

The Learned Society of Wales

Trustees' Report and Unaudited Financial Statements
for the year ended 31 July 2019

Registered Charity Number 1168622

CHARITY COMMISSION
FIRST CONTACT

16 DEC 2019

ACCOUNTS
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THE LEARNED SOCIETY OF WALES CYMDEITHAS DDYSGEDIG CYMRU

THE NATIONAL ACADEMY – CELEBRATING SCHOLARSHIP AND SERVING THE NATION
YR ACADEMI GENEDLAETHOL – YN DATHLU YSGOLHEICTOD A GWASANAETHU'R GENEDL

The Learned Society of Wales

(a registered charity)

Trustees' Report and Unaudited Financial Statements for the year ended 31 July 2019

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**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

Objectives and activities

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

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

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

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

Independent Financial Examiners

Baldwins Audit Services, Waters Lane Chambers, 1-3 Waters Lane, Newport NP20 1LA

Bankers

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

Legal Advisers

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

Chief Executive

Mr Martin Pollard

Clerk

Mrs Amanda Kirk

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

Governance

The Society was incorporated as a Royal Charter Charity in 2015. Registered Charity Number: 1168622.

The Society's current governing documents are its Royal Charter and Bye-laws. These, along with the Society's Regulations, constitute the Society's governing instruments from September 2015.

President

Sir Emyr Jones Parry GCMG FInstP FLSW

Vice-Presidents

Professor Michael Charlton FInstP FLSW (Science, Technology and Medicine)

Professor David Boucher FRHistS FAcSS FLSW (Arts, Humanities and Social Sciences)

Treasurer

Professor Keith Smith FRSC FLSW

General Secretary

Professor K Alan Shore FInstP FLSW

The Society's Council

The Charter provides for the Society's governing body to be the Council. Members of the Council serve as Charity Trustees for the purpose of charity law.

Council Members

In addition to the Officers, the following Fellows form the Council of the Society:

- Professor Sioned Davies
- Professor Sally Davies (from May 2019)
- Professor Nancy Edwards (until May 2019)
- Professor David Evans
- Professor Helen Fulton
- Professor Ieuan Hughes
- Professor Christine Janes (until May 2019)
- Professor John Jones
- Professor Densil Morgan
- Professor John Morgan
- Professor Iwan Morus (from May 2019)
- Professor Tim Phillips
- Professor Hywel Thomas
- Professor Terry Threadgold
- Dr Lynn Williams

Royal Patron

From June 2019, His Royal Highness, The Prince of Wales, graciously accepted the Society's invitation to remain its Royal Patron for a further period of five years.

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

Financial Review

In recognition of the strategic importance of growing a diverse range of funding streams, and the need to maintain our footprint of activities and representation across Wales, we have begun to secure additional income sources. These will provide long-term financial security and enable us to develop and expand the Society's programme over the next few years.

The Society achieved a surplus of £15,681 during the year, consisting of an unrestricted surplus of £16,656 and a restricted deficit of £975. The Society had income of £320,511 and expenditure of £307,078. This result was particularly positive in light of the reduced core income received during the year. The balance sheet shows that we carried forward a total fund of £394,339 at the end of the period consisting of unrestricted funds of £385,246 and restricted funds of £9,093.

Income

As in previous years, the large majority of the Society's core income is derived from generous grants from universities in Wales (£170,800 in total), as well as admission fees and subscriptions from our Fellows (£57,670). Gift Aid payable on membership fees provides an important additional income (£5,686). The unrestricted nature of this income supports the Society's independence and enables it to deliver activities flexibly, according to needs identified during the year.

The University of Wales continues to provide us with vital services, including office space, administrative support and IT services. Such in-kind donations are valued at a total of £35,588.

Grants from Universities 53%
Membership Fees 18%
Donated Services 11%
Grants and Donations 11%
Gift Aid 2%
Miscellaneous 5%

Expenditure

The Society's largest category of expenditure was on activities, which includes lectures, workshops, and development of the Fellowship (£201,440). Other key areas of work during the year were publications (£39,108) and policy development (£44,009). Further analysis of expenditure shows that, in common with other charities our size, the largest single cost to the charity – included in all of the above areas – was staffing (£184,675 of total expenditure of £307,078).

