



THE LEARNED SOCIETY OF WALES
CYMDEITHAS DDYSGEDIG CYMRU

CELEBRATING SCHOLARSHIP AND SERVING THE NATION
DATHLU YSGOLHEICTOD A GWASANAETHUR GENEDL

The Learned Society of Wales

Report and Accounts
for the period 18 May 2010 to 31 July 2011

Registered Charity Number 1141526

Company Number 7256948

EXPERT • SCHOLARSHIP • AUTHORITY
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Reference and Administrative Information

Charity Name: The Learned Society of Wales

Welsh name of Charity: Cymdeithas Ddysgedig Cymru

Charity Registration Number: 1141526

Company Number: 7256948

Registered Office and operational address: The University Registry
King Edward VII Avenue
Cathays Park
Cardiff CF10 3NS

Website: www.learnedsocietywales.ac.uk

Members of Council (Charity Trustees and Directors)

Sir John Cadogan (President and Chair of Council)
Professor Dianne Edwards (Vice-President - Science, Technology and Medicine)
Professor M Wynn Thomas (Vice-President - the Arts, Humanities and Social Sciences)
Sir Roger Jones (Treasurer)
Professor John Tucker (General Secretary)
Professor Kenneth Dyson
Professor Robert Evans
Professor H Roy Evans
Professor The Baroness Ilora Finlay
Professor Geraint H Jenkins (resigned 6 October 2011)
Sir Ronald Mason
Professor Susan Mendus
Professor Derec Llwyd Morgan
Professor Prys T J Morgan
Professor John Wyn Owen
Professor Keith G Robbins
Professor Sir John Meurig Thomas
Professor Robin H Williams

All of those persons listed above served as Charity Trustees and Directors throughout the period covered by this Report. Unless otherwise indicated they also occupied these positions on the date (18 January 2012) on which the Report was approved.

Auditors

PricewaterhouseCoopers LLP, One Kingsway, Cardiff CF10 3PW

Bankers

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

Legal Advisers

Morgan Cole Solicitors, Park Place, Cardiff CF10 3DP

Secretary

Dr Lynn Williams (from 18 May 2010 to 31 July 2010 and from 1 February 2011 to 31 July 2011)

Professor John Tucker (from 1 August 2010 to 31 January 2011)

Chief Executive

Dr Lynn Williams (from 1 February 2011 to 31 July 2011)

Structure, Governance and Management

Governing Document

The Society was incorporated as a company limited by guarantee (company number, 7256948) on 18 May 2010 and was accorded charitable status on 19 April 2011 (Registered Charity Number 1141526). It was established under a Memorandum and Articles of Association which define its objects, powers and governance arrangements.

Responsibilities of the Council

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

The Annual General Meeting

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

Council: recruitment and appointment of members

The members of the Council are nominated and elected by the Fellows of the Society, from among their number. The eighteen members of the inaugural Council were elected by the Founding Fellows prior to the Society's incorporation.

In accordance with the Articles and Regulations, ordinarily, Council members may serve for no more than two consecutive terms of office of no more than three years, although the Articles provide for the first term of office of the members of the Inaugural Council to be no more than four years. The Council has approved a mechanism for ensuring the rotation of membership under which the initial term of office of one-third of the inaugural members will be two years (to May 2012), that of one-third will be three years (to May 2013) and that of the remaining third will be four years (to May

2014). Nominations will be invited from among the Fellowship as a whole to fill the vacancies thus created.

Members of Council and other Fellows have been asked to provide a list of their skills and expertise. The skills register will be updated annually so as enable Fellows' skills to be taken into account during the election and appointment of members of Council and other committees.

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

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

Trustee induction and training

The members of the inaugural Council have wide experience of governance and matters relating to the administration of charities and, as Founding Fellows, they are fully familiar with the objects and aims of the Society and with its work. Even so, they will be provided with specific training on their responsibilities as Trustees under the Charity Act. An induction programme on the aims and work of the Society will be provided for members elected to the Council in future.

