

*The London  
Mathematical  
Society*



**Report of the Trustees for the period  
1 August 2009 – 31 July 2010**

London Mathematical Society  
De Morgan House  
57–58 Russell Square  
London  
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Charity registration number: 252660  
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## Members of Council during the period 1 August 2009 to 31 July 2010

<b>President:</b>	J.M. Ball ( <i>to 20 November 2009</i> ) A. J. Macintyre ( <i>from 20 November 2009</i> )
<b>Vice-Presidents:</b>	F.A. Rogers ( <i>to 24 August 2009</i> ) D.G. Larman ( <i>to 20 November 2009</i> ) A.J. Wilkie ( <i>to 20 November 2009</i> ) K.A. Brown ( <i>from 20 November 2009</i> ) J.P.C. Greenlees ( <i>from 20 November 2009</i> )
<b>Treasurer:</b>	W.B. Stewart ( <i>from 24 August 2009</i> )
<b>General Secretary:</b>	C.M. Goldie ( <i>to 24 August 2009</i> ) H.G. Dales ( <i>to 20 November 2009</i> ) J.M.E. Hyland ( <i>from 20 November 2009</i> )
<b>Programme Secretary:</b>	S.A. Huggett
<b>Publications Secretary:</b>	K.J. Falconer ( <i>to 20 November 2009</i> ) J.D.S. Jones ( <i>from 20 November 2009</i> )
<b>Education Secretary:</b>	C.J. Budd
<b>Members-at-Large:</b>	J.E. Barrow-Green A. Borovik D.E. Buck S. Chandler-Wilde H.G. Dales P.J. Davies ( <i>to 20 November 2009</i> ) S.K. Donaldson ( <i>from 20 November 2009</i> ) I.G. Gordon ( <i>to 20 November 2009</i> ) A. Laptev G.B. Segal ( <i>from 20 November 2009</i> ) U. Tillmann B.J. Totaro A. Wilkie R.A. Wilson ( <i>from 20 November 2009</i> ) E. Winstanley ( <i>to 20 November 2009</i> )

### Heads of Groups and Activities

<b>Executive Secretary:</b>	P.R. Cooper ( <i>to 31 December 2009</i> ) I. J. Goddard (Interim - <i>to 2 July 2010</i> ) F. C. Nixon ( <i>from 14 June 2010</i> )
<b>Publisher:</b>	S.P. Hezlet
<b>Accounts Officer:</b>	E. Belay
<b>Group Head, Society &amp; Grants:</b>	I. Robinson
<b>Group Head, Council &amp; Committees:</b>	M. Smith ( <i>to 31 December 2009</i> ) A.C. Bennett ( <i>from 24 May 2010</i> )
<b>Group Head, Conferences &amp; Building:</b>	D. Clark

<b>Auditors:</b>	Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD
<b>Investment Advisers:</b>	Morgan Stanley, 20 Cabot Square, Canary Wharf, London E14 4QW
<b>Bankers:</b>	National Westminster Bank plc, 208 Piccadilly, London W1A 2DG

## **The Society's aims and objectives**

The Society is governed by a Royal Charter. It is a Registered Charity for the purposes of "promoting and extending mathematical knowledge". Copies of the Society's Charter and Statutes, and its current By-Laws, can be obtained on request from the Registered Office of the Society.

The Council has agreed a set of strategic objectives for the Society to fulfil its role as a membership society for the advancement, dissemination and promotion of mathematical knowledge.

Objective 1: To work through its members and with the mathematical and broader scientific community worldwide to advance mathematics.

Objective 2: To advance mathematical knowledge by enabling mathematicians to undertake research and collaboration, and by supporting them in their efforts.

Objective 3: To disseminate mathematical knowledge and make it available worldwide, where appropriate seeking to create an income stream to support the Society's activities.

Objective 4: To promote mathematical research and its benefits to decision-makers, policy advisers, funders and the users of mathematics.

Objective 5: To support mathematical education in schools, colleges and universities, and encourage the public and young people to appreciate and engage with mathematics.

Objective 6: To manage the Society's affairs and resources effectively and efficiently, operating where appropriate to make a financial return on activities to support the Society's work.

