

ANNEX 8: STATEMENT OF FINANCIAL ACTIVITIES

| Page | |
|------|---|
| 44 | Statement of financial activities |
| 45 | Balance sheet |
| 46 | Cash flow statement |
| 47 | Accounting policies |
| 51 | Investment income |
| 52 | Income from other trading activities |
| 52 | Costs of raising funds |
| 52 | Charitable activities: Advancing the interests of mathematics |
| 53 | Charitable activities: Enabling mathematicians to undertake research and collaboration |
| 54 | Charitable activities: Disseminating mathematical knowledge – Publications |
| 55 | Charitable activities: Disseminating mathematical knowledge – Conference and meeting programmes |
| 55 | Charitable activities: Promoting mathematical research and its benefits |
| 56 | Governance and other committees' costs |
| 56 | Analysis of general support and governance costs |
| 57 | Allocation of support and governance costs by activity |
| 58 | Employment costs |
| 59 | Pension costs |
| 60 | Fixed asset investments |
| 60 | Gains and losses on investment assets |
| 61 | Tangible fixed assets |
| 61 | Debtors |
| 61 | Creditors and deferred income |
| 62 | Restricted funds |
| 63 | Unrestricted funds |
| 64 | Analysis of net assets between funds |
| 64 | Grants and contracts management account |
| 64 | Transactions with Trustees and connected persons |
| 65 | Comparison figures of each fund (2019/20 financial statements) |

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31st July 2022

| | Notes | Unrestricted General Funds £ | Designated Funds £ | Restricted Funds £ | 2022 Total Funds £ | 2021 Total Funds £ |
|---|--------|---------------------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Income and endowments: | | | | | | |
| Donations and legacies | | 17,432 | - | 243,000 | 260,432 | 144,236 |
| Income from charitable activities: | | | | | | |
| Membership subscriptions | | 155,158 | - | - | 155,158 | 146,062 |
| Publications – LMS Periodicals | 7a | 1,075,985 | - | 3,200 | 1,079,185 | 1,424,264 |
| Publications – Ventures and Royalties | 7c,d | 313,837 | 285,865 | - | 599,702 | 649,088 |
| Grants and contracts | 23 | 89,919 | - | 60,763 | 150,682 | 133,449 |
| Total income from charitable activities | | 1,634,899 | 285,865 | 63,963 | 1,984,727 | 2,352,863 |
| Income from other trading activities | 3 | 142,861 | - | - | 142,861 | 124,417 |
| Income from Investments | 2 | 523,209 | - | 8,510 | 531,719 | 502,606 |
| Other income | | 3,782 | - | - | 3,782 | 24,969 |
| Total Income | | 2,322,183 | 285,865 | 315,473 | 2,923,521 | 3,149,091 |
| Expenditure: | | | | | | |
| Costs of raising funds | 4 | 270,512 | - | - | 270,512 | 275,867 |
| Expenditure on charitable activities: | | | | | | |
| Advancing the interests of mathematics | 5 | 277,721 | - | 9,031 | 286,752 | 346,071 |
| Enabling mathematicians to undertake research and collaboration | 6 | 438,276 | 9,333 | 81,500 | 529,109 | 682,184 |
| Disseminating mathematical knowledge: | | | | | | |
| - Costs of publications | 7b,c,d | 327,745 | 185,683 | 9,200 | 522,628 | 602,193 |
| - Conferences and meeting programmes | 8 | 154,949 | - | - | 154,949 | 103,744 |
| Promoting mathematical research and its benefits | 9 | 330,570 | - | 185,723 | 516,293 | 354,218 |
| Total expenditure on charitable activities | | 1,529,261 | 195,016 | 285,454 | 2,009,731 | 2,088,410 |
| Total expenditure | | 1,799,773 | 195,016 | 285,454 | 2,280,243 | 2,364,277 |
| Net income before gains and losses on investment | | 522,410 | 90,849 | 30,019 | 643,278 | 784,814 |
| Net (losses)/ gains on investment assets | 16 | (291,813) | - | (8,133) | (299,946) | 1,421,884 |
| Net Income for the year | | 230,597 | 90,849 | 21,886 | 343,332 | 2,206,698 |
| Transfers between funds | 20,21 | 113,362 | (125,100) | 11,738 | - | - |
| Actuarial loss on defined benefit pension schemes | 14,19 | (227,987) | - | - | (227,987) | (38,952) |
| Net movement in funds for the year | | 115,972 | (34,251) | 33,624 | 115,345 | 2,167,746 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 15,523,529 | 3,648,251 | 416,379 | 19,588,159 | 17,420,413 |
| Fund balances carried forward | | 15,639,501 | 3,614,000 | 450,003 | 19,703,504 | 19,588,159 |

The comparative figures for each fund are shown in the notes to the accounts, (see note 25).

BALANCE SHEET
as at 31st July 2022

| | | 2022 | | 2021 | |
|--|-----|------------|------------|------------|------------|
| Notes | £ | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Fixed Asset Investments | | | | | |
| Quoted Investment | 15a | 13,766,170 | | 12,153,444 | |
| Residential Property | 15b | 3,713,950 | | 3,688,950 | |
| | | | 17,480,120 | | 15,842,394 |
| Tangible Fixed Assets | | | | | |
| Leasehold Property | 17 | 1,120,435 | | 1,165,252 | |
| Fixtures, Fittings and Equipment | 17 | 37,014 | | 37,632 | |
| | | | 1,157,449 | | 1,202,884 |
| | | | 18,637,569 | | 17,045,278 |
| Current Assets | | | | | |
| Medals in stock | | - | | 1,531 | |
| Debtors | 18 | 241,375 | | 312,447 | |
| Cash at bank and in hand | | 2,113,763 | | 3,508,017 | |
| | | | | | |
| | | | | 2,355,138 | 3,821,995 |
| Liabilities: | | | | | |
| <i>Creditors: Amounts falling due within one year</i> | | | | | |
| Creditors | 19 | 803,647 | | 962,083 | |
| Deferred Income | 19 | 47,887 | | 107,349 | |
| | | | | | |
| | | | | 851,534 | 1,069,432 |
| Net current assets | | | 1,503,604 | | 2,752,563 |
| <i>Creditors: Amounts falling due after more than one year</i> | | | | | |
| Provision of Pension Liability | 19 | | (437,669) | | (209,682) |
| | | | | | |
| Total Net Assets | | | 19,703,504 | | 19,588,159 |
| Represented by: | | | | | |
| General Funds | 21 | 15,639,501 | | 15,523,529 | |
| Designated Funds | 21 | 3,614,000 | | 3,648,251 | |
| Restricted Funds | 20 | 450,003 | | 416,379 | |
| | | | 19,703,504 | | 19,588,159 |

The notes on pages 47 to 65 form part of these financial statements.

