A centrepiece of that strategy is our Early Career Researchers Network. Its growing strength was shown at its inaugural colloquium, in Swansea in July. In developing our future researchers and making Wales a great place to do research, the Society is carving out a valuable role in Welsh academic life.

None of this would be possible without the sterling efforts of our staff team, led by Chief Executive Olivia Harrison. They drive the Society and are pivotal to its progress. I offer them my heartfelt thanks.

Chief Executive's Review of the Year

I am proud to introduce an annual report that documents a year of hard work and a year full of firsts:

- The first time our intake of new Fellows included 50% women.
- Our first in-person Early Career Research network conference
- The first signing of a memorandum of understanding with the Higher Education Funding Council for Wales, which secures the funding we need to play a full role as a national academy.

These achievements are significant. They have helped us to increase our profile. We have worked hard to increase our visibility, with events small and large. These range from arranging a meeting in Edinburgh between the First Minister and our partner academies to sponsoring a purple plaque in Brecon to commemorate Frances Hoggan.

This Annual Review offers a snapshot of our activity, from shaping policy, to developing early career researchers, to making the Society a more diverse and inclusive organisation.

None of this would be possible without the support of a fantastic staff team and the many Fellows, with their vast expertise, on our Council and Committees. LSW Fellows increasingly contribute to our policy work and our programmes that support researcher development. We look forward to their continued involvement in the year ahead.

THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023

The Year's activities

This will be a direct copy of pages 8 – 23 of our already published annual review: [LSW Annual Review 2022-23](#)
([learnedsociety.wales](#))

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023**

Objectives and Charity Details

The Society's charitable object is: "for the benefit of the community, to advance education, learning, academic study and knowledge, so as to result in contributing to scientific, cultural, social, environmental and economic development within Wales and beyond."

Our main aims are to:

- celebrate and recognise excellence in all scholarly disciplines and more widely
- champion excellent research and researchers, catalyse ambition and inspire researchers, youth and society more generally
- promote the advancement of learning, scholarship and education and their dissemination and application
- act as an independent source of expert advice and to influence public discussion on matters affecting the research, scholarship, economy, languages and well-being of Wales and its people

We have furthered our legal purpose by achieving these aims through the delivery of the activities undertaken above. Our Council agree on a programme of activities that they deem to be appropriate for achieving our aims. Success is assessed based on the most appropriate criteria for the activity e.g. feedback from event attendees. Stakeholder surveys are undertaken and ultimately success is defined by a willingness to engage and fund future activities by Fellows, the Welsh universities and the Higher Education Funding Council for Wales (HEFCW).

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Administrative details

Charity Name:

The Learned Society of Wales

Welsh name of Charity:

Cymdeithas Ddysgedig Cymru

Charity Registration Number:

1168622

Principal Office and operational address:

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

Website:

www.learnedsociety.wales/
www.cymdeithasddysgedig.cymru

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023**

Independent Financial Examiners:

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bankers:

HSBC (UK) Limited
56 Queen Street
Cardiff CF10 2PX

Chief Executive

Olivia Harrison

Acting Clerk

Dr Haydee Guadalupe Martinez Zavala

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023**

Structure, Governance and Management

The Society was incorporated as a Royal Charter Charity in 2015 (Registered Charity Number: 1168622). Our current governing documents are the Royal Charter and Bye-laws. These, along with the Society's Regulations, constitute our governing instruments.

The members of the Society are its Fellows, who are elected by existing Fellows in an annual process (see page x for a list of those elected in 2022). There are currently nearly 680 Fellows. The Society holds an Annual General Meeting, which is open to all Fellows and includes the presentation and adoption of the independently examined accounts.

Council

The Society's governing body is the Council. It determines the charity's strategy and activities, ensures the effective and efficient use of its resources, and oversees its financial affairs in line with legal and regulatory requirements. Members of the Council are the Society's trustees for the purpose of charity law.