Reserves

Following the practice adopted by other charities, the Society's policy on reserves is to ensure that it retains in reserve at all times, at least the equivalent of the cost of six months of staff salaries. The charity's free reserves as at 31 July 2019 amount to £379,320 (2018: £367,137).

The purpose of the Reserves Policy is to ensure the ongoing delivery of the mission, programs, employment, and operations of the Society.

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

Reserves are intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses or unanticipated loss in funding. Reserves may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment.

Future developments

Present funding levels enable the Society to operate at a modest but meaningful level, with the range of its activities growing gradually over time. The extent to which activities can be further developed over the coming years will depend to a large extent upon the level of additional funding the Society is able to secure, over and above those funds that are already available. The Council recognises that it is necessary to diversify the Society's income sources. Additional sources of funding are being explored to enable the Society to develop its programme over the next five years. In 2018/19 the Society developed and adopted a fundraising strategy that highlights the potential of support from trusts, foundations, public funds and private donations.

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 2019**

Structure, Governance and Management

Responsibilities of the Council

The Charter provides for the Society's governing body to be the Council, in which "*shall be vested the government and control of the Society and its affairs*" subject to the provision of the Charter, bye-laws and Regulations (Item 7.1). This includes the determination of the educational activities of the Society, the effective and efficient use of resources, the solvency of the Society and the safeguarding of its assets, as well as ensuring that all matters relating to accounts and financial procedures are conducted in accordance with legal and regulatory requirements.

Members of the Council serve as Charity Trustees for the purpose of charity law.

Annual General Meeting

The Annual General Meeting is open to all Fellows (members) of the Society. AGM business includes the presentation and adoption of the audited Statement of Accounts for the year ending the previous 31st day of July, and any associated reports.

Council: recruitment and appointment of members

The Council comprises 18 Trustees. To work towards a representative balance of academic expertise and gender, 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. Women currently make up 21% of the Fellowship and 22% of Council.

Members of the Council are nominated and elected by the Society's Fellows from amongst their number. In accordance with the Bye-laws and Regulations, a member's term of office is usually three Society years (a Society year being the period between one Annual General Meeting and the next). This term of office is renewable for a further three years. Nominations are invited from among the Fellowship to fill any vacancies. After serving two terms, Fellows are not eligible to be re-elected for a further term until at least one Society year has elapsed.

Members of Council and other Fellows are required to provide a list of their skills and expertise, which can be taken into account when electing members of Council and other committees.

The Society also 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, Trustees and Fellows 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 and those of all Committees.

Trustees are provided with copies of all relevant documentation. Members of Council have wide experience of governance and matters relating to the administration of charities, and all are familiar with the Society's charitable objects, strategy and activities.

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

Committees of Council

The Society's Royal Charter and Bye-laws give Council the power to "create, dissolve and set terms of reference for such Committees of the Council as it sees fit, which may include persons who are not Council members". The Society's committees include: the Executive Committee, the General Purposes Committee, the Finance Committee, the Fellowship Committee, and the Appointments, Governance and Nominations Committee.

Lists of Committee members are available on request from the Society office.

Governance

During the year, the Council and its Committees:

- developed a fundraising strategy for the Society
- agreed to develop a staff handbook to incorporate good working practice policies for the Society, which will be finalised for approval by Council during the next Society year
- implemented recommendations of the Society's review of Equality, Diversity and Inclusion – this included reviewing and revising the Fellowship nominations process
- developed a communications plan for the Society
- implemented a hardship policy
- reviewed and revised the reserves policy
- reviewed and revised the schedule of delegation
- reviewed and revised the Committee terms of reference

Risk Management

The Society has a Schedule of Risks, based on the Charity Commission's five main risk category classifications (Governance, Operational, Financial, Environmental and External). The Council has delegated to the Finance Committee the responsibility of reviewing regularly the Schedule and the procedures and systems put in place to manage and mitigate risks. Risk management is a standing agenda item for the Finance Committee. The Finance Committee reports to the Council on an annual basis.