Approved by the trustees on 21 October 2022 and signed on their behalf by:



Professor Simon Salamon
(Treasurer)

Cash Flow Statement
For the year ended 31 July 2022

| | 2022 | | 2021 | |
|--|-------------|--------------------|-------------|------------------|
| | £ | £ | £ | £ |
| Cash flow from operating activities | | | | |
| Net movements in funds | 115,345 | | 2,167,746 | |
| Add / (Deduct) gains/(losses) on investments (note 16) | 299,946 | | (1,421,884) | |
| Add back re-invested gains (note 2) | 97,110 | | 89,612 | |
| Add back investment management fees (note 4) | 59,870 | | 53,063 | |
| Add back VAT on investment management fees | 2,458 | | 2,231 | |
| Deduct investment income (note 2) | (531,719) | | (502,606) | |
| Add back depreciation charge (note 17) | 62,939 | | 60,783 | |
| Decrease / (Increase) in debtors (note 18) | 71,072 | | (168,314) | |
| Decrease / (Increase) in medals in stock | 1,531 | | - | |
| (Decrease)/increase in creditors (note 19) | 10,089 | | 87,723 | |
| | <hr/> | | <hr/> | |
| Net cash provided by operating activities | | 188,641 | | 368,354 |
| Cash flow from Investing activities | | | | |
| Purchase of tangible fixed assets (note 17) | (17,504) | | (25,623) | |
| Purchase of fixed asset investments (note 15) | (2,096,909) | | (89,612) | |
| Investment income (note 2) | 531,719 | | 502,606 | |
| | <hr/> | | <hr/> | |
| Net cash provided by investing activities | | (1,582,694) | | 387,371 |
| | | <hr/> | | <hr/> |
| Change in cash and cash equivalent in the year | | (1,394,053) | | 755,725 |
| | | <hr/> | | <hr/> |
| Cash and cash equivalent at the beginning of the year | | | | |
| Cash in bank and deposit | | 3,508,017 | | 2,752,292 |
| Cash held in investments | | 100 | | 100 |
| | | <hr/> | | <hr/> |
| | | 3,508,117 | | 2,752,392 |
| | | <hr/> | | <hr/> |
| Cash and cash equivalent at the end of the year | | | | |
| Cash in bank and deposit | | 2,113,763 | | 3,508,017 |
| Cash held in investments | | 301 | | 100 |
| | | <hr/> | | <hr/> |
| | | 2,114,064 | | 3,508,117 |
| | | <hr/> <hr/> | | <hr/> <hr/> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

1. Accounting Policies

The accounting policies adopted by the Society are as detailed below:

a) Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Charities Act 2011.

The London Mathematical Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The trustees have assessed whether the use of going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Society to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the impact of COVID-19 pandemic and the forthcoming reduction in the Society's income from its publications activities.

In relation to the pandemic, the conference income from De Morgan House continues to be affected. This is partly mitigated by anticipated cost savings due to changes in levels of activity in some areas. For example, it is likely that there will continue to be fewer applications than usual for certain grant schemes and some events will continue to take place online rather than face-to-face.

As noted earlier in this report, the Society is set to lose a significant part of its income from its publications activities. Council is actively exploring other sources of income. Pending the development of additional income streams, Council has reviewed all the Society's activities in order to identify savings and decided on reductions in its budget for this financial year accordingly.

On this basis, and the level of reserves held, the trustees consider that the Society has adequate resources to continue in operational existence for the foreseeable future. The Society therefore continues to adopt the going concern basis in preparing its financial statements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

b) Judgements and key sources of estimation uncertainty

In the application of the Society's accounting policies, the trustees are required to make judgement, 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 the 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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

- Useful Economic Lives- The annual depreciation charge for property, fixture, fittings and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.
- Defined benefit scheme pension liability can be estimated based on recommended modeller provided by USS. For more details, see note 14. FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit result in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.
- Fair value of residential properties is reassessed annually based on local agents estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

c) **Financial Instruments**

The Society has elected to apply the provision of Section 11 'Basic Financial Instrument's and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial Instruments are recognised in the Society's balance sheet when the Society 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.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. (See notes 18 and 19 for details)

d) **Members' Subscriptions**

Subscription income from members is recognised in the year to which it relates. During the year new members are allowed to pay pro-rata subscription fees depending on when they are elected during the membership year.

e) **Donations**

Cash donations are credited to the General Fund in the year of receipt but donations in kind are not recognised in these financial statements.

f) **Investments**

• **Quoted investments**

All quoted investments are valued at their market value at the balance sheet date, giving rise to unrealised gains and losses which are included in the Statement of Financial Activities. The market value is determined as follows:

- i) Listed securities are valued at mid-market value ruling at the balance sheet date;
- ii) Unit trust and managed fund investments are stated at the mid-point of the latest prices quoted by the investment managers immediately prior to the balance sheet date;
- iii) Investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling at the balance sheet date.

The Society in its total returns policy treats all cash withdrawals from the investment portfolio as investment income. This is analysed in the notes to the financial statements as investment income split between the various categories of investment based on information provided by the investment managers and the proportion of total return drawn down relating to gains. The balance of unrealised gains and losses on revaluation of investments, and realised gains and losses arising on disposal of investments are separately identified in the notes to the Financial Statements and on the SoFA.

• **Residential property investment**

The rental derived is shown on the SoFA under 'Investment Income'. The growth in the value of the Society's residential property investment will be shown in the SoFA as Gains on investment assets. The residential property investment is valued at balance sheet date using the local estate agent's guidance on the current housing market within the area where the properties are located.

g) **Fixed Assets**

Depreciation is provided on all tangible fixed assets at rates calculated to write off, on a straight-line basis, the cost less estimated residual value over their expected useful lives as follows:

| | |
|---|---------------|
| Leasehold Property | Over 50 years |
| Fixtures, Fittings and Office Equipment | 20% |
| Computer equipment | 33.33% |

The Society operates a policy of capitalising assets whose unit cost exceeds £1,000, with expenditure below this level written off as incurred.

h) **Publications**

- i) Publications income from LMS journals is recorded based on an estimated accrued basis; other publications income is treated on a cash basis which is considered to be the most appropriate and prudent approach given the information available.
- ii) Income from the Society's contracts with publishers for the production, distribution and sales of its journals is determined as the best estimate for that proportion of the income (i.e. subscriptions less costs of production, distribution, sales and commission) relating to the number of issues published before the Balance Sheet date.
- iii) No account has been taken of costs incurred or sales proceeds received in respect of publication after the Balance Sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

1. Accounting Policies (continued)

- iv) No valuation for accounting purposes is taken of any stocks of publications unsold at the Balance Sheet date.
- v) The cost of publishing rights and subscribers' lists are written off in the year of acquisition.
- vi) Royalties are taken into the Statement of Financial Activities as declared due by the relevant publishers.

i) Joint Ventures

The results of joint ventures are included in the accounts up to the year- end indicated.

j) Grants and Contracts

The Society has been awarded contracts and grants for some of its activities. These comprise: a contribution from IMU to support mentoring activities for mathematicians in Africa; shared costs of some activities with sister societies. The income and expenditure relating these are handled through this Fund.

k) Recognition of grant liabilities

Where the Society has contractual or constructive obligations to make grant payments these amounts are accrued in the accounts in accordance with the requirements of the SORP. The liability will be recognised within the year the grant is awarded. The unpaid grant commitments should normally be claimed by the end of the following financial year. However, the claim period may need to be extended for a further year (award year + 2) if the grant cannot be claimed by the end of the year following the award due to constraints on the start or end date of a grant, or due to other circumstances outside the control of the Society.

The Society also awards some grants with conditions for payment being a specific level of service or specific output to be delivered. Such grant awards (commitments) will be reserved in the Designated funds, and the grants are only recognised in the SoFA once the recipient of the grant has provided evidence of the specific service or output. Such grants are therefore reviewed annually and the grant payments subject to the condition of a progress report with satisfactory performance. If the project spans a number of years and satisfactory progress reports are received after year one, the first stage of the grant will be released from the Designated fund and that part of the grant expenditure will be recognised in the SoFA at that point.

Grants unclaimed by the end of award year +2 will be released back to the Society's general funds.

l) Grants payable

Grants payable out of existing revenues are provided for in full in the accounts. Those payable out of future resources are held in the Grant payable Reserve Fund (see also note '1i')

m) Taxation

The Society is a registered charity and no liability to taxation arises on the results of its business activities in support of its charitable purposes.

