



The Learned Society of Wales

**Final Report and Company Accounts
for the period 5 August 2016 to 31 July 2017**

**Registered Charity Number 1141525
Company Number 7256948**



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)

Report and Accounts

for the period 5 August 2016 to 31 July 2017

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Administrative Details

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.learnedsociety.wales / www.cymdeithasddysgedig.cymru

Members of Council (Charity Trustees)

Professor David Boucher	Professor John Morgan (from May 2017)
Professor Michael Charlton	Professor John Wyn Owen (Director)
Professor Sioned Davies (from May 2017)	Professor Roger Owen
Professor Kenneth Dyson (until May 2017)	Professor Ole Petersen
Professor Nancy Edwards	Professor Judith Phillips (Until May 2017)
Professor David Evans	Professor Tim Phillips (From May 2017)
Professor Helen Fulton (from May 2017)	Professor Keith Robbins (until May 2017)
Professor Christine James	Professor Alan Shore (Director)
Professor John Jones	Professor Keith Smith
Sir Emyr Jones Parry	Professor Terry Threadgold
Professor Densil Morgan (from May 2017)	Professor Robin Williams (until May 2017)

Except where indicated, the persons listed above served as Charity Trustees throughout the period covered by this Report and occupied these positions on the date on which the Report was approved (24 January 2018).

Auditors

PricewaterhouseCoopers LLP, One Kingsway, Cardiff CF10 3PW

Bankers

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

Legal Advisers

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

Chief Executive

Professor Peter W Halligan (Director)

Clerk (including Company Secretary)

Mrs Amanda Kirk

Structure, Management and Governance

Governing Document

The Society was incorporated as a company limited by guarantee (company number, 7256948) on 18th 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 defined the objectives, powers and governance arrangements.

During 2013/14, the Society initiated the process of applying for a Royal Charter and this was successfully awarded in September 2015. As a result of being awarded the Royal Charter, the Society incorporated itself as a Royal Charter Charity (with a new registered charity number) during August 2016. All activities and reserves of this company were transferred to the Royal Charter Charity on 5 August 2016 with the intention of the former company becoming dormant.

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.

Given transfer to the new Royal Charter Charity described above, all other matters surrounding governance, objectives, activities, achievements together with the financial review are now set out in the new Royal Charter charity (registered number 1168622)

Responsibilities of the Council and Trustees

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 charity 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 charity 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 charity and to enable it to ensure that the financial statements comply with the Charities Act 2011. The Council is 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 members of the Council, who are Charity Trustees for the purpose of Charity law, and served during the accounting period covered by this report are all listed on page 1.

Declaration

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

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

PricewaterhouseCoopers LLP were re-appointed as the charity's auditors during the year.

This report has been prepared in accordance with:

- the *Statement of Recommended Practice: Accounting and Reporting by Charities*;
- the Charity Commissions guidance, *Charities and Public Benefit: an overview and PB1, PB2 and PB3* (16 September 2013), *The Advancement of Education for the Public Benefit* (December 2008, as amended December 2011); and the Public Benefit Requirement (September 2013)
- the provision of the Companies Act 2006 relating to small companies.

The report was approved by the Council on 24 January 2018 and signed on its behalf by:

Professor Alan Shore (General Secretary)

Professor John Wyn Owen (Treasurer)

Professor Peter William Halligan (Chief Executive)

Mrs Amanda Kirk (Clerk to Council)

Date: 24 January 2018

Auditors' Report

Independent auditors' report to the members of The Learned Society of Wales

Report on the audit of the financial statements

Opinion

In our opinion, the Learned Society of Wales' financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Accounts (the "Annual Report"), which comprise: the balance sheet as at 31 July 2017; the statement of financial activities (including income & expenditure account); and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on it, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Responsibilities of the Council and Trustees set out on page 3, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Jonathan Bound (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
28 January 2018

Statement of Financial Activities

Learned Society of Wales Statement of Financial Activities (including Income & Expenditure Account) for Period ending 31 July 2017

	Notes	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Endowment Funds 2017 £	TOTAL FUNDS 2017 £	TOTAL FUNDS 2016
Statement of Financial Activities						
Incoming Resources						
Incoming Resources from Generated Funds:		-	-	-	-	
Voluntary Income	2	-	-	-	-	308,163
Other Incoming Resources	3	-	-	-	-	12,474
Total Incoming Resources		-	-	-	-	320,637
Resources Expended						
Costs of generating voluntary funds:						
Costs of generating voluntary income		-	-	-	-	
Fundraising trading		-	-	-	-	
Charitable activities		-	-	-	-	210,594
Governance costs		-	-	-	-	71,632
Total Resources Expended	4	-	-	-	-	282,226
Net Incoming Resources		-	-	-	-	38,411

All incoming resources and resources expended derive from continuing operations.

There is no material difference between the resources stated above and their historical cost equivalents.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

Balance Sheet

Learned Society of Wales

Balance Sheet as at 31 July 2017

	Notes	£ 2017	£ 2016
Fixed Assets			
Tangible Assets	8	-	3,571
		-	
Current Assets			
Debtors	9	-	374,459
Cash at bank and in hand		-	390,508
Creditors: amounts falling due within one year	10	-	(30,903)
Net Current Assets		-	359,605
Net Assets		-	363,176
Unrestricted Funds			
General funds			356,917
Restricted Funds			
General funds			6,259
Total Funds	12		363,176

These accounts are prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities and the provision of Part 15 of the Companies Act 2006 relating to small companies

The accounts were approved by the Council on 24 January 2018 and signed on its behalf by:

Sir Emyr Jones Parry – President _____

Professor John Wyn Owen – Treasurer _____

Professor Peter William Halligan
– Chief Executive _____

Mrs Amanda Kirk
- Clerk and Company Secretary _____

Notes to the Accounts

Notes forming part of the Financial Statements for the twelve months ended 31 July 2017

Accounting Policies

- 1 The principal accounting policies are summarised below and have been applied consistently throughout the year and in the preceding twelve month period.