Organisational Structure: Officers and Committees of Council

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

The Society's Inaugural President is Sir John Cadogan CBE DSc FRSE FRSC PLSW FRS, who was elected by the Fellows prior to incorporation. The Society's Regulations provide for other Officers to be appointed by and from among the members of the Council. The Council has decided that four Officers should be appointed, in addition to the President: two Vice-Presidents, a Treasurer and a General Secretary. The following were elected to these Offices by the Council in July 2010 (for an initial period of three years):

Vice-Presidents: Professor Dianne Edwards; and Professor M Wynn Thomas

Treasurer: Sir Roger Jones

General Secretary: Professor John Tucker

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

- **Science, Technology and Medicine** (Professor Dianne Edwards)
- **the Arts, Humanities and Social Sciences** (Professor Wynn Thomas)

During its inaugural meeting on 2 July 2010, the Council established two Committees to support it in its work and appointed members as indicated:

- the **General Purposes Committee:** the five Officers are members *ex officio* and, in addition, the following were elected as members of the Committee by and from among the members of Council: Professor Geraint Jenkins; Professor Prys Morgan; and Professor Keith Robbins;
- and
- the **Finance Committee:** the Treasurer and the General Secretary are members *ex officio* and, in addition, the following were elected as members of the Committee by and from among the

members of Council: were: Professor Kenneth Dyson; Professor John Wyn Owen; and Professor Robin Williams; Professor Vernon Morgan, a Fellow who is not a member of the Council, was co-opted to serve as a member of the Committee on 6 July 2011.

On 1 February 2011, the Council appointed Dr Lynn Williams to serve as the Society's Chief Executive and Secretary (including Company Secretary), Professor John Tucker having fulfilled the latter role between 1 August 2010 and 31 January 2011.

The Council is empowered, subject to certain restrictions, to delegate its powers and duties to Officers, committees or members of staff. The Council will be asked to consider and agree a schedule of delegated authority during 2011/12.

Related Parties

The Society is a fully independent organisation but pursues constructive interaction with representatives a number of other bodies, including other Learned Societies in the UK, the Welsh Government, the National Assembly for Wales, the Higher Education Funding Council for Wales, the UK Research Councils, the University of Wales (which has generously provided valuable pump-priming funding and other support to the Society on a "no strings" basis) and the other Welsh universities. Since the majority of its Fellows are based in nor have links with the universities in Wales, its interaction with the Welsh higher education sector is particularly fruitful and important in helping to facilitate the achievement of the Society's aims.

Risk Management

As a new organisation, to which charitable status was accorded only towards the end of the accounting and reporting period, the Society, through its Council, has yet to complete its work on the development of a risk register and on identifying procedures and systems to manage and mitigate such risks as may be identified. Further attention is being given to this matter during 2011/12. The risk register will be reviewed and updated at least annually.

Objectives and Activities, Achievements and Performance

Charitable Objects

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

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

- 4.1.7 to enable Wales to participate at the highest level in the international world of learning and scholarship, and to promote the academic excellence and achievements of Wales to the wider world.

The Society's guiding ethos is *Celebrating Scholarship and Serving the Nation*: as well as to celebrate, recognise, safeguard and encourage excellence in every one of the scholarly disciplines and in the professions, industry and commerce, the arts and public service, its purpose is also to harness and channel the nation's talent, as embodied in its Fellows, for the benefit, primarily, of Wales and its people.

Mission and Objectives

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

Mission

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

Objectives

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

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

Background: the Society's establishment

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

As a newly-established organisation, whose first annual report this is, and, in particular, as an organisation that was registered as a Charity only near the end of its first reporting and accounting period (on 19 April 2011), the work of the Society towards delivering its objects and fulfilling its mission and objectives is necessarily at an early stage and the range of its activities will necessarily be built up gradually over time.

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

by the end of 2014/15, to have developed itself as a sustainable organisation that is fit for purpose and that is acknowledged both as the recognised representative of the world of Welsh learning internationally and as a source of authoritative, scholarly and critical comment and advice to the National Assembly and other bodies on policy issues affecting Wales.