The Society has partial exempt status in respect of VAT, based on the split of its business and non-business activities. The proportion of VAT that cannot be recovered because of partial or fully exempt status of the activity is redistributed to the activities. The basis on which irrecoverable VAT have been allocated to the activities are set out in note 12.

n) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

o) Medals in stock

The medal stock for the prize is stated at the lower of cost and net realisable value.

p) General Fund

The Unrestricted reserves are analysed between the General Fund and other Designated Funds. The General Fund, detailed in note 21 to the financial statements, is to provide for the general operation of the Society including its charitable activities not funded from Designated or Restricted Funds. Within the Society's reserves the General Fund is deemed an expendable reserve to be used in pursuit of the Society's objectives as Council may from time to time determine. At present it is managed to provide the income to be used to ensure the availability of resources for its grant schemes and other charitable activities in future years.

q) Designated Funds

The Unrestricted reserves are analysed between general and designated funds. The Trustees have created the following designated funds:

(i) Building & Development Reserve Fund

This reserve is to meet the costs of (a) consequences of the temporary loss of De Morgan House, (b) periodic internal and external decoration and maintenance, (c) major modifications or repairs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

1. Accounting Policies (continued)

- (ii) **Publication Reserve Fund**
This reserve is to meet the costs of (a) breaches of copyright or libel actions against the Society, (b) special strategic and commercial initiatives (c) exploration and start-up costs of new ventures (d) consequential costs should the Society to cease publishing, (e) unpredictable annual fluctuations in the surplus.
- (iii) **Grants Payable Reserve Fund**
This fund has been established to cover grants awarded and approved by Council to be paid in future accounting periods, subject to available finance and satisfactory report.
- (iv) **COVID-19 Emergency Fund**
This fund is set aside to help mitigate the impact of the COVID-19 pandemic on mathematical research, including the 'people pipeline' of early career researchers.
- (v) **Compositio Fund**
This fund holds the transaction relating to, and any year-end excess of income over expenditure, relating to the Society's joint venture with the Foundation Compositio to produce the journal Compositio.

r) Restricted Funds

The income of these restricted funds is to be used for the following purposes:

- i) **The Berwick Prize Fund** - To support the Annual prize for mathematical work published by the Society
- (ii) **De Morgan Medal Fund augmented by the Sir Joseph Larmor Prize Fund** - To support the award of the De Morgan Medal and the Larmor Prize, awarded every three years.
- (iii) **Lord Rayleigh's Fund** - To support the general activities of the Society.
- (iv) **J. H. C. Whitehead Prize Fund** - To support the cost of the Annual prizes awarded for lecturing and mathematical work.
- (v) **Fröhlich Fund** - To support the cost of the Annual prizes awarded for lecturing and mathematical work.
- (vi) **Shephards Prize Fund** - To support mathematics with a strong intuitive component which can be explained to those who have little or no knowledge of university mathematics.
- (vii) **A. J. Cunningham Research Fund** - To support the cost of publication of work on the factorisation of large numbers.
- (viii) **Zeeman Fund** - To support the cost of Undergraduate Research Bursaries named in honour of Professor Sir Christopher Zeeman.
- (ix) **Frank Gerrish Fund** - To support the cost of promotion of expository articles and surveys within the Society's publications.
- (ix) **Emmy Noether Fellowships Fund** - To support those re-establishing their research after a break or ongoing caring responsibilities.
- (xi) **Campaign for Pure Mathematics Fund** - To support the cost of a public campaign to protect and promote pure mathematics.
- (xii) **Levelling Up Scheme** - To help cover the costs of the Society's work on a pilot online tutorial scheme for A-level maths students from under-represented backgrounds.
- (xiii) **Heilbronn Institute for Mathematical Research (HIMR) Fund** - To contribute to the costs of various Society grant giving activities including in support of undergraduates & early career researchers.
- (xiv) **Solidarity Fund** - support for mathematicians who are fleeing their countries
- (xv) **MARM Grant** – to support partnerships between African and UK/European mathematicians
- (xvi) **Cecil King Grant** – to support travel scholarship for early career mathematicians to study or research abroad, typically for a period of three months.

s) Support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back-office costs, finance, personnel, payroll and governance costs which support the Society's Mathematical Sciences programmes and activities. The Governance costs include external audit, legal advice and the costs of trustee and committee meetings, as well as costs associated with constitutional and statutory requirements. Support and governance costs have been allocated between the costs of raising funds and charitable activities. The bases on which support and governance costs have been allocated to activities are set out in note 12.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

f) Employee benefits

Termination benefits are recognised immediately as an expense when the Society is demonstrably committed to terminate the employment of an employee through, for example, redundancy, or to provide termination benefits.

u) Heritage assets

The Society holds an archive of historical material, known as the LMS Archive. The purpose of the Society's Archive is to provide a permanent historical record of the activities of the London Mathematical Society. The Society's Archive also provides protection for other significant material relating to mathematics in the UK that might otherwise be lost or destroyed, for the purposes of bibliographic reference and further study by historians of mathematics. No value is attributed to the Archive in the financial statements. From time to time, items may be added to the Archive and again no value is attributed to these items in the financial statements. The cost of regular valuations of items in the archive would not be justified.

2. Investment Income

| 2022 | Unrestricted | Designated | Restricted | Total 2022 |
|---|----------------|------------|--------------|----------------|
| | £ | £ | £ | £ |
| a) Investment income receivable: | | | | |
| Total returns/ Unit Trust Distribution (Bond interest, Equities dividends, etc.) | 477,115 | - | 8,371 | 485,486 |
| Re-invested total returns | (97,110) | - | - | (97,110) |
| Net investment income receivable | 380,005 | - | 8,371 | 388,376 |
| b) Residential property rental income | 142,240 | - | - | 142,240 |
| c) Interest receivable (Treasury Reserve and Bank deposits) | 964 | - | 139 | 1,103 |
| Total investment income 2022 | 523,209 | - | 8,510 | 531,719 |

| 2021 | Unrestricted | Designated | Restricted | Total 2021 |
|---|----------------|------------|--------------|----------------|
| | £ | £ | £ | £ |
| a) Investment income receivable: | | | | |
| Total returns/ Unit Trust Distribution (Bond interest, Equities dividends, etc.) | 446,638 | - | 8,094 | 454,732 |
| Re-invested total returns | (89,612) | - | - | (89,612) |
| Net investment income receivable | 357,026 | - | 8,094 | 365,120 |
| b) Residential property rental income | 135,976 | - | - | 135,976 |
| c) Interest receivable (Treasury Reserve and Bank deposits) | 1,367 | - | 143 | 1,510 |
| Total investment income 2021 | 494,369 | - | 8,237 | 502,606 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

| 3. Income from other trading activities | 2022 | 2021 |
|---|----------------|----------------|
| | £ | £ |
| a) DMH Conference facilities | 53,520 | 7,288 |
| b) DMH Rental income | 86,071 | 112,484 |
| c) Advertising in Newsletter | 3,270 | 4,645 |
| | 142,861 | 124,417 |
| Total | 142,861 | 124,417 |

| 4. Costs of raising funds | 2022 | | 2021 | |
|--|--------|----------------|--------|----------------|
| | £ | £ | £ | £ |
| a) Conference facilities | | | | |
| General expenditure | 15,812 | | 11,030 | |
| Apportioned support and governance costs | 63,825 | | 83,845 | |
| | | 79,637 | | 94,875 |
| b) Service for tenants | | 85,590 | | 69,831 |
| c) Investment Management fees | | 59,870 | | 53,063 |
| d) Residential Investment Property costs | | 45,415 | | 58,098 |
| | | 270,512 | | 275,867 |
| Total | | 270,512 | | 275,867 |

| 5. Charitable activities: Advancing the interests of Mathematics | 2022 | | 2021 | |
|--|--------|----------------|--------|----------------|
| | £ | £ | £ | £ |
| Members' services: | | | | |
| LMS Newsletter | 24,579 | | 23,978 | |
| Other costs | 3,773 | | 3,222 | |
| Unrecoverable subscriptions | 5,219 | | 4,599 | |
| | | 33,571 | | 31,799 |
| Activities to support Women in Mathematics | | - | | 150 |
| Activities to support Maths -Computer Sciences | | 464 | | - |
| Library, binding and archives | | 5,042 | | 6,450 |
| EMS, IMU, ICIAM subscriptions & ICM costs | | 23,928 | | 13,935 |
| Prizes | | 10,381 | | 18,122 |
| Apportioned support and governance costs (note 12) | | 213,366 | | 275,615 |
| | | 286,752 | | 346,071 |
| Total | | 286,752 | | 346,071 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