The Council has 18 members, all of whom are Fellows of the Society. Regulations ensure a balance of members from the three categories of Fellows:

- Humanities, Arts and Social Sciences
- Science, Technology, Engineering, Mathematics and Medicine
- Business, Public Service and Public Engagement

When a vacancy arises, any Fellow may apply to join Council. The applicants' names and personal statements of skills and expertise are then put to a vote of the Fellowship. The term of office is three years, renewable for a further three years. After serving two terms, Fellows may not apply again until at least one year has elapsed.

The Society keeps a register of interests for all Council members and staff, and Council members are required to adhere to the Society's Code of Conduct. All members of Council give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in the Accounts.

Trustee induction and information

Throughout the year, Council members receive regular relevant information and, where necessary, guidance on their responsibilities under the Charities Act 2011. Governance matters are discussed as a standard item on Council meeting agendas. Council members are provided with copies of all relevant documentation to help them fulfil their responsibilities. They have wide experience of governance and the administration of charities, and all are familiar with the Society's charitable objects, strategy and activities.

Committees of Council

The Society's Royal Charter gives Council the power to create governance committees. The current committees are the Executive Committee, General Purposes Committee, Finance Committee, Fellowship Committee, Governance Oversight Committee and Human Resources Committee. Committee members are listed on the Society's website.

In addition to their regular work overseeing the Society's strategy, activities and finances further work was undertaken by the Council and the Executive prior to the launch of the new Strategy in May 2023 with a Council Away Day in November 2022. The Regulations were also reviewed and we commenced implementation of the actions from the Governance Effectiveness Review.

The Society maintains a Scheme of Delegation which is formally approved by the Council annually to direct decision-making, for example identifying which decisions are taken by the charity's trustees and which are delegated to staff.

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023**

Risk management

The Society actively monitors and seeks to mitigate five main types of risk: staffing, operational, reputational, financial and governance. Council maintains overall responsibility for ensuring that the risk management processes are adequate and effective, with certain areas of risk delegated for review by appropriate committees.

Principal risks and uncertainties facing the Society

A description of the principal risks and uncertainties facing the Society, as identified by the charity trustees, together with a summary of the plans and strategies for managing those risks is shown below:

Principal Risk	Mitigations
The Governance structure fails to provide the right level and diversification of expertise to make decisions and run the Society effectively.	Oversight of election process by Officers and other Council members. Clear role descriptions for Officers and Council members. Governance Effectiveness Review being implemented. Continue to enable willing Fellows to contribute to the Society's work. Provide induction and ongoing training and workshops from appropriate sources.
The Society does not deliver against its mission and strategy.	Strategic Plan and financial planning (including annual budget). Financial planning processes in place, including regular reviews of performance to budget. The Society has a system of committees that report to Council and are responsible for key areas of the Society's work. Regular meetings of the Officers and regular communication from the Officers to Council. Annual review of the Strategic Plan and the Society's priorities.
Employees; Talented staff are not recruited, developed and retained.	A salary benchmarking exercise using the UWTSD pay scales is in place. Bespoke training programme in place for all staff
Financial sustainability: Funding is reduced or remains static having a negative impact on the Society's ability to achieve its objectives. A reduction of income could be due to a reduction in funding from institutions and members.	Strengthen existing relations and develop new relationships, seeking to secure additional funding and diversify sources of funding. Improved arrangements for financial planning and closer link between annual budgets and organisational strategy. Continuous review of funding context and income streams and regular reporting to Council.
Diversity: Narrow representation due to lack of diversity in the Fellowship, Council and grant applicants.	Active agenda to positively influence and encourage engagement from underrepresented groups.