## **Public benefit**

The Council, comprising the Trustees of the Society, has referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing its aims and objectives and in planning the Society's future activities. In particular, the Council considers how planned activities will contribute to the aims and objectives it has set.

Council holds that the development and extension of mathematical knowledge, expanding mankind's ability to determine and affect the natural, man-made and social worlds, leads inevitably to public benefit, providing for improved health and wealth for nations and individuals and providing for tools to understand and sustain the world in which we live. The Society's activities directly correlate with the six Objectives (above) and are focused on supporting mathematicians in their endeavours, through grants for collaboration, by sharing of knowledge through conferences and publications, by improving the quality of mathematics education for people of all ages, and by encouraging policies that will benefit mathematics. Council does not consider there to be detriment from its activities or work. More detailed descriptions of the activities and the beneficial outcomes are contained in the Review of Activities in 2009/10 (below).

The Society's activities and schemes are open to all. Members of the general public are able to participate without charge in all activities of a suitable level. Charges for events aimed at professional mathematicians, whether or not members of the Society, are kept low (a policy that is maintained when making grant awards); publications are sold at prices that keep them competitive in the academic publishing world.

## **The Council and the Society's business**

The Society's governing body is its Council, and its Trustees are the members of the Council. The Council consists of 20 Members of the Society of whom eight are Officers (including the President) and twelve are Members-at-Large. The Officers of the Society, together with the Executive Secretary, comprise the Finance & General Purposes Committee (F&GPC), which is responsible for implementing Council's decisions, for financial management and for advising Council on policy and strategic matters.

## TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2009/10

All candidates for election to Council are provided with information on the roles and responsibilities of Trustees. Those elected are invited to a briefing session in advance of their first Council meeting (January) at which the work of Council, its strategies and plans, the operation of the financial systems and the administration of the Society are covered. All Council members, at their first Council meeting each year, are required to return a Declaration of Interests form.

Council met seven times in the period, in August, October and November 2009 and in January, March, May and July 2010. (F&GPC met five times in the period, in September and December 2009 and in March, May and June 2010.

The Council has established several Standing Committees, which advise the Council, and to which the Council has delegated some decision making. A list of all committees and their membership is given in Appendix A. A review of the remits and terms of reference of the various committees is currently being undertaken, to ensure that the Society has an appropriate number of committees to effect its strategies and activities.

Council members, as Trustees, receive reimbursement only for expenses actually incurred in attending meetings or representing the Society. However, if a trustee works over and above normal trustees duties, the Society may pay for that service if there is a written agreement produced between the Society and the trustee stating the exact or maximum amount.

The Society depends heavily on the unpaid voluntary work of very many of its members, such as those who referee papers submitted to the Society's publications, those who edit those publications or serve on the Society's Editorial Advisory Boards, those who serve on the Society's Committees and those who represent the Society on other bodies, together with the members of the Council themselves, many of whom undertake heavy burdens for the Society. The Society appoints representatives on external bodies and committees; these are listed in Appendix B.

### **The Society's finances**

The Society is in a strong position financially and has significant reserves to which it has added consistently in recent years. Under the current economic climate it is too early to say yet where Society resources might best be used to further the Society's aims.

Council has been concerned that the Society investment portfolio has underperformed in relation both to the Society's aspiration of 4% real growth and the agreed WM performance Services benchmarks. The current investment strategy had been modelled to achieve a 7.5% per annum nominal return over five years (for 4% real after allowing for average service sector wage inflation). The investment climate has changed and for the foreseeable future it may be sensible to reduce the risks and to accept a lower than 4%. It agreed to keep a close review of the investment policy and investment performance of its investment managers. Publication income, however, has increased and the Society will continue to seek new opportunities for the expansion of the Society's publishing programme for the future.

In the period 2009/10 income (excluding gains on investment assets) exceeded expenditure by £225.4K, against an expected budget of £(144K). This was primarily due to increased publication income, but also partly to cost savings and partly to underspends in activities against budget. This is considered further below.

The value of the Society's assets rose from £11.4M to £11.7M.