6. Charitable activities: Enabling Mathematicians to undertake research and collaboration

| | 2022 | | 2021 |
|--|---------|------------------|-----------------|
| | £ | £ | £ |
| Grant Schemes | | | |
| Research Grants (Schemes 1 – 6) | 275,489 | | 112,512 |
| Early Career Support (Schemes 8 and 9/ECR travel grants) | 44,275 | | 9,951 |
| Research School Grants (incl. £16k HIMR Fund) | 30,000 | | 45,000 |
| Prospects in Mathematics Grants | - | | 3,500 |
| Early Career Fellowship Grants (incl. £15k HIMR Fund) | 76,900 | | 123,800 |
| Undergraduate Bursaries | 44,308 | | 48,107 |
| Undergraduate Summer School | 32,612 | | - |
| Computer Science Grants | 1,410 | | 4,930 |
| Small Education grants (incl. Teachers CPD) | 10,130 | | 25,342 |
| Women in Mathematics Grants (Event/Childcare/Diversity) | 2,009 | | 10,732 |
| Atiyah UK-Lebanon Fellowships | 8,000 | | 3,000 |
| Isaac Newton Institute (INI) Grants | 30,000 | | - |
| ECM/ICM travel Grants | - | | 4,829 |
| | <hr/> | | <hr/> |
| | | 555,133 | 391,703 |
| Covid response Fund (Designated) | | 2,333 | 112,583 |
| Mentoring African Research in Mathematics (MARM) (Restricted) | | 16,000 | - |
| Cecil King Grants (Restricted) | | 24,000 | 6,000 |
| Emmy Noether Fellowship (Restricted) | | - | 22,855 |
| ACME Grants (Designated) | | 7,000 | 7,000 |
| Solidarity Grants (Restricted) | | 10,500 | - |
| Ad hoc Grants to Mathematical Bodies (UK & International) | | 20,289 | 12,133 |
| | | <hr/> | <hr/> |
| Total Grants before cancellation/refunds and Support costs | | 635,255 | 552,274 |
| Less: Grants cancellation and refunds | | (280,613) | (65,623) |
| Charitable giving of LMS rooms | | 7,737 | - |
| Apportioned support and governance costs (note 12) | | 166,730 | 195,533 |
| | | <hr/> | <hr/> |
| Total Grants after cancellation/refunds and Support costs | | 529,109 | 682,184 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| | | 2022 | 2021 |
| | | £ | £ |
| ANALYSIS OF GRANT AWARDS | | | |
| a) Grants: contractual commitments | | | |
| Royal Society (ACME grant) | | 7,000 | 7,000 |
| b) Other grant awards to institutions * | | 488,610 | 297,620 |
| c) Other grant awards to individuals | | 139,645 | 247,654 |
| | | <hr/> | <hr/> |
| Total grant awards | | 635,255 | 552,274 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| <i>* Grant awards to each institution can be up to a maximum of £35k</i> | | | |
| | | 2022 | 2021 |
| | | £ | £ |
| GRANT REFUNDS AND CANCELLATION | | | |
| Grant refunds | | (28,059) | (10,288) |
| Grants not taken up ('out of date') | | (252,554) | (55,335) |
| | | <hr/> | <hr/> |
| Total grant refunds and cancellation | | (280,613) | (65,623) |
| | | <hr/> <hr/> | <hr/> <hr/> |
| | | 2022 | 2021 |
| | | £ | £ |
| MOVEMENT IN OBLIGATION GRANT COMMITMENTS | | | |
| Grant recognised at the start of the year | | 540,934 | 473,406 |
| New grants charged to the SoFA in year | | 635,255 | 552,274 |
| Grants paid during the year | | (582,246) | (429,411) |
| Grants not taken up ('out of date') | | (252,554) | (55,335) |
| | | <hr/> | <hr/> |
| Amount of grant recognised at the end of the year | | 341,389 | 540,934 |
| | | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

7. Charitable activities: Disseminating Mathematical Knowledge - Publications

| | 2022 | | 2021 | |
|--|----------|------------------|----------|------------------|
| | £ | £ | £ | £ |
| a) Net Income from LMS journals | | 1,079,185 | | 1,424,264 |
| b) Direct costs of Publications | | | | |
| <i>Journal of Computation and Mathematics</i> | (500) | | (500) | |
| Costs of Expository Surveys project | (9,200) | | (6,000) | |
| Other Operational Costs | (14,361) | | (20,639) | |
| | | <u>(24,061)</u> | | <u>(27,139)</u> |
| Net LMS periodicals surplus before Support and governance costs | | 1,055,124 | | 1,397,125 |
| Apportioned support and governance costs (note 12) | | (312,874) | | (358,966) |
| Net LMS periodicals surplus after Support and governance costs | | 742,250 | | 1,038,159 |
| c) Ventures & Royalties (net income) | | | | |
| <i>Nonlinearity</i> | 178,560 | | 179,764 | |
| Russian journals (Turpion/RAS/LMS joint venture) | 56,359 | | 83,409 | |
| TMMS (AMS/LMS joint venture) | 10,700 | | 16,527 | |
| LMS Books and Royalties | 16,753 | | 10,726 | |
| | | <u>262,372</u> | | <u>290,426</u> |
| <i>Compositio</i> | | | | |
| Profit share & Management fee (see 7d) | 100,182 | | 112,920 | |
| Costs of <i>Compositio</i> (LMS - only) | (10) | | (10) | |
| | | <u>100,172</u> | | <u>112,910</u> |
| <i>Mathematika</i> | | <u>51,465</u> | | <u>29,664</u> |
| NET PUBLICATIONS SURPLUS | | 1,156,259 | | 1,471,159 |

The Society was involved in the following publishing ventures in the year:

- (I) ***Nonlinearity*** – the journal co-owned with the IOP Publishing Ltd and is produced at the IOP Publishing Ltd, Temple Circus, Temple Way, Bristol BS1 6HG
- (II) The three translation journals ***Russian Mathematical Surveys***, ***Sbornik: Mathematics and Izvestiya: Mathematics*** are owned and managed jointly by the Department of Mathematics Russian Academy of Sciences, Turpion Ltd and the LMS. The main business address is Turpion Ltd, c/o IOP Publishing Ltd, Temple Circus, Temple Way, Bristol BS1 6HG.
- (III) The journal ***Transactions of the Moscow Mathematical Society (TMMS)*** is managed on a day-to-day basis at the American Mathematical Society, 201 Charles Street, Providence, RI 02904 - 2294, USA.
- (IV) ***Compositio Mathematica*** – the journal is wholly owned by Foundation Compositio Mathematica & managed by the LMS.
- (V) ***Mathematika*** – the journal is wholly owned by UCL and managed by the LMS.

| | 2022 | | 2021 | |
|---|------|------------------|------|------------------|
| | £ | £ | £ | £ |
| d) <i>Compositio</i> management account | | | | |
| Income | | 285,865 | | 328,998 |
| Expenditure | | | | |
| Direct costs | | (42,926) | | (43,596) |
| Profit share to <i>Compositio</i> Foundation | | (142,757) | | (172,482) |
| | | <u>(185,683)</u> | | <u>(216,078)</u> |
| Net <i>Compositio</i> surplus before LMS fees and Profit share | | 100,182 | | 112,920 |
| Management fee to LMS | | (39,000) | | (39,000) |
| Profit share to LMS | | (61,182) | | (73,920) |
| Balance C/fwd on <i>Compositio</i> Fund | | <u>-</u> | | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