Key risks identified by the Council are:

- Failure to maintain the Society "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"
- Failure to secure and retain the recognition of an appropriately broad cross-section of key stakeholders
- Failure to recruit or retain appropriately qualified staff in sufficient numbers
- Unexpected loss of essential services or facilities
- Failure to secure or retain financial support at a level that is adequate to ensure activity at an appropriate level

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

Fellowship

Election to the Fellowship is a competitive process, with nominations made each year by existing Fellows. Nominees undergo a rigorous five-stage selection process which culminates in a ballot of the whole Fellowship. The ballot result is announced in April each year, and new Fellows are formally admitted at the Society's Annual General Meeting in May.

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

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

Following the election of 47 new ordinary Fellows and one honorary Fellow during its ninth annual election cycle in 2018/19, the Society has now more than 520 Fellows, all prominent figures within their respective fields.

The Fellowship is an essential part of the Society, and has developed significantly since the charity's establishment. Since 2014, at least a third of all new Fellows elected have been women, and efforts to diversify the Fellowship continue.

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

Strategic Development and Activities

During 2018/19, the Society adopted a new strategic plan for the period 2018 to 2023. This built on the strong foundations established for the charity in its first eight years of existence, and set out ambitious plans for the next five years.

As part of the process of developing the strategy, we adopted a new, shorter mission statement:

The mission of the Society is to promote excellence and scholarship, inspire learning and benefit the nation.

We also took into account the views of our Fellows and consulted over 60 external stakeholders about the Society's role and priority activities.

The finalised strategy identifies four key objectives for the period:

1. Champion research

During 2018/19, our activities in this area included:

- Organising a series of seven Our Future Health lectures, marking the 70th anniversary of the NHS and considering health challenges in Wales and internationally
- Awarding eight Medals for achievement in engineering and technology, early career research, educational research and outstanding contributions by women in STEMM subjects
- Developing the profile of the Welsh research dimension through our Wales Studies Network

2. Contribute expertise

- Providing expert contributions to Welsh and UK government consultations on Research and Innovation, the Welsh Government International Strategy and the potential implications of Brexit on the higher education sector
- Establishing an Education Committee to coordinate cross-institutional responses to key matters in secondary, further and higher education
- Producing three reports for Welsh Government on the Welsh Dimension and International Perspective within the new national curriculum for schools

3. Promote learning and debate

- Organising an International Symposium on the Ethics of Sustainable Prosperity for All, which attracted international participation by academics, policy experts and non-governmental organisations
- Supporting a wide range of external events aimed at engaging the public in the sciences, arts and humanities
- Through consultation with teachers, developing our plans for working with schools and inspiring future generations of learners

4. Develop the Fellowship

- Electing 47 new Fellows and one Honorary Fellow to the Society, celebrating diverse achievements and further increasing our network of expertise
- Developing our plans to support researchers in Wales, with the launch of a new Early Careers Academy envisaged in 2020

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

As well as organising the above work, the Society's staff carried out the following cross-cutting support activities:

- producing the Annual Report and Accounts
- maintaining and updating the Society's website
- financial administration, including the processing of invoices, payments, expenses, subscription fees and donations
- ensuring the financial security of the Society
- servicing over 26 committee meetings (including Council), the Annual General Meeting and nine Scrutiny Committees
- organising the annual Fellows' Dinner and Awards Ceremony
- monitoring, reviewing and administering nominations for the roles of President, Vice-Presidents, General Secretary and Treasurer and Council and Committee nominations
- updating and maintaining the governance systems, procedures and documents, including ensuring compliance with all relevant legislation

Staffing Levels

Staffing levels as a proportion of Society Fellowship remains low compared to other UK national academies. The Society currently has a Chief Executive, Clerk, Senior Executive Officer, Fellowship Assistant, Finance and Administration Officer and Communications and Engagement Officer. Two staff members are full-time and the rest part-time; in total there are 5.38 full-time equivalent posts.

Key Management Personnel

The key management personnel of the charity consists of the Chief Executive. Key management personnel remuneration is set by the Council using the spinal pay scale of the University of Wales Trinity Saint David for comparable roles.