As the paragraphs that follow show, the Society has taken some important steps towards fulfilling this aim and has enjoyed an encouraging first year. But 2010/11 is only the start. The Learned Society of Wales will reach full maturity only over many years, the range of its activities will necessarily be built up gradually over time, and its plans must therefore focus on the long term. It has much to do – and will need the support not only of its Fellows and the academic community in Wales, and also of society more widely, if it is to fulfil the ambitions that it has set for itself.

The focus of the Society's work during 2010/11

During 2010/11, there were a number of main strands to the work of the Society:

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

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

Lectures and other Events

As part of its initial programme the Society has begun to plan, and to deliver, an ambitious programme of themed lectures, symposia and other events and activities that support the world of learning. Lecture Series launched in 2010/11 were:

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

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

The following Themes were approved in 2010/11: *Invention, Innovation and Change*; *The Universities*; *Energy*; and *The History of Science and Technology*.

The following events were organised during 2010/11.

28 June 2010 at Cardiff University

Probability and Analysis at the Highest Degree of Non-commutativity, a lecture by Professor Dan-Virgil Voiculescu, University of California, Berkeley (the first *Frontiers* Lecture)

26 October 2010 at Swansea University

The Role of Societies in the Development of National Identity (a two-part event and the first in the *Anniversaries* Series): *Learned Societies and the Making of National Identity: A European Perspective* by Professor Robert Evans FBA FLSW, Regius Professor of History, Oxford University; and *Getting Our Act Together: Welsh Society and Welsh Societies, 1700-2000*, by Professor Prys Morgan FRHistS FSA FLSW, Emeritus Professor of History, Swansea University

25 November, 2010 at Aberystwyth University

Designing BLOODHOUND SSC – The 1000mph Car, a *Frontiers* Lecture by Professor Kenneth Morgan FREng FICE FIMA (elected FLSW, 2010/11), College of Engineering, Swansea University

2 December 2010 at Swansea University

The Commercialisation of Science, the first a lecture given under the *Invention, Innovation and Change* Theme, by Professor Graham Richards CBE DSC FRSC (elected FLSW, 2010/11), Oxford University

17 January 2011 at Cardiff University

Geometry and Physics: Past, Present and Future, a *Frontiers* lecture by Sir Michael Atiyah OM FRS FRSE, University of Edinburgh

31 March 2011 at Cardiff University

Sustainable Energy - Without the Hot Air, a lecture given under the *Energy* Theme, by Professor David MacKay FRS (Cambridge University, Chief Scientific Adviser to the Department of Energy and Climate Change)

18 May 2011 at UWIC

What are Universities for?, a one-day Symposium organised under the *Universities* Theme, with speakers including: Professor Graham Richards CBE DSc FRSC (elected FLSW, 2010/11), Oxford University; David Rosser, Regional Director, CBI Wales; Professor Dai Smith (elected FLSW, 2010/11), Swansea University; and John McCormick FRSE, Chair of the independent review of higher education governance in Wales (March 2011)

4 June 2011 at the National Museum Cardiff

Ancient Britons, Europe and Wales: New Research in Genetics, Archaeology, and Linguistics, a Day Conference jointly sponsored by the University of Wales Centre for Advanced Welsh and Celtic Studies and The Learned Society of Wales, and organised by Professor Sir Barry Cunliffe CBE FSA FLSW FBA and Professor John Koch (elected FLSW, 2010/11)

7 June 2011 at Cardiff University

The coldest march of Robert Falcon Scott, an *Anniversaries* lecture by Professor Susan Solomon ForMemRS, University of Colorado at Boulder, sponsored by the Society, as one of the Scott Lecture Series organised by Professor Dianne Edwards CBE ScD FRSE FLSW FRS of the School of Earth and Ocean Sciences at Cardiff University, to celebrate the centenary of Captain Scott's expedition to the South Pole