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006, Charities Act 2011, and the Statement of Recommended Practice: Accounting and Reporting by Charities, preparing their accounts in accordance with the Financial Reporting standard applicable in the UK, issued on 16 July 2014. As noted in the Structure, Governance and Management section on page 2, following the granting of Royal Charter status, the Society has transferred to a new Royal Charter Charity with all funds being transferred out of this Company which is expected to remain dormant in the future.

Fund Accounting

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

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:

- (b)
- i. 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.
 - ii. 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.

- (c) **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.

- (d) **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.

Donated Services

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

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

2 Voluntary Income	2017	2016
	£	£
General Grant from the University of Wales	-	50,000
General Grant from Cardiff University	-	43,000
Donated Services (University of Wales)	-	38,500
General Grant from Bangor University	-	25,000
General Grant from Swansea University	-	25,000
General Grant from University of Wales Trinity St David	-	25,000
Other Grants for Activities	-	20,200
General Grant from Cardiff Metropolitan University	-	15,000
General Grant from University of South Wales	-	15,000
Membership Subscriptions	-	13,488
Grant from Welsh Government (Medals)	-	12,000
General Grant from Aberystwyth University	-	10,000
General Grant from Glyndwr University	-	5,000
General Grant from Open University	-	4,000
Donations	-	3,675
Membership Admission Fees	-	3,300
	<u>-</u>	<u>308,163</u>
	<u>-</u>	<u>308,163</u>
3 Other Incoming Resources	£	
Gift Aid	-	8,354
Bank Interest	-	89
Miscellaneous Income	-	4,031
	<u>-</u>	<u>12,474</u>
	<u>-</u>	<u>12,474</u>

4 Total Resources Expended.

	Notes	<i>Basis of Allocation</i>	Public Policy				TOTAL 2017 £	TOTAL 2016
			Activities	Publications	Development	Governance		
			2017 £	2017 £	2017 £	2017 £		
Costs directly allocated to activities								
Travel	5	<i>Direct</i>	-	-	-	-	8,999	
Professional charges		<i>Direct</i>	-	-	-	-	4,144	
Supplies and services		<i>Direct</i>	-	-	-	-	51,551	
Support costs allocated to activities								
Staff costs	6	<i>Staff time</i>	-	-	-	-	175,905	
Administration		<i>Staff time</i>	-	-	-	-	9,845	
Premises		<i>Usage</i>	-	-	-	-	28,942	
Computing		<i>Usage</i>	-	-	-	-	2,840	
Total Resources Expended			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,226</u>	

5 Travel and Related Costs	2017	2016
	£	£
Trustees		
Travel	-	3,313
Accommodation	-	626
Subsistence	-	1,082
	<hr/>	<hr/>
	-	5,021
Staff	-	3,587
Speakers & Guests	-	391
	<hr/>	<hr/>
	-	8,999
	<hr/> <hr/>	<hr/> <hr/>

No members of the Council received any remuneration during the year.

6 Staff Costs	£	£
Salaries	-	155,531
National Insurance contributions	-	12,332
Pension contributions	-	8,042
	<hr/>	<hr/>
	-	175,905
	<hr/> <hr/>	<hr/> <hr/>

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

£80,000 - £89,999	-	1
	<hr/>	<hr/>
	-	1
	<hr/> <hr/>	<hr/> <hr/>

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

	Number	Number
Chief Executive	-	1.00
Clerk	-	0.58
Executive Officers	-	2.39
	<hr/>	<hr/>
	-	3.97
	<hr/> <hr/>	<hr/> <hr/>

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 section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen to the charity.

8 Tangible Fixed Assets	£	£
Office Equipment Cost		
At Start of period	4,236	5,283
Additions	-	3,124
Disposal	-	(4,171)
Transferred out	4,236	-
	<hr/>	<hr/>
At end of period	-	4,236
	<hr/> <hr/>	<hr/> <hr/>

Accumulated Depreciation

At Start of period	665	4,333
Charge for the period	-	503
Disposal	-	(4,171)
Transferred Out	665	-
End of period	-	665

Net Book Value

At start of period	3,571	950
At end of period	-	3,571

9 Creditors: amounts falling due within one year

	£	
Trade Creditors	-	30,903
	-	30,903

10 Donated Services

	£	
Serviced Office Space	-	24,480
Venues for Meetings and Events	-	9,100
Professional Services	-	3,500
Computing Equipment	-	1,420
	-	38,500

11. Summary of Fund Movements

Fund	Fund balances brought forward	Income	Expenditure	Transfers to new charity	Fund Balances carried forward
	£	£	£	£	£
Unrestricted Funds					
General Funds	356,917	-	-	(356,917)	-
Restricted Funds					
General Funds	6,259	-	-	(6,259)	-
Total Funds	363,176	-	-	(363,176)	-

For more information about the Society, contact:

The Learned Society of Wales

The University Registry

King Edward VII Avenue

Cathays Park

Cardiff CF11 1NU

029 2037 6976 / 029 2037 6954

email: lsw@lsw.wales.ac.uk

or visit the Society's website: www.learnedsociety.wales

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