The main sources of income were: publication income (65.6%), investment income (17.2%), Conference facilities (4.1%), Grants and Contracts (7.7%) and members' subscriptions (3.4%). Expenditure (including support costs) broken down by objective was:

Advancing mathematics (membership, links with the mathematics community, library, prizes)	9.7%
Enabling mathematics (grants, appointments and courses)	27.8%
Disseminating mathematics (publishing)	28.8%
Disseminating mathematics (meetings and lectures)	2.9%
Promoting mathematics (decision and policy makers, education, public, media)	7.8%

Charity law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Society and its financial activities for the period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis unless it is inappropriate to do so.

The full audited accounts of the Society, including the accounting policies, are annexed to this Report.

The trustees have overall responsibility for ensuring that the Society has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Society is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Society or for publication is reliable;
- the Society complies with relevant laws and regulations.

Budgets are set by Council on the recommendation of the F&GPC, based on bids from budget holders, in line with the strategic objectives of the Society. Expenditure is monitored quarterly by F&GPC, which is responsible for recommending any variation in the budgets set by Council.

### **Risk management**

The Council and F&GPC annually review the Society's risk register identifying and quantifying potential risks to the Society and its plans and objectives, and laying out systems and strategies for mitigating those risks. These are addressed under the following headings: Governance and Management, Law & Regulation, Reputation, External & Environment, Financial, and Operational. In certain cases Council has established Designated Funds to set against potential risks; the risks or commitments that are covered by each fund are reviewed and revised annually.

### **Reserves**

Council reviews its policy on reserves on an annual basis. The unrestricted reserves comprise a General Fund and other Designated Funds. In addition there are several Restricted Funds.

Council has set aside several specific Designated Funds to meet potential costs of activities, to set against risks relating to the building and publishing (see above) and to meet grant awards made for projects or activities which span a number of years - these are given at Annex E.

The Society has a broad-ranging programme of activities in support of its strategic objectives as described in this report. While some activities are supported from Restricted Funds, all need continuity of funding. The scale and future risks to academic publishing (a key part of the Society's income) have led Council to conclude that it is prudent to hold a General Fund from which income can be drawn to maintain and extend its charitable activities. The General Fund acts both to provide income for activities not funded from Designated or Restricted Funds, and also as a 'free reserve', providing adequate working capital for the Society to operate effectively and efficiently, and for the pursuit of the Society's objectives as Council may from time to time determine.

The Society holds several Restricted Funds, as described in the audited accounts. These originate from various donations and bequests; some now only partly cover the costs of the activities for which they were given. In order to manage these Special Funds more effectively an approach is being made to the Charity

Commission to invest and account for the funds on an aggregated 'total return' basis. As reported last year, an approach is also being made to the Charity Commission to seek a change in the regulations governing the use of the Berwick Fund, removing the criterion that recipients must be members of the Society in order to open up the pool of worthy candidates. Legal advice is now being sought before final approval of the amended regulations can be given.

### **Grant Awards and Commitments**

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. Resources expended on grants shown in the SoFA, therefore, recognise (within the year the grant is awarded) both liabilities and provisions for grant commitments. Normally grant commitments will be claimed by the end of the financial year, although the claim period may be extended by a further year where the start or end date of the grant so requires.

The Society also awards some grants with conditions for payment (such as delivery of a specific level of service or other specific output). Such commitments are reserved in the Designated funds, and the grants are only recognised in the SoFA when the recipient of the grant has provided evidence of the specific service or output.

### **Investments**

Council has agreed to draw 3.5% of the invested value of the General Funds on an annual basis, in line with the 'Yale' model, and it agreed to maintain this policy for the time being. This 3.5% (which may exceed the dividends and interest received) is shown in the SOFA as *Investment Income*. The growth in the value of the Society's investments (capital plus income) is the sum of this 3.5% and the figure shown in the SOFA for *Gains on investment assets*. The scale of the Society's activities is designed to match this level of return through the annual budgeting process.