8. Charitable activities: Disseminating Mathematical Knowledge – Conference and meeting programmes

| | 2022 | | 2021 | |
|--|--------|----------------|-------|----------------|
| | £ | £ | £ | £ |
| Society meetings and regional workshops | 28,407 | | 4,130 | |
| Aitken/Forder Lectures | 5,768 | | - | |
| Invited Lectures | 14,500 | | - | |
| Caring costs for Lecturers visiting UK | 2,807 | | - | |
| | | 51,482 | | 4,130 |
| Apportioned support and governance costs (note 12) | | 103,467 | | 99,614 |
| Total | | 154,949 | | 103,744 |

9. Charitable activities: Promoting Mathematical Research & its benefits

| | 2022 | | 2021 | |
|--|--------|----------------|--------|----------------|
| | £ | £ | £ | £ |
| Policy | | | | |
| CMS | 25,763 | | 15,257 | |
| Communication and External Relations | 6,394 | | 8,479 | |
| Research Policy Activities | 7,000 | | - | |
| Annual dinner | 8,313 | | - | |
| Subscriptions to UK organisations | 1,770 | | 2,136 | |
| | | 49,240 | | 25,872 |
| Education and young people, public engagement | | | | |
| Holgate Lecturers | 2,250 | | 1,800 | |
| Popular Lectures | - | | 905 | |
| Other educational activities | 5,708 | | 4,000 | |
| | | 7,958 | | 6,705 |
| Levelling Up Scheme | | 29,652 | | 23,684 |
| Campaign for Pure Mathematics | | 127,852 | | 13,240 |
| Apportioned support and governance costs (note 12) | | 301,508 | | 284,717 |
| Total | | 516,210 | | 354,218 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

10. Governance and other committees' costs

| | 2022 | | 2021 | |
|--|--------|----------------|--------|----------------|
| | £ | £ | £ | £ |
| Professional services | | | | |
| Solicitors fees | 6,805 | | 2,504 | |
| Audit and accountancy fees | 14,000 | | 13,550 | |
| Audit and accountancy fee over accrual | 950 | | 774 | |
| Other professional fees | 35 | | 35 | |
| | | 21,790 | | 16,863 |
| Costs of meetings (<i>Catering/Accommodation/Travel/Subsistence</i>) | | | | |
| Governance (Council/F&GPC/Nomination, etc.) | 5,903 | | 94 | |
| Other Committees | 2,519 | | 31 | |
| | | 8,422 | | 125 |
| Election of Trustees | | 3,723 | | 3,677 |
| General office and staff costs (<i>apportioned</i>) (note 11) | | 210,496 | | 236,373 |
| Total | | 244,431 | | 257,038 |

11. Analysis of general support and governance costs

| 2022 | Governance and Committee related | Other general support | Total 2022 |
|---------------------------|-------------------------------------|--------------------------|------------------|
| | £ | £ | £ |
| Staff costs | 169,881 | 818,545 | 988,426 |
| Office and Premises costs | 10,587 | 42,055 | 52,642 |
| IT costs | 11,918 | 58,100 | 70,018 |
| Depreciation | 13,811 | 49,128 | 62,939 |
| Irrecoverable VAT | 4,299 | 41,971 | 46,270 |
| Professional services | 21,790 | - | 21,790 |
| Costs of meetings | 8,422 | - | 8,422 |
| Elections of Trustees | 3,723 | - | 3,723 |
| | | | |
| Total 2022 | 244,431 | 1,009,799 | 1,254,230 |

| 2021 | Governance and Committee related | Other general support | Total 2021 |
|---------------------------|-------------------------------------|--------------------------|------------------|
| | £ | £ | £ |
| Staff costs | 178,303 | 872,901 | 1,051,204 |
| Office and Premises costs | 27,740 | 121,559 | 149,299 |
| IT costs | 14,292 | 74,969 | 89,261 |
| Depreciation | 12,834 | 47,949 | 60,783 |
| Irrecoverable VAT | 3,204 | 11,459 | 14,663 |
| Professional services | 16,863 | - | 16,863 |
| Costs of meetings | 125 | - | 125 |
| Elections of Trustees | 3,677 | - | 3,677 |
| | | | |
| Total 2021 | 257,038 | 1,128,837 | 1,385,875 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

12. Allocation of support and governance costs by activity

| 2022 | Direct Staff | General Office | General Management and Finance | Governance and Committee | Total 2022 |
|--|----------------|----------------|--------------------------------|--------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Raising funds | | | | | |
| Conference facilities (DMH) | 25,779 | 34,444 | 3,195 | 407 | 63,825 |
| Services for tenants (DMH) | 8,593 | 72,044 | 655 | 407 | 81,699 |
| Managing Residential Property | 8,593 | 1,149 | 612 | 407 | 10,761 |
| Total support costs for raising funds | 42,965 | 107,637 | 4,462 | 1,221 | 156,285 |
| Charitable activities | | | | | |
| • Advancing the interest of Mathematics | 97,076 | 39,247 | 28,401 | 48,642 | 213,366 |
| • Enabling Mathematicians to undertake research and collaboration | 80,822 | 21,146 | 16,120 | 48,642 | 166,730 |
| • Disseminating Mathematical Knowledge – Publications | 187,335 | 46,306 | 30,591 | 48,642 | 312,874 |
| • Disseminating Mathematical Knowledge – Conference and meeting programmes | 33,346 | 10,222 | 11,257 | 48,642 | 103,467 |
| • Promoting Mathematics research and its benefits | 166,020 | 62,559 | 24,287 | 48,642 | 301,508 |
| Total support costs for Charitable activities | 564,599 | 179,480 | 110,656 | 243,210 | 1,097,945 |
| Total 2022 | 607,564 | 287,117 | 115,118 | 244,431 | 1,254,230 |
| | | | | | |
| 2021 | Direct Staff | General Office | General Management and Finance | Governance and Committee | Total 2021 |
| | £ | £ | £ | £ | £ |
| Raising funds | | | | | |
| Conference facilities (DMH) | 25,140 | 47,030 | 11,214 | 461 | 83,845 |
| Services for tenants (DMH) | 24,770 | 39,003 | 1,834 | 461 | 66,068 |
| Managing Residential Property | 16,227 | 3,293 | 1,536 | 461 | 21,517 |
| Total support costs for raising funds | 66,137 | 89,326 | 14,584 | 1,383 | 171,430 |
| Charitable activities | | | | | |
| • Advancing the interest of Mathematics | 113,716 | 57,436 | 53,332 | 51,131 | 275,615 |
| • Enabling Mathematicians to undertake research and collaboration | 76,832 | 28,139 | 39,431 | 51,131 | 195,533 |
| • Disseminating Mathematical Knowledge – Publications | 197,509 | 53,833 | 56,493 | 51,131 | 358,966 |
| • Disseminating Mathematical Knowledge – Conference and meeting programmes | 23,565 | 5,830 | 19,088 | 51,131 | 99,614 |
| • Promoting Mathematics research and its benefits | 155,261 | 38,926 | 39,399 | 51,131 | 284,717 |
| Total support costs for Charitable activities | 566,883 | 184,164 | 207,743 | 255,655 | 1,214,445 |
| Total 2021 | 633,020 | 273,490 | 222,327 | 257,038 | 1,385,875 |

Basis of apportionment

Support costs include (a) **Staff costs** (salaries, benefits, training, H&S, recruitment, etc. of staff directly attributable to each of the above Society's activities); (b) **General Office Costs** (rent, rates, services, cleaning, equipment, maintenance, telephones, postage, equipment, stationery, etc., depreciation and Irrecoverable VAT, and IT costs such as computer hardware and software, network, internet access, websites, software development, etc.), (c) **General management and finance** (cost of services that cannot be directly attributed to an activity, i.e. general accounting and financial controls, HR and Executive Secretary's general management, etc.) (d) **Governance costs** (costs of meetings, trustees' expenses, and costs associated with constitutional and statutory requirements).