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023**

	Unconscious bias training provided to those in positions to make decisions. Continual consideration and engagement with experts in relevant fields.
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Staffing levels

The Society’s level of staffing remains small in comparison to other UK national academies, but is growing as grant support and the staff needed to deliver the associated activities increases. During the year the main staff team comprised the Chief Executive, Clerk, Policy and Public Affairs Manager, Communications Officer, Fellowship Officer, Finance Officer, Team Support Assistant and the Researcher Development Programme Manager and Officer. The Chief Executive is the charity’s sole member of **key management personnel**. The team comprised 5 full-time and 4 part-time staff members (in total there are 7.9 full-time equivalent posts). Salaries for staff are paid using the University of Wales pay scale.

The charity has a dormant company The Learned Society of Wales which was incorporated on 18 May 2010 Company Number 7256948.

Relationship with other charities

Whilst the Society is not affiliated to a wider network or umbrella group, and therefore the Society’s Council decide on the operating policies adopted by the charity, the staff team work closely with other National Academies and Learned Societies to ensure best practice is shared with the Council. Where the Society has relationships with other charities, for example SWIEET, shared charitable objectives are agreed in the delivery of activities.

Financial Investments

The Society maintains an Investment Policy which has been approved by Council that determines investment strategy and oversee the performance of the Society’s investments. This policy is set in the context of a modest investment portfolio. The aim in managing that portfolio is to maximise the return to the Society and minimise the possibility of a conflict between our objectives as a charity and our choice of investments. The primary objective is to produce income, and the secondary objective to produce capital growth.

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023**

Financial Review

This was another positive year for the Society's finances, and we were pleased to retain the support of all the universities in Wales. Their financial recognition of our role as the national academy enabled us to carry out all our planned activities.

The critical role that research plays in helping Wales thrive was recognised in a new agreement signed this year between the Learned Society of Wales (LSW) and the Higher Education Funding Council for Wales (HEFCW). LSW was awarded £171,959, an increase of nearly £70k on last year's award, to continue our partnership to develop a national support scheme for researcher development.

This puts our partnership with HEFCW on a longer-term footing and provides us with increasing, ongoing funding. The agreement will help us achieve strategic aims, which align with HEFCW's Research and Innovation Vision for Wales.

The Society achieved a reported a £20,710 (before losses on investments) during the year, consisting of an unrestricted deficit of £7,847 and a restricted deficit of £12,863. The overspend was budgeted for in 2021/22 as a large amount of programme spend took place in August 2022 in line with the HEFCW funding period. The Society had income of £548,871 and expenditure of £569,581. The balance sheet shows that we carried forward a total fund of £440,679 at the end of the period consisting of unrestricted funds of £425,248 and restricted funds of £14,897.

Throughout the year, our Council and Finance Committee played an active role in the Society's budgeting, financial management and investment policies.

Income

Our total income was £548,871, up from £380,401 the previous year. Universities continued to provide our largest income source, with their combined grants total of £199,500. Our Fellows' admission and subscription fees this year amounted to £87,204. HEFCW provided a grant of £171,959. Gift aid received totalled £8,884.

The University of Wales Trinity Saint David continues to provide the Society with generous in-kind support, including office space, payroll and IT services.

Sources of Income

Grants from Universities 35%
Other Grants 39%
Membership Fees 16%
Donated Services 4%
Investments 2%
Donations & Sundry 4%

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023**

Expenditure

Total expenditure this year was £569,581. Our expenditure on activities (for example, events, roundtables, developing our Fellowship, awarding Medals and the ECR Network) was £400,815 (70% of spending). Our other main categories of expenditure were public policy development (£74,525 – 13%), publications (£65,780 12%) and governance (£28,461– 5%).

Reserves

On 31 July 2023, the Society held free reserves of £422,287 (2022: £435,521). Our reserves policy remained unchanged during the year. We retain sufficient unrestricted funds to cover at least six months of our core costs (£227,500), ensuring we can cover any sudden increase in expenses, one-time unbudgeted expenses, or unanticipated loss in funding. Our use of investment funds and fixed-return savings accounts helped produce a modest additional income stream for re-investment.