**THE LEARNED SOCIETY OF WALES
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 JULY 2019**

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 16 October 2019 and signed on its behalf by:



Sir Emyr Jones Parry (President)



Professor Keith Smith (Treasurer)

Date27/4/2019

**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 2019 which are set out on pages 13 to 29.

Responsibilities and basis of report

As the charity 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 Institute of Chartered Accountants in England and Wales, 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.


Sarah Case FCA DChA
Baldwins Audit Services
Waters Lane Chambers
1-3 Waters Lane
Newport
NP20 1LA

Date: 27-11-19

THE LEARNED SOCIETY OF WALES
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the **INCOME AND EXPENDITURE ACCOUNT**)
FOR THE YEAR ENDED 31 JULY 2019

	Note	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:					
Donations and legacies	3	105,141	-	105,141	113,250
Charitable activities	4	183,875	30,000	213,875	192,161
Investments	5	1,495	-	1,495	99
Total income and endowments		<u>290,511</u>	<u>30,000</u>	<u>320,511</u>	<u>305,510</u>
Expenditure on:					
Charitable activities	6	276,103	30,975	307,078	291,165
Total expenditure		<u>276,103</u>	<u>30,975</u>	<u>307,078</u>	<u>291,165</u>
<i>Net gains on investments</i>	12	2,248	-	2,248	-
Net movement in funds		<u>16,656</u>	<u>(975)</u>	<u>15,681</u>	<u>14,345</u>
Reconciliation of Funds					
Total funds brought forward	17,18	368,590	10,068	378,658	364,313
Total funds carried forward	18,19	<u>385,246</u>	<u>9,093</u>	<u>394,339</u>	<u>378,658</u>

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

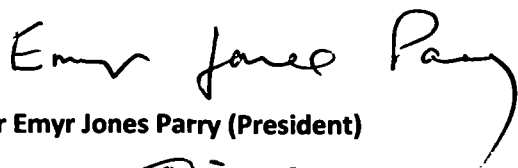
The notes on pages 13 to 27 form part of the financial statements

**THE LEARNED SOCIETY OF WALES
BALANCE SHEET
AS AT 31 JULY 2019**

	Note	2019		2018	
		£	£	£	£
Fixed assets:					
Tangible assets	10		556		1,453
Intangible assets	11		5,370		-
Investments	12		52,248		-
			<u>58,174</u>		<u>1,453</u>
Current assets:					
Debtors	13	63,230		37,909	
Cash at bank and in hand		<u>293,621</u>		<u>369,984</u>	
		<u>356,851</u>		<u>407,893</u>	
Liabilities:					
Creditors: Amounts falling due within one year	14	<u>(20,686)</u>		<u>(30,688)</u>	
Net current assets			336,165		377,205
Net assets			<u>394,339</u>		<u>378,658</u>
The funds of the charity:					
Restricted income funds	17		9,093		10,068
Unrestricted funds	18		<u>385,246</u>		<u>368,590</u>
Total charity funds			<u>394,339</u>		<u>378,658</u>

These financial statements were approved by the Board of Trustees on

27-11-19



Sir Emyr Jones Parry (President)



Professor Keith Smith (Treasurer)

The notes on pages 13 to 27 form part of the financial statements

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

1. ACCOUNTING POLICIES

Charity information

The Learned Society of Wales is an unincorporated charity 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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. Monetary amounts in these financial statements are rounded to the nearest £.

Rounding

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

Cash Flow

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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 2019**

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 2019**

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.

The intangible assets acquired by the charity are not in operational condition therefore no amortisation has been recognised during the period.

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

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 2019**

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 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 2019**

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.

THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

3. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Membership subscriptions and fees	57,670	-	57,670	60,600
Donated services	35,588	-	35,588	38,050
Donations	6,197	-	6,197	1,814
Gift Aid	5,686	-	5,686	12,786
	<u>105,141</u>	<u>-</u>	<u>105,141</u>	<u>113,250</u>
Donated services:				
Serviced office space	26,061	-	26,061	25,550
Venues for meetings and events	7,517	-	7,517	7,370
Professional services	500	-	500	3,650
Computer equipment	1,510	-	1,510	1,480
	<u>35,588</u>	<u>-</u>	<u>35,588</u>	<u>38,050</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Grants	170,800	30,000	200,800	187,200
Curriculum income	10,250	-	10,250	-
Sundry income	2,825	-	2,825	4,961
	<u>183,875</u>	<u>30,000</u>	<u>213,875</u>	<u>192,161</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

4. INCOME FROM CHARITABLE ACTIVITIES (continued)

Grant income was received from the following sources:

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Cardiff University	43,000	8,000	51,000	43,000
Swansea University	26,900	-	26,900	25,000
Bangor University	26,900	-	26,900	25,000
Aberystwyth University	15,000	-	15,000	15,000
University of South Wales	15,000	-	15,000	15,000
Cardiff Metropolitan University	15,000	-	15,000	15,000
Open University in Wales	4,000	-	4,000	4,000
Wrexham Glyndŵr University	-	-	-	5,000
South Wales Institute of Engineers Educational Trust	-	4,000	4,000	-
The British Academy	-	10,000	10,000	-
University of Sydney	-	4,000	4,000	-
University of Wales Trinity Saint David	25,000	4,000	29,000	25,000
	<u>170,800</u>	<u>30,000</u>	<u>200,800</u>	<u>187,200</u>

5. INCOME FROM INVESTMENTS

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Bank interest	212	-	212	99
Dividend income	1,283	-	1,283	-
	<u>1,495</u>	<u>-</u>	<u>1,495</u>	<u>99</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

6. EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities £	Publications £	Policy development £	Governance £	Total 2019 £	Total 2018 £
Staff costs	110,805	27,701	36,935	9,234	184,675	173,399
Travel	1,421	-	-	1,538	2,959	2,642
Accommodation	1,790	-	-	64	1,854	1,126
Subsistence	-	-	-	49	49	164
Staff Travel	734	-	-	-	734	1,583
Speakers and guests	104	-	-	1,654	1,758	769
Premises	20,545	3,160	4,741	3,160	31,606	30,502
Computing	1,526	916	458	152	3,052	3,346
Professional charges	-	-	-	2,734	2,734	3,650
Supplies and services	55,133	2,641	-	1,122	58,896	57,952
Administration	9,382	4,690	1,875	2,814	18,761	16,032
	<u>201,440</u>	<u>39,108</u>	<u>44,009</u>	<u>22,521</u>	<u>307,078</u>	<u>291,165</u>

Governance costs includes payments to the independent examiners of £2,220 (2018: £nil). Governance costs in the prior year include the donated service cost of £3,150 for the audit of the financial statements.

7. NET INCOME FOR THE YEAR

This is stated after charging

	2019 £	2018 £
Depreciation	897	1,059
Audit fee	-	3,150
Independent examination fee	<u>2,220</u>	<u>-</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

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

	2019	2018
	£	£
Wages & salaries	164,588	154,645
Social security costs	11,604	11,658
Pension costs	8,483	7,096
	<u>184,675</u>	<u>173,399</u>

No employee earned over £60,000 during the current or prior year.

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 £59,808 (2018: £58,623).

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 9 trustees (2018: 5) were reimbursed expenses of £3,305 (2018: £2,570) relating to travel and subsistence.

9. STAFF NUMBERS

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

	Total 2019 No	Total 2018 No
Chief Executive	1	1
Clerk	1	1
Executive officers	4	3
	<u>6</u>	<u>5</u>

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

	2019 No.	2018 No.
Chief Executive	1.00	0.67
Clerk	0.77	0.68
Executive officers	3.61	2.70
	<u>5.38</u>	<u>4.05</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

10. FIXED ASSETS

	Office equipment £	Total £
Cost		
At 1 August 2018	<u>4,236</u>	<u>4,236</u>
At 31 July 2019	<u>4,236</u>	<u>4,236</u>
Depreciation		
At 1 August 2018	2,783	2,783
Charge for year	<u>897</u>	<u>897</u>
At 31 July 2019	<u>3,680</u>	<u>3,680</u>
Net book value		
At 31 July 2019	<u>556</u>	<u>556</u>
At 31 July 2018	<u>1,453</u>	<u>1,453</u>