The costs of these are attributed across all the activities of the Society in proportion to (a) salary or f.t.e., (b) space occupied in De Morgan House, and (c) f.t.e. respectively, based on a time analysis undertaken by all staff.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

12. Allocation of support and governance costs by activity (continued)

Support and governance costs have been allocated between the costs of raising funds and charitable activities as:

- **Direct staff costs** = staff time directly attributable to each of the above Society's activities in proportion to the salary or pro rata to staff f.t.e. on a time analysis undertaken by all staff.
- **General Office costs** = (a) apportioned Building, Office and IT costs of staff who are directly attributable to (deal with) each of the above Society's activities as per staff time analysis and in proportion of the office space occupied, and (b) indirect costs, which are re-apportioned staff costs for those dealing with Building, Office and IT management.
- **General management and finance** = the costs of services that cannot be directly attributed to an activity (i.e. general accounting and financial controls, HR and Executive Secretary's general management, etc.) are attributed to each area of activity on the same basis as the original elements (i.e. staff time and space occupied, IT and office use etc.) , which includes re-apportioned costs of the office space occupied, the IT costs and other general office costs in dealing with HR, finance and general management.
- **Governance and committee costs** = apportionment made on the basis of (a) salary or pro rata to staff F.T.E. on a time analysis undertaken by all staff (b) meetings and staff office space occupied in De Morgan House in relation to governance and committee functions, and (c) Invoices and claims for catering, accommodation, travel and subsistence regarding governance and committee meetings, as well as costs of professional services (i.e. external audit, legal advice, etc.).

The Society has partial exempt status in respect of VAT, based on the split of its business and non-business activities. The proportion of VAT that cannot be recovered because of partial or fully exempt status of the activity is redistributed to the activities on the same basis as the original elements (i.e. staff time and space occupied, IT and office use etc.), under General Office costs.

Support costs for each area of the above activities can be higher or lower than last year due to staff time allocation. This changes from year to year and will have an effect on direct staff costs, general office costs, general management costs and governance costs.

13. Employment Costs

| | 2022 | 2021 |
|---|----------------|------------------|
| | £ | £ |
| Total employment costs of all staff including taxable benefits for the year comprise: | | |
| Salaries and Wages | 711,962 | 782,856 |
| Redundancy | 18,360 | 20,827 |
| Employer's National Insurance Contributions | 82,595 | 87,819 |
| Less HMRC employment allowance | (4,000) | - |
| Employer's Pension Contributions | 142,724 | 152,379 |
| Total | 951,641 | 1,043,881 |

The total employment costs (Salaries/NIC /Pension) for the Executive Management Team amounted to £399,502 (2021: £393,595). This team is considered to be Key Management Personnel and consists of the Executive Secretary, Head of Finance, Head of Society Business, and the Head of Conference and Building.

The number of employees earning £60,000 per annum or more was:

| | 2022 | 2021 |
|---------------------|------|------|
| | No. | No. |
| £60,000 - £70,000 | 2 | 2 |
| £70,000 - £80,000 | 1 | 1 |
| £90,000 - £100,000 | - | 1 |
| £100,000 - £110,000 | 1 | - |

The pension payments for the above members of staff amounted to £63,958 (2021: £61,611). These contributions were paid into a defined benefits pension scheme.

The average number of employees over the year (and full time equivalent) was:

| | 2021/2022 | | 2020/2021 | |
|-------------------------------|-------------|-------------|-------------|-------------|
| | Total | FTE | Total | FTE |
| Management and administration | 12.8 | 10.5 | 14.8 | 12.4 |
| Publishing and editorial | 2.8 | 2.8 | 3.0 | 3.0 |
| Total | 15.6 | 13.3 | 17.8 | 15.4 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

14. Pension costs

The Society participates in Universities Superannuation Scheme (USS). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Society is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Society therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the Society has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Society recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

The total movement to the profit & loss account is a loss of £227,987 (2021: loss of £38,952) as shown in note 19.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles.

| | |
|---|--|
| CPI | Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040 |
| Pension increases (subject to a floor of 0%) | CPI assumption plus 0.05% |
| Discount rate (f/wd rates) | Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a. |

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

| | |
|---|--|
| | 2020 valuation |
| Mortality base table | 101% of S2PMA "light" for males and 95% of S3PFA for |
| Future improvements to mortality | CMI 2019 with a smoothing parameter of 7.5 an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females |

The current life expectancies on retirement at age 65 are:

| | | |
|--|-------------|-------------|
| | 2022 | 2021 |
| Males currently aged 65 (years) | 23.9 | 24.6 |
| Females currently aged 65 (years) | 25.5 | 26.1 |
| Males currently aged 45 (years) | 25.9 | 26.6 |
| Females currently aged 45 (years) | 27.3 | 27.9 |

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

| | | |
|----------------------------------|--------------|--------------|
| | 2022 | 2021 |
| Discount rate | 2.59% | 2.59% |
| Pensionable salary growth | 1% | 1% |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

15. Fixed Asset Investments

| | £ | 2022 £ | £ | 2021 £ |
|---|--|---|-------------------|-------------------|
| a) Quoted investments | | | | |
| | <i>Investment Assets in the UK</i> | <i>Investment Assets outside the UK</i> | <i>Total</i> | <i>Total</i> |
| Total Market value at 31st July 2022 | 1,535,619 | 12,230,551 | 13,766,170 | 12,153,444 |

In the prior year, £2,309,154 of investment assets were in the UK with the remaining £9,844,290 being outside the UK.

| | £ | £ |
|---|-------------------|-------------------|
| Reconciliation of opening & closing market values: | | |
| Market value at 1 st August 2021 | 12,153,444 | 10,878,904 |
| Additions at cost | 2,096,909 | 89,612 |
| Unrealised (losses)/gains (note 16a) | (324,946) | 1,329,834 |
| Movement in cash | (159,237) | (144,906) |
| Total Market value at 31st July 2021 | 13,766,170 | 12,153,444 |
| Analysis by Fund: | | |
| Restricted Funds | 249,467 | 255,230 |
| Unrestricted Funds | 13,516,703 | 11,898,214 |

The investments are entirely invested in the Schroder/Cazenove [68% in ordinary Charities Multi-Asset Fund (CMAF) and 32% in Responsible Multi-Asset Fund (RMAF)] [Prior year: 100% in CMAF]

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| b) Residential Property investments | | |
| Market value at 31st July 2022 | 3,713,950 | 3,688,950 |
| Reconciliation of opening and closing market values: | | |
| Market value at 1 st August 2021 | 3,688,950 | 3,596,900 |
| Unrealised gains (note 16b) | 25,000 | 92,050 |
| Total Market value at 31st July 2022 | 3,713,950 | 3,688,950 |

Represents purchase of property for residential letting purposes to diversify the Society's investment portfolio. The rental derived is shown on the SoFA under 'Investment Income'.