Future developments

This year saw the launch of our new five year strategy, which came in to effect in May 2023 and will run up to 2028.

At the core of it are our Fellows, leaders and experts from higher education and civic life, all with a link to Wales. Their connections, expertise and experience are central to the new strategy and to the LSW's aim of ensuring that research in Wales contributes to a thriving nation, capable of meeting local and global challenges.

The strategy was written over several months, led by our Council and with significant contributions from many of our Fellows and the Society's staff. It was developed in conjunction with our 2023-24 funding agreement with HEFCW, which will provide the resources to contribute towards the delivery of the strategy's key priorities. Funding was agreed with HEFCW for 2023-24 of £275,000 unrestricted core funding.

A series of action plans accompany the new strategy. These list the range of activities the Society will concentrate on over the next few years.

These include:

- working with government, industry, public sector organisations and others, to increase policymakers' understanding of the importance of excellent research.
- using the Society's Fellows to support the next generations of researchers, by promoting collaboration between them at all career stages and in all sectors.
- improving the Society's record on diversity, equity, and inclusion, to create a welcoming and inclusive organisation in which under-represented groups have a voice.

The Society's full financial statements have been independently examined.

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2023**

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed/constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Professor Hywel Thomas (President)

Professor Terry Threadgold (Treasurer)

Date

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF THE LEARNED SOCIETY OF WALES**

I report to the trustees on my examination of the accounts of The Learned Society of Wales (the charity) for the year ended 31 July 2023 which are set out on pages 12 to 29.

Responsibilities and basis of report

As the trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulation but has now been withdrawn.

I understand that this has been done in order for financial statement to provide a true and fair view in accordance with generally Accepted Accounting Practice effective for reporting period beginning on or after 1 January 2015.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Joanne Taylor FCCA DChA
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date:

THE LEARNED SOCIETY OF WALES
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income and endowments from:					
Donations and legacies	3	118,586	13,000	131,586	96,268
Charitable activities	4	185,632	222,459	408,091	277,622
Investments	5	9,194	-	9,194	6,511
Total income and endowments		<u>313,412</u>	<u>235,459</u>	<u>548,871</u>	<u>380,401</u>
Expenditure on:					
Charitable activities	6	<u>321,259</u>	<u>248,322</u>	<u>569,581</u>	<u>352,902</u>
Total expenditure		<u>321,259</u>	<u>248,322</u>	<u>569,581</u>	<u>352,902</u>
<i>Net loss on investments</i>	12	<u>(8,619)</u>	<u>-</u>	<u>(8,619)</u>	<u>(1,515)</u>
Net movement in funds		<u>(16,466)</u>	<u>(12,863)</u>	<u>(29,329)</u>	<u>25,984</u>
Reconciliation of Funds					
Total funds brought forward	17,18	<u>442,248</u>	<u>27,760</u>	<u>470,008</u>	444,024
Total funds carried forward	18,19	<u>425,782</u>	<u>14,897</u>	<u>440,679</u>	<u>470,008</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources expended derive from continuing activities

The notes on pages 15 to 29 form part of the financial statements

**THE LEARNED SOCIETY OF WALES
BALANCE SHEET
AS AT 31 JULY 2023**

		2023		2022	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	10		1,034		1,581
Intangible assets	11		2,461		5,146
Investments	12		<u>121,210</u>		<u>123,437</u>
			124,705		130,164
Current assets:					
Debtors	13	42,831		23,770	
Cash at bank and in hand		<u>328,130</u>		<u>372,067</u>	
		370,961		395,837	
Liabilities:					
Creditors: Amounts falling due within one year	14		<u>(54,987)</u>		<u>(55,993)</u>
Net current assets			315,974		339,844
Net assets			<u>440,679</u>		<u>470,008</u>
The funds of the charity:					
Restricted income funds	17		14,897		27,760
Unrestricted funds	18		<u>425,782</u>		<u>442,248</u>
Total charity funds			<u>440,679</u>		<u>470,008</u>