11. INTANGIBLE FIXED ASSETS

	Computer software £	Total £
Cost		
Additions	<u>5,370</u>	<u>5,370</u>
At 31 July 2019	<u>5,370</u>	<u>5,370</u>
Net book value		
At 31 July 2019	<u>5,370</u>	<u>5,370</u>
At 31 July 2018	<u>-</u>	<u>-</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

12. INVESTMENTS

	2019 £	2018 £
Additions to investment during the period	50,000	-
Gain on revaluation of portfolio	2,248	-
Fair value as at 31 July 2019	52,248	-

Analysis of investments:

	2019 Fair value £	2019 Book cost £	2018 Fair value £	2018 Book cost £
Listed investments	52,248	50,000	-	-
	52,248	50,000	-	-

13. DEBTORS

	2019 £	2018 £
Trade debtors	49,826	36,525
Prepayments and accrued income	13,404	1,384
	63,230	37,909

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	9,872	15,213
Deferred income	4,965	15,475
Accruals	4,513	-
Other creditors	1,336	-
	20,686	30,688

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

	2019 £	2018 £
Brought forward	15,475	5,775
Amounts received	47,160	70,300
Income released	(57,670)	(60,600)
Carried forward	4,965	15,475

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

15. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through the profit or loss	<u>52,248</u>	<u>-</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 £8,483 (2018: £7,096). At the year end amounts outstanding totalled £1,336 (2018: £nil).

17. RESTRICTED FUNDS

	At 1 August 2018	Income	Expenditure	At 31 July 2019
	£	£	£	£
South Wales Institute of Engineers Educational Trust (SWIEET)	10,068	4,000	(4,975)	9,093
Ethics of Sustainable Development International Symposium	-	26,000	(26,000)	-
	<u>10,068</u>	<u>30,000</u>	<u>(30,975)</u>	<u>9,093</u>

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.

Ethics of Sustainable Development International Symposium relates to funding received towards the symposium held in Cambridge in September 2018 by the charity.

Previous year

	At 1 August 2017	Income	Expenditure	At 31 July 2018
	£	£	£	£
South Wales Institute of Engineers Educational Trust (SWIEET)	7,990	4,000	(1,922)	10,068
	<u>7,990</u>	<u>4,000</u>	<u>(1,922)</u>	<u>10,068</u>

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

18. UNRESTRICTED FUNDS

	At 1 August 2018 £	Income £	Expenditure £	Gains on investments £	At 31 July 2019 £
General fund	368,590	290,511	(276,103)	2,248	385,246
	<u>368,950</u>	<u>290,511</u>	<u>(276,103)</u>	<u>2,248</u>	<u>385,246</u>

Previous year

	At 1 August 2017 £	Income £	Expenditure £	At 31 July 2018 £
General fund	356,323	301,510	(289,243)	368,590
	<u>356,323</u>	<u>301,510</u>	<u>(289,243)</u>	<u>368,590</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds 2019 £
Tangible fixed assets	556	-	556
Intangible fixed assets	5,370	-	5,370
Fixed asset investments	52,248	-	52,248
Current assets/(liabilities)	327,072	9,093	336,165
	<u>385,246</u>	<u>9,093</u>	<u>394,339</u>

Previous year

	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Tangible fixed assets	1,453	-	1,453
Current assets/(liabilities)	367,137	10,068	377,205
	<u>368,590</u>	<u>10,068</u>	<u>378,658</u>

20. RELATED PARTY TRANSACTIONS

There were no disclosable related party transactions during the year (2018: none).

**THE LEARNED SOCIETY OF WALES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

21. OPERATING LEASES

	2019	2018
	£	£
Within one year	667	667
	667	667

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Income and endowments from:			
Donations and legacies	113,250	-	113,250
Charitable activities	188,161	4,000	192,161
Investments	99	-	99
Total income and endowments	301,510	4,000	305,510
Expenditure on:			
Charitable activities	289,243	1,922	291,165
Total expenditure	289,243	1,922	291,165
Net movement in funds	12,267	2,078	14,345
Reconciliation of Funds			
Total funds brought forward	356,323	7,990	364,313
Total funds carried forward	368,590	10,068	378,658

For more information about the Society, contact:

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