The majority of the Society's reserves – both Restricted and Unrestricted – are invested and managed by the Society's investment managers, Morgan Stanley. Council has appointed an investment subcommittee to help it evaluate professional advice on its investments. Council has confirmed an investment mandate with discretionary powers with Morgan Stanley, based on a 'total return' basis, designed to maximize investment income while maintaining the real value of the investments.

The investment managers have discretion in both the mix and selection of investments in order to meet the growth targets for the portfolio, subject to bounds set in the mandate and without exposing the Society's reserves, on which its future capacity to maintain its activities depends, to undue risk. The primary target is that the Society's portfolio produces a real return of at least 4% pa. The portfolio is invested in a range of equity, cash and fixed-interest investments in both UK and overseas markets. A summary of the main categories of investments and the geographical split is provided in the notes to the financial statements in accordance with the Charities SORP. Morgan Stanley's management of the Society's portfolio is driven by two central strategies: investment in the world economy and hedging back into sterling to eliminate risk from exchange rate movements. This approach is considered by the Trustees to give optimum total return without exposing the Society's investments to undue risk; it is consistent with the principles set out in the Charity Commission guidelines *Investment of Charitable Funds, Basic Principles* (CC14) and conforms with the Trustee Act.

### **External relations: Collaboration with other mathematical and scientific organisations**

The Society is a founder member, with the Institute for Mathematics and its Applications and the Royal Statistical Society, of the Council for the Mathematical Sciences (CMS), chaired by Sir David Wallace, CBE, FRS, Director of the Isaac Newton Institute. The Edinburgh Mathematical Society and the Operational Research Society are also members of the CMS. The CMS provides a forum for the consideration of matters of joint interest, and responds and makes representations to Government and others on appropriate issues.

The CMS has an annual meeting with senior members of EPSRC and officers of its Mathematical Sciences Programme. It also meets annually with HEFCE.

The Society is a member of the Science Council, the UK Parliamentary and Scientific Committee, British Science Association, Joint Mathematical Council, CASE and Heads of Departments of Mathematical Sciences. It is active through those bodies in ensuring that mathematics is reflected in public debates and in informing Council of external policy issues. The Society is also represented on the RSC Parliamentary Affairs Committee.

The Society and the IMA have continued their close collaborations throughout the year. These include the presentation of the David Crighton Medal at a joint event held at the Royal Society, London on 17 March 2010. The two societies have also worked collaboratively on external bodies and initiatives, including the Council for the Mathematical Sciences (see above), the Science Council, the Mathematics Promotions Unit and the **more maths grads** project which came to an end in 2010.

### **Staff management**

The Executive Secretary deals with staffing-related issues with strategic overview provided by the Society's Personnel Committee. A list of staff in post during the period is at Appendix C.

The Executive Secretary, Peter Cooper, left the Society on 31 December 2009 following eight successful years of service to the Society. He was replaced on an interim basis, for a six month period, by Ivor Goddard, who provided operational management for the Society until the permanent appointment of the new Executive Secretary, Fiona Nixon, who took up position on 14 June 2010. The Society would like to express its thanks to Peter for the developments he introduced as Executive Secretary and latterly during what was a challenging period for all those directly involved with the management of the Society. The Society also extends its thanks to Ivor Goddard for providing such measured and supportive guidance, not only to the Council members and officers but also to the staff of the Society during this time.

The new staffing structure was successfully implemented over the year, with potential for cross-group projects being considered in the coming year (2010/11). In addition, the use of office space in De Morgan House was revised to better meet the needs of the Society and the potential from the new staffing structure.

A new Employee Handbook is being drafted, which Council will be considering over the coming year.

### **De Morgan House**

The Society holds a long lease (to 2118) from Bedford Estates on De Morgan House, 57/58 Russell Square, London, WC1. It uses these premises (a) to house its administrative headquarters, (b) to hold its meetings and conferences in the promotion of Mathematics, (c) to let out offices on the upper floors to other organisations on a commercial basis, and (d) for function rooms which it lets to other organisations for their own purposes. The last category includes other mathematical organisations, where there is both a mathematical and financial benefit.

The use of the Conference Facilities for mathematical meetings and as a source of revenue stabilised over the period. The facilities bring a return to the Society and the long-term profitability will be kept under review.