13 July 2011 at Cardiff University

Gravitational Waves: Listening to the True Music of the Spheres!, a public lecture by Professor Bernard Schutz FInstP (elected FLSW, 2010/11), Director of the Max Planck Institute for Gravitational Physics (The Albert Einstein Institute), Potsdam, and Professor at the School of Physics and Astronomy, Cardiff University, organised on the occasion of the Amaldi-9 and NRDA-2011 Conferences at Cardiff University in association with the Society

20 – 22 July 2011 at Bangor University

Writing Welsh History, 1850–1950: Contexts and Comparisons, a Conference to mark the Centenary of J. E. Lloyd's *History of Wales* (1911), organised by Professor Huw Pryce (elected FLSW, 2010/11) et al of the School of History, Welsh History and Archaeology at the University of Bangor in association with the Society, with speakers including a number of the Society's Fellows (in addition to the organiser, Professor Thomas Charles-Edwards FRHistS FLSW FBA, Professor Robert Evans FLSW FBA, Professor Ralph Griffiths OBE DLitt FRHistS FLSW, and Professor Prys Morgan FRHistS FSA FLSW)

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

Policy initiatives - the Funding Gap: Welsh Assembly Government support for the Welsh universities

Further to its Mission "to act as a source of independent and expert scholarly advice and comment on matters affecting the wellbeing of Wales and its people and to advance public discussion and interaction on matters of national and international importance", the Society has identified a number of policy areas in which it proposes to engage. These include: higher education funding and policy; research funding and policy; science policy including the environment and energy; cultural policy; social policy, including social cohesion and exclusion; and economic policy.

During the year, the Society made its first foray into the area of public policy debate, addressing the question of Welsh Assembly Government policy on university funding in Wales, through the publication on 1 March 2011 of a Council paper commenting on the Funding Gap and Government funding support for the Welsh universities. The paper showed that, although WAG has a devolved duty to nourish the infrastructure of Wales's universities so that they are fit for purpose, over the past decade Welsh universities have been under-funded compared with those in England and Scotland and that the cumulative finding gap between Wales and England over the ten years 2000 to 2009 – a decade of abundant spending in other Welsh public sectors – was more than £360 million; that between Wales and Scotland was more than £1 billion.

The paper argued that such underfunding undermines the sustainability of Wales's dominant knowledge base and pointed out that:

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

The paper concluded that the Government's latest decisions (to cut the university budget for 2011-2012 by 9 per cent, and to pay all increases in fees for Welsh students whether studying in Wales or elsewhere following the announcement that fees in English universities can be increased to a maximum of £9000 in 2012-2013) exacerbate the decade of underfunding and "do nothing to repair the already perilous financial state of this crucial National resource, hence consigning the Nation permanently to the slow lane".

Further: "Continued weakening of the Welsh universities on top of a decade of poor support from WAG ... [creates] a downward spiral which holds out little support for the belief that Wales is to be a small but clever Nation."

The Society believes that this issue is of immense importance for Wales and is continuing to take forward the argument for a more appropriate level of university funding – one that truly abolishes the Funding Gap.

Publications

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

- the Programme for the Society's Launch event (25 May 2010);
- the President's Inaugural Address (25 May 2010);
- Funding the Universities in Wales: Comments of the Council of the Society (1 March 2011);
- the President's Second Annual Address (25 May 2011);
- the Annual Review for 2010/11 (25 May 2011);
- the Proceedings of the Society's Symposium, *What are Universities for?*, which was held on 18 May 2011 (21 June 2011); and
- the Society's comments on higher education tuition fees in Wales (14 July 2011).

Some of these publications were also issued in printed format.

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

Relationship building

The building of relationships with stakeholders is an important aspect of the early stages of the Society's development. Its Officers have therefore met with a range of Welsh Government and National Assembly for Wales politicians and senior civil servants and further meetings are planned with politicians of all political parties. Copies of the Society's Prospectus were sent to all Assembly Members and Welsh Members of the Westminster Parliament, all of whom were invited to the Society's Launch in May 2010. The Society was required formally to consult with and secure the approval of the Welsh Assembly Government in respect of its proposed name, "The Learned Society

of Wales” (and, because of its longer-term aspiration to adopt the title, “The Royal Society of Wales”, it has also consulted on that matter with the office of The Prince of Wales).