16. Gains and losses on investment assets

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|--|----------------------------|--------------------------|------------------|
| 2022 | | | |
| a. Unrealised losses in market value of Quoted investments | (316,813) | (8,133) | (324,946) |
| b. Unrealised gains in market value of Residential Properties | 25,000 | - | 25,000 |
| Total gains | (291,813) | (8,133) | (299,946) |
| 2021 | | | |
| a. Unrealised gains in market value of Quoted investments | 1,303,759 | 26,075 | 1,329,834 |
| b. Unrealised gains in market value of Residential Properties | 92,050 | - | 92,050 |
| Total gains | 1,395,809 | 26,075 | 1,421,884 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

| 17. Tangible Fixed Assets | Leasehold Property | Fixtures Fittings and Equipment | Total |
|------------------------------------|-------------------------|---------------------------------------|-------------------------|
| | £ | £ | £ |
| Cost | | | |
| Brought forward at 1st August 2021 | 2,175,353 | 191,560 | 2,366,913 |
| Additions | - | 17,504 | 17,504 |
| Disposal Adjustment | - | (40,069) | (40,069) |
| Carried forward at 31st July 2022 | <u>2,175,353</u> | <u>168,995</u> | <u>2,344,348</u> |
| Depreciation | | | |
| Brought forward at 1st August 2021 | 1,010,101 | 153,928 | 1,164,029 |
| Charge for the year | 44,817 | 18,122 | 62,939 |
| Disposal Adjustment | - | (40,069) | (40,069) |
| Carried forward at 31st July 2022 | <u>1,054,918</u> | <u>131,981</u> | <u>1,186,899</u> |
| Net book value | | | |
| At 31st July 2022 | <u>1,120,435</u> | <u>37,014</u> | <u>1,157,449</u> |
| At 31st July 2021 | <u>1,165,252</u> | <u>37,632</u> | <u>1,202,884</u> |

• Part of the leasehold property is let out and the rental derived is shown on the SOFA under 'Activities for Generating Funds'.

| 18. Debtors | 2022 | 2021 |
|----------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Publications | 135,535 | 219,165 |
| Conference facilities | 10,356 | 980 |
| Other debtors | 55,918 | 54,989 |
| Gift-aid receivable | - | 500 |
| Prepayments and accrued interest | 39,566 | 36,813 |
| | <u>241,375</u> | <u>312,447</u> |

| 19. Creditors and Deferred Income | 2022 | 2021 |
|--|-----------------------|-----------------------|
| | £ | £ |
| Creditors: amounts falling due within one year | | |
| Accruals | 38,650 | 37,861 |
| Grant creditors | 341,389 | 540,934 |
| Taxation and other Social Security creditors | 66,118 | 82,305 |
| Other creditors | 357,490 | 300,983 |
| | <u>803,647</u> | <u>962,083</u> |
| Deferred income: | | |
| Unexpired publications' subscriptions: | | |
| Balance brought forward | 107,349 | 138,382 |
| Amount released in year | (107,349) | (138,382) |
| Income deferred to future years | 47,887 | 107,349 |
| Balance carried forward | <u>47,887</u> | <u>107,349</u> |
| Creditors: amounts falling due after more than one year | | |
| Brought Forward Pension Provision | 209,682 | 170,730 |
| Movement | 227,987 | 38,952 |
| Carried Forward Pension Provision | <u>437,669</u> | <u>209,682</u> |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

20. Restricted Funds

| 2022 | Balance at 1.08.21 £ | Other & Investment Income £ | Expenditure £ | Investment loss £ | Transfers £ | Balance at 31.07.22 £ |
|-------------------------------------|-------------------------------|--------------------------------------|------------------|-------------------------|----------------|--------------------------------|
| <u>Prize (Capital) funds</u> | | | | | | |
| Berwick Fund | 32,456 | 49 | - | - | - | 32,505 |
| De Morgan Medal & Larmor Fund | 30,605 | 46 | (1,531) | - | - | 29,120 |
| <u>Prize (Income) funds</u> | | | | | | |
| Berwick Fund | 20,090 | 659 | (1,500) | (640) | - | 18,609 |
| De Morgan Medal & Larmor Fund | 53,663 | 1,760 | (1,500) | (1,710) | - | 52,213 |
| Lord Rayleigh's Fund | 21,308 | 699 | - | (679) | - | 21,328 |
| J.H.C. Whitehead Fund | - | - | (1,500) | - | 1,500 | - |
| Fröhlich Fund | 15,959 | 523 | (1,500) | (509) | - | 14,473 |
| Shephards Fund | 41,403 | 1,358 | (1,500) | (1,319) | - | 39,942 |
| <u>Other funds</u> | | | | | | |
| A.J. Cunningham Research Fund | 102,807 | 3,372 | - | (3,276) | - | 102,903 |
| Zeeman Fund | 221 | - | - | - | - | 221 |
| Frank Gerrish Fund | 29,791 | 3,245 | (9,200) | - | - | 23,836 |
| MARM Grant | - | 5,762 | (16,000) | - | 10,238 | - |
| Cecil King Grant | - | 24,000 | (24,000) | - | - | - |
| Emmy Noether Fellowship Fund | - | 25,000 | - | - | - | 25,000 |
| Levelling Up Scheme | 41,316 | 38,000 | (29,652) | - | - | 49,664 |
| Campaign for Pure Maths Fund | 26,760 | 160,000 | (156,071) | - | - | 30,689 |
| Solidarity Grant Fund | - | 20,000 | (10,500) | - | - | 9,500 |
| HIMR Fund | - | 31,000 | (31,000) | - | - | - |
| Total Funds | 416,379 | 315,473 | (285,454) | (8,133) | 11,738 | 450,003 |

- The transfer of £1,500 from the General Fund to Restricted Funds is to cover a shortfall in income for the Whitehead prizes.
- The transfer of £10,238 from General Fund to Grants and Contracts represent LMS's contribution for MARM grant.

| 2021 | Balance at 1.08.20 £ | Other & Investment Income £ | Expenditure £ | Investment gain £ | Transfers £ | Balance at 31.07.21 £ |
|-------------------------------------|-------------------------------|--------------------------------------|------------------|-------------------------|----------------|--------------------------------|
| <u>Prize (Capital) funds</u> | | | | | | |
| Berwick Fund | 32,407 | 49 | - | - | - | 32,456 |
| De Morgan Medal & Larmor Fund | 30,559 | 46 | - | - | - | 30,605 |
| <u>Prize (Income) funds</u> | | | | | | |
| Berwick Fund | 18,716 | 681 | (1,500) | 2,193 | - | 20,090 |
| De Morgan Medal & Larmor Fund | 46,521 | 1,692 | - | 5,450 | - | 53,663 |
| Lord Rayleigh's Fund | 18,472 | 672 | - | 2,164 | - | 21,308 |
| J.H.C. Whitehead Fund | - | - | (10,500) | - | 10,500 | - |
| Fröhlich Fund | 13,835 | 503 | - | 1,621 | - | 15,959 |
| Shephards Fund | 35,893 | 1,305 | - | 4,205 | - | 41,403 |
| <u>Other funds</u> | | | | | | |
| A.J. Cunningham Research Fund | 89,124 | 3,241 | - | 10,442 | - | 102,807 |
| Zeeman Fund | 221 | - | - | - | - | 221 |
| Frank Gerrish Fund | 32,542 | 3,249 | (6,000) | - | - | 29,791 |
| MARM Grant | - | - | - | - | - | - |
| Cecil King Grant | - | 6,000 | (6,000) | - | - | - |
| Emmy Noether Fellowship Fund | - | 25,000 | (22,855) | - | (2,145) | - |
| Levelling Up Scheme | - | 65,000 | (23,684) | - | - | 41,316 |
| Campaign for Pure Maths Fund | - | 40,000 | (13,240) | - | - | 26,760 |
| HIMR Fund | - | 74,834 | (74,834) | - | - | - |
| Total Funds | 318,290 | 222,272 | (158,613) | 26,075 | 8,355 | 416,379 |

- The transfer of £10,500 from the General Fund to Restricted Funds is to cover a shortfall in income for the Whitehead prizes.
- The transfer of £2,145 from Restricted fund to General fund represent that the fund is allocated for other unrestricted Women in mathematics activities