These financial statements were approved by the Board of Trustees on

Professor Hywel Thomas (President)

Professor Terry Threadgold (Treasurer)

The notes on pages 15 to 29 form part of the financial statements

**THE LEARNED SOCIETY OF WALES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2023**

	Note	2023 £	2022 £
Net cash provided by/(used in) operating activities	22	<u>(46,739)</u>	<u>38,294</u>
<i>Cash flows from investing activities:</i>			
Dividends, interest and rents from investments		9,194	6,511
Purchase of tangible and intangibles		-	(935)
Purchase of investments		<u>(6,392)</u>	<u>(5,312)</u>
Net cash provided by (used in) investing activities		<u>2,802</u>	<u>264</u>
Change in cash and cash equivalents in the reporting period		(43,937)	38,558
Cash and cash equivalents at the beginning of the reporting period		372,067	333,509
Cash and cash equivalents at the end of the reporting period		<u>328,130</u>	<u>372,067</u>

The notes on pages 15 to 29 form part of the financial statements

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

1. ACCOUNTING POLICIES

Charity information

The Learned Society of Wales is a registered charity, incorporated by Royal Charter in 2015, whose principal office is University of Wales Registry, King Edward VII Avenue, Cardiff, CF10 3NS.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

Basis of Preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

Assets and liabilities are initially recognised at historical cost or transaction value except that:

a) Investments held at fair value through the statement of financial activity.

The financial statements are prepared in sterling, which is the functional currency of the charity.

Rounding

Figures contained in the financial statements have been rounded to the nearest pound.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES

Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The value of donated services and gifts in kind provided to the charity are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charity can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Grants receivable for the specific purpose of purchasing fixed assets for the continued use of the charity are treated as restricted funds. The restricted fund is then reduced by amounts equivalent to the depreciation charges on the assets concerned and will continue to do so over the expected useful lives of the assets concerned.

Income from charitable activities is recognised in the period to which the service relates with any amounts received in advance being deferred.

No amounts are included in the financial statements for services and time donated by volunteers.

Interest on funds and dividends from investments is included when receivable and the amount can be measured reliably by the charity.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year. All gains and losses are taken to the Statement of Financial Activities as they arise.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

1. ACCOUNTING POLICIES

Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees' report.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Costs where possible are attributed directly to the activity in which they relate. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

Offsetting

There has been no offsetting of assets and liabilities, or income and expenses, unless required or permitted by the FRS 102 SORP or FRS 102.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office Equipment – 25% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

CRM system – 25% straight line basis

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

1. ACCOUNTING POLICIES

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

1. ACCOUNTING POLICIES

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Taxation

As a registered charity, The Learned Society of Wales is entitled to the exemption from taxation in respect of income and capital gains received with sections 521-536 of the Income Tax Act 2007 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Leases

Rentals payable under operating leases are charged as an expense on a straight line basis over the term of the relevant lease.

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Membership subscriptions and fees	87,204	-	87,204	76,211
Donated services	20,368	-	20,368	18,153
Donations	2,130	13,000	15,130	1,904
Gift Aid	8,884	-	8,884	-
	<u>118,586</u>	<u>13,000</u>	<u>131,586</u>	<u>96,268</u>
Donated services:				
Serviced office space	16,000	-	16,000	15,000
Venues for meetings and events	2,000	-	2,000	1,000
Professional services	568	-	568	536
Computer equipment	1,800	-	1,800	1,617
	<u>20,368</u>	<u>-</u>	<u>20,368</u>	<u>18,153</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Grants	185,632	222,459	408,091	275,663
Sundry income	-	-	-	1,959
	<u>185,632</u>	<u>222,459</u>	<u>408,091</u>	<u>277,622</u>

Grant income was received from the following sources:

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Aberystwyth University	15,750	-	15,750	15,000
Bangor University	28,750	-	28,750	27,350
British Academy	500	-	500	-
Cardiff Metropolitan University	15,750	-	15,750	15,000
Cardiff University	45,000	5,000	50,000	43,000
Higher Education Funding Council for Wales	-	171,959	171,959	103,263
Open University in Wales	4,200	-	4,200	4,000
South Wales Institute of Engineers Educational Trust	-	3,800	3,800	4,000
Swansea University	29,050	-	29,050	27,350
Universities Wales	10,000	10,000	20,000	-
University of South Wales	15,750	-	15,750	15,000
University of Wales Trinity Saint David	15,000	-	15,000	15,000
Welsh Government	632	31,700	32,332	1,700
Wrexham Glyndŵr University	5,250	-	5,250	5,000
	<u>185,632</u>	<u>222,459</u>	<u>408,091</u>	<u>275,663</u>

5. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Bank interest	944	-	944	22
Dividend income	8,250	-	8,250	6,489
	<u>9,194</u>	<u>-</u>	<u>9,194</u>	<u>6,511</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities £	Publications £	Policy development £	Governance £	Total 2023 £	Total 2022 £
Wages & salaries	174,529	43,632	58,176	14,544	290,881	219,456
National insurance	13,269	3,317	4,423	1,106	22,115	16,650
Pension	8,680	2,170	2,893	723	14,466	12,589
Travel	1,167	-	-	-	1,167	1,592
Accommodation	-	-	-	-	-	48
Staff Travel	438	-	-	-	438	756
Premises	10,713	1,649	2,473	1,648	16,483	15,000
Computing	9,261	5,556	2,778	926	18,521	7,924
Professional charges	-	-	-	3,840	3,840	2,220
Supplies and services	163,244	-	-	-	163,244	48,322
Administration	18,914	9,456	3,782	5,674	37,826	28,345
Other staff costs	600	-	-	-	600	-
	<u>400,815</u>	<u>65,780</u>	<u>74,525</u>	<u>28,461</u>	<u>569,581</u>	<u>352,902</u>

Governance costs includes payments to the independent examiners of £2,286 (2022: £2,220).

7. NET INCOME FOR THE YEAR

This is stated after charging

	2023 £	2022 £
Depreciation and amortisation	3,232	3,037
Independent examination fee	<u>2,286</u>	<u>2,220</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

8. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	2023	2022
	£	£
Wages & salaries	290,881	219,456
Social security costs	22,115	16,650
Pension costs	14,466	12,589
	<u>327,462</u>	<u>248,695</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	2022
	£	£
£60,000-£70,000	1	-

Contained within wages and salary costs above are settlement payments totalling £600 (2022: £nil). There were no amounts outstanding at the current or prior year end.

Key Management Personnel

The total remuneration paid to key management personnel during the year (including gross salary, employer's national insurance contributions and employer's pension contributions) totalled £78,274 (2022: £72,695).

Transactions with Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current or prior year.

During the year 3 trustees (2022: 3) were reimbursed expenses totalling £378 (2022: £1,716) relating to travel and subsistence.

9. STAFF NUMBERS

The average monthly number of staff employed during the year was as follows:

	Total 2023 No	Total 2022 No
Chief Executive	1	1
Clerk	1	1
Executive officers	7	5
	<u>9</u>	<u>7</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

The average number of full-time equivalent employees employed during the year was as follows:

	2023	2022
	No.	No.
Chief Executive	1.00	1.00
Clerk	0.80	0.80
Executive officers	6.10	4.27
	<u>7.90</u>	<u>6.07</u>

10. FIXED ASSETS

	Office equipment £	Total £
Cost		
At 1 August 2022	<u>6,425</u>	<u>6,425</u>
At 31 July 2023	<u>6,425</u>	<u>6,425</u>
Depreciation		
At 1 August 2022	<u>4,844</u>	<u>4,844</u>
Charge for year	<u>547</u>	<u>547</u>
At 31 July 2023	<u>5,391</u>	<u>5,391</u>
Net book value		
At 31 July 2023	<u>1,034</u>	<u>1,034</u>
At 31 July 2022	<u>1,581</u>	<u>1,581</u>