## Review of activities over the period and plans for the future

Below is a report on the Society's activities in 2009/10 and its plans for the future:

Objective 1: To work through its members and with the mathematical and broader scientific community worldwide to advance mathematics

### Membership numbers

	Aug 2004	Aug 2005	Aug 2006	July 2007	July 2008	July 2009	July 2010
Ordinary Members (inc. reciprocity)	2344	2339	2343	2333	2320	2252	2162
Associate Members	153	157	127	134	145	143	147
Institutional Members	51	47	44	17	14	13	10
Honorary Members	29	29	28	28	28	29	28

### Key objectives and achievements over the period

- the Society's prizes and medals for excellence in mathematics were awarded
- Two Honorary members were elected in July: Professors T Tao (UCLA) and Y. Choquet-Bruhat
- 65 new members joined the Society

### Targets and objectives for the future

- review membership eligibility criteria with a view towards openness, in line with public benefit criteria, and institute a membership drive
- survey of members to inform future strategy and priorities
- To introduce an online payments system for members' subscriptions
- redesign of the Society's website to meet the needs of the wide community of mathematicians and public seeking information on the Society and mathematics
- improve visibility of and access to the Society's archive materials through digitised material on the website

Objective 2: To advance mathematical knowledge by enabling mathematicians to undertake research and collaboration, and by supporting them in their efforts

Value of grants awarded 2003/04 – 2009/10							
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Conference (Scheme 1)	£67,289	£97,450	£104,012	£134,629	£159,972	£165,761	£161,864
Visitors (2)	£40,431	£44,872	£30,911	£34,752	£23,100	£31,396	£28,973
Joint Research (3)	£23,700	£25,600	£22,650	£29,797	£24,466	£28,675	£27,831
Research in Pairs (4)	£12,925	£15,407	£20,999	£14,417	£18,655	£14,660	£17,766
International Short Visits (5)	£11,075	£14,175	£8,805	£5,100	£3,777	£5,875	£14,084
Connectivity – discontinued (6)	£500	£405	£630	n/a	n/a	n/a	n/a
Computer Science Grants	£1,445	£1,000	£2,500	£2,490	£0	£2,742	£3,437
Postgraduate Conferences (8)	N/A	N/A	N/A	N/A	N/A	£9,355	£16,064
Education Grants	£1,700	£1,962.50	£2,400	£1,239	£3,570	£4,188	£7,146
Women in Mathematics	£750	£300	£2,385	£1,800	£714	£969	£637
Young British/Russians						£1,500	£3,000
Supporting Maths in Africa						17,662	£13,500
<b>Total</b>	<b>£159,815</b>	<b>£201,172</b>	<b>£195,292</b>	<b>£224,224</b>	<b>£234,254</b>	<b>£282,783</b>	<b>294,302</b>

The Society's grant-giving policies and summaries of its grant schemes are given in Appendix D.

### Key objectives and achievements over the period

- a total of £294.3k disbursed from the Society's own resources in grants to support mathematical activities, with a success rate (by number) of 95% for most grants.
- Towards the end of the financial year the 'Collaborative Small Grants' scheme was re-named 'Research in Pairs' to better reflect the nature of the award
- Procedures implemented to improve the response time to notify applicants of grant decisions.



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### *Targets and objectives for the future*

- To introduce an online system for grant applications and reports
- To explore ways of promoting the grant schemes more widely
- The five year agreement for the Young British and Russian Mathematicians Scheme will be reviewed in the forthcoming year

Objective 3: To disseminate mathematical knowledge and make it available worldwide, where appropriate seeking to create an income stream to support the Society's activities

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
LMS periodicals income	£886,217	£931,205	£975,890	£689,727	£818,681	£775,499	£913,802
Income from joint ventures and royalties	£220,155	£451,522	£448,952	£441,495	£490,544	£544,273	£588,138
Society meetings held (inc. joint)	11	12	11	9	8	8	8
Lectures given	10	0	5	1	38	13	17