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

21. Unrestricted Funds

| 2022 | Balance at 01.08.21 | Income | Expenditure | Loss/(gain) on investments | Actuarial gains (losses) on pension scheme | Transfer | Balance at 31.07.22 |
|---|---------------------------|------------------|--------------------|----------------------------------|--|-----------------|---------------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| General Fund: (see note 1(p)) | 15,523,529 | 2,322,183 | (1,799,773) | (291,813) | (227,987) | 115,972 | 15,639,501 |
| Designated Funds: | | | | | | | |
| a) Building & Development Reserve Fund | 600,000 | - | - | - | - | - | 600,000 |
| b) Publication Reserve Fund | 3,000,000 | - | - | - | - | - | 3,000,000 |
| c) Grants Payable Reserve Fund | 21,000 | - | (7,000) | - | - | - | 14,000 |
| d) Compositio Fund | - | 285,865 | (185,683) | - | - | (100,182) | - |
| e) COVID-19 Emergency Fund | 27,251 | - | (2,333) | - | - | (24,918) | - |
| | 3,648,251 | 285,865 | (195,016) | - | - | (125,100) | 3,614,000 |
| | 19,171,780 | 2,608,048 | (1,994,789) | (291,813) | (227,987) | (11,738) | 19,253,501 |

d. The transfer of £100,182 from the Compositio Fund to General Fund represents the management fee and the LMS's profit share relating to the journal.
e. The transfer of £24,918 from COVID-19 Emergency Fund to General Fund represents the closure of COVID-19 Emergency Fund

| 2021 | Balance at 01.08.20 | Income | Expenditure | Gain/(loss) on investments | Actuarial gains (losses) on pension scheme | Transfer | Balance at 31.07.21 |
|---|---------------------------|------------------|--------------------|----------------------------------|--|----------------|---------------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| General Fund: (see note 1(p)) | 13,156,123 | 2,597,821 | (1,889,837) | 1,395,809 | (38,952) | 302,565 | 15,523,529 |
| Designated Funds: | | | | | | | |
| a) Building & Development Reserve Fund | 600,000 | - | - | - | - | - | 600,000 |
| b) Publication Reserve Fund | 3,000,000 | - | - | - | - | - | 3,000,000 |
| c) Grants Payable Reserve Fund | 226,000 | - | (7,000) | - | - | (198,000) | 21,000 |
| d) Compositio Fund | - | 328,998 | (216,078) | - | - | (112,920) | - |
| e) COVID-19 Emergency Fund | 120,000 | - | (92,749) | - | - | - | 27,251 |
| | 3,946,000 | 328,998 | (315,827) | - | - | (310,920) | 3,648,251 |
| | 17,102,123 | 2,926,819 | (2,205,664) | 1,395,809 | (38,952) | (8,355) | 19,171,780 |

c) The transfer of £198,000 from Grant Payable Fund to General Fund represent that LMS is no longer providing grant for INI/ICMS reflecting that INI/ICMS are receiving other source of funding available for them. The Society and INI/ICMS will continue collaborate an activity for Mathematics community.

d) The transfer of £112,920 from the Compositio Fund to General Fund represents the management fee and the LMS's profit share relating to the journal.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

22. Analysis of net assets between funds

| 2022 | Unrestricted funds | | Restricted | Total |
|---|--------------------|------------------|----------------|-------------------|
| | General | Designated | Funds | Funds |
| | £ | £ | £ | £ |
| Fund balances are represented by | | | | |
| Tangible fixed assets | 1,157,449 | - | - | 1,157,449 |
| Investments | 13,616,653 | 3,614,000 | 249,467 | 17,480,120 |
| Current assets | 2,154,602 | - | 200,536 | 2,355,138 |
| Current liabilities | (851,534) | - | - | (851,534) |
| Long-term liabilities | (437,669) | - | - | (437,669) |
| Total net assets | 15,639,501 | 3,614,000 | 450,003 | 19,703,504 |

| 2021 | Unrestricted funds | | Restricted | Total |
|---|--------------------|------------------|----------------|-------------------|
| | General | Designated | Funds | Funds |
| | £ | £ | £ | £ |
| Fund balances are represented by | | | | |
| Tangible fixed assets | 1,202,884 | - | - | 1,202,884 |
| Investments | 11,966,164 | 3,621,000 | 255,230 | 15,842,394 |
| Current assets | 3,633,595 | 27,251 | 161,149 | 3,821,995 |
| Current liabilities | (1,069,432) | - | - | (1,069,432) |
| Long-term liabilities | (209,682) | - | - | (209,682) |
| Total net assets | 15,523,529 | 3,648,251 | 416,379 | 19,588,159 |

23. Grants and Contracts Management account

| | 2022 | | 2021 | |
|---|----------|-----------------|----------|-----------------|
| | £ | £ | £ | £ |
| CMS | | | | |
| Income (IMA/RSS/EdMS/ORS contributions) | 54,419 | | 47,415 | |
| Expenditure (including support costs) | (87,874) | | (83,001) | |
| LMS's Contribution to the CMS | | (33,455) | | (35,586) |
| MARM | | | | |
| Income from IMU | 5,762 | | - | |
| Expenditure | (16,000) | | - | |
| LMS's Contribution to the MARM | | (10,238) | | - |

24. Transactions with Trustees and connected persons

Trustees receive reimbursement only for expenses actually incurred in attending meetings. No remuneration is paid to trustees except as disclosed below. The gross amount that has been reimbursed in respect of attendance of meetings in the period amounted to £4,800 for 12 Trustees (2021: £7 for 1 Trustee).

As disclosed in the Trustees' Report, where grants are awarded to Trustees the payment is always made to the relevant institution.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2022

25. Comparison figures of each fund (2020/21 financial statements)

| | Notes | Unrestricted General Funds £ | Designated Funds £ | Restricted Funds £ | 2021 Total Funds £ |
|---|--------|---------------------------------------|--------------------------|--------------------------|-----------------------------|
| Income and endowments: | | | | | |
| Donations and legacies | | 14,236 | - | 130,000 | 144,236 |
| Income from charitable activities: | | | | | |
| Membership subscriptions | | 146,062 | - | - | 146,062 |
| Publications – LMS Periodicals | 7a | 1,421,064 | - | 3,200 | 1,424,264 |
| Publications – Ventures and Royalties | 7c,d | 320,090 | 328,998 | - | 649,088 |
| Grants and contracts | 22 | 52,615 | - | 80,834 | 133,449 |
| Total income from charitable activities | | 1,939,831 | 328,998 | 84,034 | 2,352,863 |
| Income from other trading activities | 3 | 124,417 | - | - | 124,417 |
| Income from Investments | 2 | 494,368 | - | 8,238 | 502,606 |
| Other income | | 24,969 | - | - | 24,969 |
| Total Income | | 2,597,821 | 328,998 | 222,272 | 3,149,091 |
| Expenditure: | | | | | |
| Costs of raising funds | 4 | 275,867 | - | - | 275,867 |
| Expenditure on charitable activities: | | | | | |
| Advancing the interests of mathematics | 5 | 334,071 | - | 12,000 | 346,071 |
| Enabling mathematicians to undertake research and collaboration | 6 | 478,746 | 99,749 | 103,689 | 682,184 |
| Disseminating mathematical knowledge: | | | | | |
| - Costs of publications | 7b,c,d | 380,115 | 216,078 | 6,000 | 602,193 |
| - Conferences and meeting programmes | 8 | 103,744 | - | - | 103,744 |
| Promoting mathematical research and its benefits | 9 | 317,294 | - | 36,924 | 354,218 |
| Total expenditure on charitable activities | | 1,613,970 | 315,827 | 158,613 | 2,088,410 |
| Total expenditure | | 1,889,837 | 315,827 | 158,613 | 2,364,277 |
| Net income before gains and losses on investment | | 707,984 | 13,171 | 63,659 | 784,814 |
| Net gains on investment assets | 16 | 1,395,809 | - | 26,075 | 1,421,884 |
| Net Income for the year | | 2,103,793 | 13,171 | 89,734 | 2,206,698 |
| Transfers between funds | 20,21 | 302,565 | (310,920) | 8,355 | - |
| Actuarial loss on defined benefit pension schemes | 14,19 | (38,952) | - | - | (38,952) |
| Net movement in funds for the year | | 2,367,406 | (297,749) | 98,089 | 2,167,746 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 13,156,123 | 3,946,000 | 318,290 | 17,420,413 |
| Fund balances carried forward | | 15,523,529 | 3,648,251 | 416,379 | 19,588,159 |