11. INTANGIBLE FIXED ASSETS

	Computer software £	Total £
Cost		
At 1 August 2022	<u>10,740</u>	<u>10,740</u>
At 31 July 2023	<u>10,740</u>	<u>10,740</u>
Amortisation		
At 1 August 2022	<u>5,594</u>	<u>5,594</u>
Charge for year	<u>2,685</u>	<u>2,685</u>
At 31 July 2023	<u>8,279</u>	<u>8,279</u>
Net book value		
At 31 July 2023	<u>2,461</u>	<u>2,461</u>
At 31 July 2022	<u>5,146</u>	<u>5,146</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

12. INVESTMENTS

	2023	2022
	£	£
Balance brought forward	123,437	119,640
Additions to investment during the period	6,392	5,312
Loss on revaluation of portfolio	(8,619)	(1,515)
Fair value as at 31 July 2023	<u>121,210</u>	<u>123,437</u>

Analysis of investments:

	2023	2023	2022	2022
	Fair value	Book cost	Fair value	Book cost
	£	£	£	£
Listed investments	<u>121,210</u>	<u>108,520</u>	<u>123,437</u>	<u>108,520</u>
	<u>121,210</u>	<u>108,520</u>	<u>123,437</u>	<u>108,520</u>

13. DEBTORS

	2023	2022
	£	£
Trade debtors	23,477	16,745
Prepayments and accrued income	19,354	7,025
	<u>42,831</u>	<u>23,770</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	38,909	11,868
Deferred income	7,512	2,871
Accruals	4,440	37,838
Other creditors	4,126	3,416
	<u>54,987</u>	<u>55,993</u>

Deferred income relates to fellowship fees received in advance of the period to which the fees relate:

	2023	2022
	£	£
Brought forward	2,871	3,415
Amounts received	91,925	75,667
Income released	(87,284)	(76,211)
Carried forward	<u>7,512</u>	<u>2,871</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

15. FINANCIAL INSTRUMENTS

	2023	2022
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through the profit or loss	<u>121,210</u>	<u>123,427</u>

16. RETIREMENT BENEFIT SCHEMES

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension charge for the year totalled £14,467 (2022: £12,589). At the year-end amounts outstanding totalled £3,491 (2022: £2,499).

17. RESTRICTED FUNDS

	At 1 August 2022	Income	Expenditure	At 31 July 2023
	£	£	£	£
HEFCW	24,485	171,959	(186,547)	9,897
South Wales Institute of Engineers Educational Trust (SWIEET)	3,275	3,800	(7,075)	-
Welsh Government	-	31,700	(31,700)	-
Cardiff University	-	5,000	-	5,000
Universities Wales	-	10,000	(10,000)	-
Humanigen	-	13,000	(13,000)	-
	<u>27,760</u>	<u>235,459</u>	<u>(248,322)</u>	<u>14,897</u>

HEFCW relates to funding received for our partnership agreement to develop a national support scheme for researcher development.

South Wales Institute of Engineers Educational Trust (SWIEET) relates to support provided towards events, and activities to promote excellence in science, engineering and technology throughout Wales.

Welsh Government relates to funding to support the Frances Hoggan Medal and a contribution in support of the work commissioned to analyse the REF2021 impact case studies from Welsh universities.

Cardiff University relates to support provided for the annual medals ceremony to be held in Oct 2023.

Universities Wales relates to funding from the Wales Innovation Network (WIN) in support of the work commissioned to analyse the REF2021 impact case studies from Welsh universities.

Humanigen relates to support provided for the Society's annual dinner.