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

In addition to its links with the University of Wales (see Financial Review, below), the Society has established links with Cardiff, Aberystwyth, Bangor and Swansea Universities, with members of the Dragon Innovation Partnership (the University of Wales Trinity Saint David and Swansea Metropolitan University), and with UWIC, as venues for, or as co-supporters of, Society events; other events are planned for each of the other universities in due course. Meetings and discussions have been held with the Vice-Chancellors of a number of universities including Cardiff, Swansea, Aberystwyth, Bangor and Glamorgan. A large proportion of the Society’s Fellows come from Welsh HEIs and the number and proportion of these are likely to increase following further elections to the Fellowship over the next few years. Links with the universities are particularly important in helping to facilitate the achievement of the Society’s aims.

Looking beyond cognate learned societies and the Welsh universities, the Society is already working, or expects to work in future, with a wide range of other organisations including the Research Councils, UK Government departments, and other charities such as the National Museum of Wales, the National Library of Wales and the National Trust.

Expanding the Fellowship: the Inaugural Election Cycle 2010/11

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

The Society originally had sixty-one Founding Fellows – those people who came together in a spontaneous and voluntary initiative to establish the Society – but, sadly, two of these died before the formal launch of the Society in May 2010 and a third died during the course of 2010/11.

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

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

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

One of the most important steps taken by the Society during 2010/11 was to conduct its Inaugural Election of new Fellows, to supplement the impressive list of Founding Fellows. In all, 119 new Fellows were elected in April 2011, so that the total number of Fellows at that time stood at 177. The Society has been strengthened considerably by this first annual election which is the first in a rolling process towards the building of a strong, representative Fellowship. It is envisaged that that process will take three years or more.

How the Society's activities deliver public benefit

To the extent that this was possible for this financial year in the context of the fact that the Society's application for charitable status was only submitted during the course of the year (and approved only towards the end of the period), the charity's Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake.

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

b) the advancement of education;

and

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

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

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

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

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

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

and

“Adding to the store of useful human knowledge is beneficial”.

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

The Society operates on a pan-Wales basis (and may in future operate beyond Wales as well) so that benefits are not restricted by geography. Nor are there any restrictions based on charitable need, personal characteristics, or (the Fellows not being beneficiaries of the Society’s activities) eligibility for Fellowship (F8).

With regard to access to facilities (Guidance, F7), lectures and other events organised by the Society will ordinarily be open to the public and outputs from or reports on such events will be made publicly available. All of the events organised by the Society since its Launch in May 2010 have been open to the public, as will be all events that are currently being planned.

Financial Review

The establishment of the Society and its operation during 2010/11 have been made possible by generous pump-priming support from the University of Wales. The University committed to provide a grant over the three-year period from 2009/10 to the end of 2011/12 in the first instance, and is also providing office space and other significant infrastructure support. The total value of the grant provided by the University of Wales to the Society during the accounting period was £124,795. Without this help, it would not have been possible to establish the Society, let alone make the progress that has so far been achieved in developing its programme of work. The Society is very grateful to the Council of the University for its far-sighted commitment to helping to bring the vision of a national academy for Wales to fruition. Having provided this support, the University has stepped away and has left the Society to conduct its business entirely independently.

The Society has also benefited from generous in-kind support from other organisations. These include Cardiff, Swansea, Bangor and Aberystwyth Universities and UWIC in Cardiff, which have helpfully provided venues for Society events at no charge during 2010/11. Swansea University also hosts the Society’s website.

The Society now also derives some income from subscriptions charged to Fellows and from admission fees charged to newly-elected Fellows. Total subscription income payable by Fellows for 2011/12 was £22,800 and income from admission fees payable by the 119 Fellows who were newly-elected in 2010/11 was £8,925. Over and above the income received from subscriptions and admission fees, the Society has received from Fellows generous donations amounting to a total of £12,350.