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

17. RESTRICTED FUNDS (continued)

Previous year

	At 1 August 2022 £	Income £	Expenditure £	At 31 July 2022 £
HEFCW	3,373	103,263	(82,151)	24,485
South Wales Institute of Engineers Educational Trust (SWIEET)	3,003	4,000	(3,728)	3,275
Welsh Government	-	1,700	(1,700)	-
	<u>6,376</u>	<u>108,963</u>	<u>(87,579)</u>	<u>27,760</u>

18. UNRESTRICTED FUNDS

	At 1 August 2022 £	Income £	Expenditure £	Loss on investments £	At 31 July 2023 £
General fund	<u>442,248</u>	<u>313,412</u>	<u>(321,259)</u>	<u>(8,619)</u>	<u>425,782</u>
	<u>442,248</u>	<u>313,412</u>	<u>(321,259)</u>	<u>(8,619)</u>	<u>425,782</u>

Previous year

	At 1 August 2021 £	Income £	Expenditure £	Loss on investments £	At 31 July 2022 £
General fund	<u>437,648</u>	<u>271,438</u>	<u>(265,323)</u>	<u>(1,515)</u>	<u>442,248</u>
	<u>437,648</u>	<u>271,438</u>	<u>(265,323)</u>	<u>(1,515)</u>	<u>442,248</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2023 £
Tangible fixed assets	1,034	-	1,034
Intangible fixed assets	2,461	-	2,461
Fixed asset investments	121,210	-	121,210
Current assets	<u>301,077</u>	<u>14,897</u>	<u>315,974</u>
	<u>425,782</u>	<u>14,897</u>	<u>440,679</u>

Previous year

	Unrestricted funds £	Restricted funds £	Total funds 2022 £
Tangible fixed assets	1,581	-	1,581
Intangible fixed assets	5,146	-	5,146
Fixed asset investments	123,437	-	123,437
Current assets	<u>312,084</u>	<u>27,760</u>	<u>339,844</u>
	<u>442,248</u>	<u>27,760</u>	<u>470,008</u>

20. RELATED PARTY TRANSACTIONS

During the year South Wales Institute of Engineers Educational Trust provided the charity with income of £3,800 (2022: £4,000). Both organisations have common trustees. There were no amounts outstanding at the current year end (2022: £4,000).

21. OPERATING LEASES

	2023 £	2022 £
Within one year	-	667
	<u>-</u>	<u>667</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023**

22. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023	2022
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(29,329)	25,984
<i>Adjustments for:</i>		
Depreciation and amortisation charges	3,232	3,037
Fair Value (gains)/losses on investments	8,619	1,514
Dividends, interest and rents from investments	(9,194)	(6,511)
(Increase)/decrease in debtors	(19,061)	(5,405)
Increase/(decrease) in creditors	(1,006)	19,674
Net cash provided by/(used in) operating activities	<u>(46,739)</u>	<u>38,293</u>
 Analysis of Cash and Cash Equivalents		
Cash in hand	<u>328,130</u>	<u>372,067</u>
Total Cash and Cash Equivalents	<u><u>328,130</u></u>	<u><u>372,067</u></u>

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	2022
			£
Income and endowments from:			
Donations and legacies	96,268	-	96,268
Charitable activities	168,659	108,963	277,622
Investments	6,511	-	6,511
Total income and endowments	<u>271,438</u>	<u>108,963</u>	<u>380,401</u>
 Expenditure on:			
Charitable activities	265,323	87,579	352,902
Total expenditure	<u>265,323</u>	<u>87,579</u>	<u>352,902</u>
 <i>Net (loss)/gain on investments</i>	 (1,515)	 -	 (1,515)
Net movement in funds	<u>4,600</u>	<u>21,384</u>	<u>25,984</u>
 Reconciliation of Funds			
Total funds brought forward	437,648	6,376	444,024
Total funds carried forward	<u><u>442,248</u></u>	<u><u>27,760</u></u>	<u><u>470,008</u></u>

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