The Society's first accounts cover the period from its incorporation on 18 May 2010 to 31 July 2011 and will be presented to the Annual General Meeting in May 2012. These accounts show that all of the Society's incoming resources for the accounting period (£216,839) fell into the category of unrestricted funds. The Balance Sheet shows net assets amounting to £116,664 at the end of the period.

The Society's policy on reserves follows the practice adopted by other charities in this regard, namely to ensure that it retains in reserve at all times at least the equivalent of the cost of six months of staff salaries.

Present funding levels enable the Society to operate at a fairly modest but still meaningful level. This is reflected in staffing levels during 2010/11 – one full-time Chief Executive for the period 1 February 2011 to 31 July 2011, supplemented by donated support and administrative services. The Council has recognised that it is necessary to diversify the Society's income sources and that other, additional, sources of funding need to be explored as a matter of urgency in order to enable the Society to develop its programme over the next few years. Following on from the Society's successful application to the Charity Commission for charitable status, it has been decided that a Fellows' Appeal Fund, as well as a more general appeal to other individuals and organisations, should be launched during 2011/12.

Responsibilities of the Council

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is not appropriate to assume that the company will continue on that basis.

The Council is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable it to ensure that the financial statements comply with the Companies Act 2006. The Council is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of the Council, who are directors of the company for the purpose of company law and charity trustees for the purpose of charity law, who served during the accounting period covered by this report and up to the date of the report are set out on page 1.

Declaration

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

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


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

This report has been prepared in accordance with:

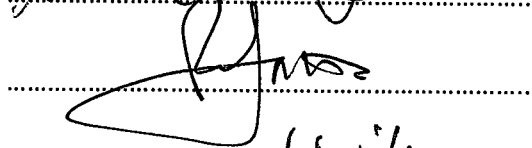
- the *Statement of Recommended Practice: Accounting and Reporting by Charities* (March 2005);
- Charity Commission guidance, *Charities and Public Benefit* (January 2008) and *The Advancement of Education for the Public Benefit* (December 2008); and
- the provisions of the Companies Act 2006 relating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

The report was approved by the Council on 18 January 2012 and signed on its behalf by:

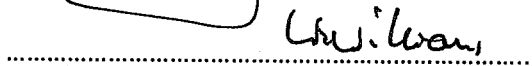
Sir John Ivan George Cadogan (President)



Sir Roger Spencer Jones (Treasurer)



Dr Lynn Eden Williams (Chief Executive and Secretary)



Date:

18 January 2012

Auditors' Report

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

We have audited the financial statements of The Learned Society of Wales for the period ended 31 July 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Council's Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

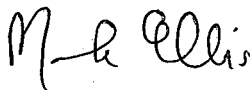
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



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

18 January 2012

The maintenance and integrity of the Learned Society of Wales's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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

Statement of Financial Activities

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

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	TOTAL FUNDS £
Statement of Financial Activities					
Incoming Resources					
Incoming Resources from Generated Funds:		-	-	-	-
Voluntary Income	2	216,584	-	-	216,584
Other Incoming Resources	3	255	-	-	255
Total Incoming Resources		216,839	-	-	216,839
Resources Expended					
Resources Expended					
Costs of generating voluntary funds:					
Costs of generating voluntary income		-	-	-	-
Fundraising trading		-	-	-	-
Charitable activities		65,302	-	-	65,302
Governance costs		34,873	-	-	34,873
Total Resources Expended	4	100,175	-	-	100,175
Net Incoming Resources		116,664	-	-	116,664

All incoming resources and resources expended derive from continuing operations.

Balance Sheet

Learned Society of Wales

Balance Sheet as at 31 July 2011

	Notes	£	£
Fixed Assets			
Tangible Assets	8		3,817
Current Assets			
Debtors		19,275	
Cash at bank and in hand		<u>103,007</u>	
		122,282	
Creditors: amounts falling due within one year	9	(9,435)	
			<u>112,847</u>
Net Current Assets			
Net Assets			<u><u>116,664</u></u>
Unrestricted Funds			
General funds			116,664
Total Funds			<u><u>116,664</u></u>

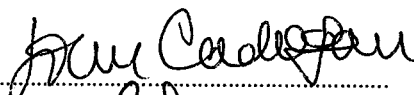
These accounts are prepared in accordance with the *Statement of Recommended Practice: Accounting and Reporting by Charities* (March 2005) and the provisions of Part 15 of the Companies Act 2006 relating to small companies.

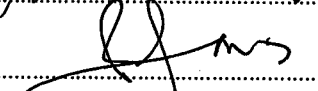
The accounts were approved by the Council on 18 January 2012 and signed on its behalf by:

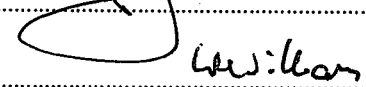
Sir John Ivan George Cadogan (President)

Sir Roger Spencer Jones (Treasurer)

Dr Lynn Eden Williams (Chief Executive and Secretary)







Notes to the Accounts

Notes forming part of the Financial Statements for the fifteen months ended 31 July 2011

1 Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the fifteen month period.

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

(b) Fund Accounting

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

(c) Incoming Resources

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

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

(d) Resources Expended

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

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

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

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

(e) Fixed Assets

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

(f) Donated Services

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

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

2	Voluntary Income	Notes	
			£
	Grant from the University of Wales		124,795
	Donated Services	10	47,714
	Membership Subscriptions		22,800
	Membership Admission Fees		8,925
	Donations		12,350
			<u>216,584</u>

3	Other Incoming Resources		
			£
	Miscellaneous Income		255
			<u>255</u>

4	Total Resources Expended						
		<i>Basis of Allocation</i>	<i>Events</i>	<i>Publications</i>	<i>Policy Initiatives</i>	<i>Governance</i>	<i>TOTAL</i>
		<i>Notes</i>	£	£	£	£	£
	Costs directly allocated to activities						
	Travel	5	4,102	-	-	2,598	6,700
	Professional charges		-	-	-	4,588	4,588
	Supplies and services		13,478	-	-	-	13,478
	Support costs allocated to activities						
	Staff costs	6	10,060	3,750	2,524	8,810	25,144
	Administration		14,900	5,585	3,730	13,035	37,250
	Premises		4,252	1,555	1,050	3,675	10,532
	Computing		193	73	50	2,167	2,483
	Total Resources Expended		<u>46,985</u>	<u>10,963</u>	<u>7,354</u>	<u>34,873</u>	<u>100,175</u>

5 Travel and Related Costs

	£
Trustees	
Travel	1,742
Accommodation	80
Subsistence	196
	<u>2,018</u>
Staff	1,449
Events: Speakers & Guests	3,233
	<u><u>6,700</u></u>

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

6 Staff Costs

	£
Salaries	22,500
National Insurance contributions	2,644
	<u>25,144</u>

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

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

	Number
Chief Executive	<u><u>0.4</u></u>

7 Taxation

As a charity, the Learned Society of Wales is exempt from tax on income and gains falling within section 505 of the Taxes Act 1998 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

8 Tangible Fixed Assets

	Office Equipment £
Cost	
At 18 May 2010	-
Additions	4,171
At 31 July 2011	<u>4,171</u>
Accumulated Depreciation	
At 18 May 2010	-
Charge for the period	354
At 31 July 2011	<u>354</u>
Net Book Value	
At 18 May 2010	-
At 31 July 2011	<u>3,817</u>

9 Creditors: amounts falling due within one year

	£
Receipts in Advance	9,210
Trade Creditors	225
	<u>9,435</u>

10 Donated Services

	£
Seconded Staff	33,379
Serviced Office Space	10,500
Computing Support	900
Venues for Meetings and Events	2,935
	<u>47,714</u>



THE LEARNED SOCIETY OF WALES
CYMDEITHAS DDYSGEDIG CYMRU

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

**For more information about the Society,
contact:**

Dr Lynn Williams
Chief Executive and Secretary
The Learned Society of Wales
PO Box 586
Cardiff CF11 1NU

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or visit the Society's website:
www.learnedsocietywales.ac.uk