### *Key objectives and achievements over the period*

- increase in net income from publications of 12% despite adverse economic climate;
- publication of the journal *Mathematika* is being managed by the Society on behalf of University College London;
- electronic versions of *Mathematika* and the *LMS Journal of Computation and Mathematics* are now distributed via the Cambridge University Press website;
- the *Journal of Topology* has been assigned an impact factor at the earliest possible date and has broken even in terms of direct costs within two years of publication;
- the contract with Oxford University Press for publishing the *Bulletin, Journal and Proceedings of the LMS* has been renegotiated for a further three years;
- the Society has republished *Algebraic Number Theory*, edited by Cassels and Fröhlich, using the print-on-demand service from Lightning Source, making the book available for sale via Amazon and major online retailers;
- Agreement with the New Zealand Mathematical Society to continue the Forder Lecture for a period of 10 years on the basis of a UK mathematician visiting NZ every two years, and a NZ mathematician visiting the UK in the intervening years. The UK tours will be named the Aitken Lectureship;
- A Graduate student event connected to the Society Meeting held in July 2010 to increase participation by younger mathematicians;
- WIM day meeting held at the Isaac Newton Institute in Cambridge attracted 80 delegates over two days;
- The Popular Lecture held at the Institute of Education in London on 30 June had an audience of some 500 people.
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### *Targets and objectives for the future*

- redevelop and upgrade the journal submission handling system to accommodate an increasing number of journals and offer modern tools for communication with authors and reviewers;
- continue to seek new opportunities for publishing high quality mathematical research.

Objective 4: To promote mathematical research and its benefits to decision-makers, policy advisers, funders and the users of mathematics.

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Press releases issued	13	5	6	9	6	10	10
Policy statements issued (inc. joint)	14	18	11	11	11	13	3

### *Key objectives and achievements over the period*

- continued to grow the MathsProm network, which now has 132 members
- produced a "Trend in Mathematics 2000-2010" report
- highlighted policy issues in regular articles in *LMS Newsletter* (monthly) and *Mathematics Today* (bimonthly)

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### *Targets and objectives for the future*

- development of the Mathematics Promotion Unit
- produce policy statements for use, in the first instance, by the International Review of Mathematics panel
- give further consideration to the support for and effectiveness of the CMS, together with other Founder Members

Objective 5: To support mathematical education in schools, colleges and universities, and encourage the public and young people to appreciate and engage with mathematics.

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Popular lectures attendance	n/a	400	400	440	440	450	950
Education Grants	£1,700	£1,962.50	£2,400	£1,239	£3,570	£4,240	£7,146

### *Key objectives and achievements over the period*

- Development (with More Maths Grads) of a guide to HE study of mathematics
- Produced *Maths Inside* leaflets in collaboration with *Plus* magazine for the Royal Society Summer Exhibition
- Involved in setting up an email committee with IMA to coordinate the maths presence at the 2011 Big Bang Young Scientists and Engineers Fair
- supported the British Science Association's Mathematical Sciences Section for the Festival of Science at Aston University, Birmingham

### *Targets and objectives for the future*

- to promote the LMS Popular Lectures to sustain high audiences
- to award a greater number of Education Small Grants to support mathematical education at all levels
- to issue further LMS policy position statements to support maths Higher Education
- to host a day of talks themed around developments in maths education

Professor Angus Macintyre  
President  
8 October 2010

**Membership of committees at 31 July 2010**

**Finance & General Purposes Committee:** President (*Chair*), Vice-Presidents, General Secretary, Treasurer, Programme Secretary, Publications Secretary, Education Secretary, Executive Secretary.

**Investment Subcommittee:** Treasurer (*Chair*), Members of Finance & General Purposes Committee, M. Davis, L. Hughston, M. Penington, W. Shaw, vacancy.

**Personnel Committee:** K.A. Brown (*Chair*), Publications Secretary, J.E. Barrow-Green, A. Truman, vacancy, Executive Secretary.

**Nominating Committee:** C.M. Series (*Chair*), A. Etheridge, C.A. Hobbs, P. Kropholler, M. Liebeck, M. Reid, A. Truman, A.J. Wilkie (Council).

**Computer Science Committee:** T. Melham (*Chair*), M. Ainsworth, J. Cooke (BCS–FACS), L. Goldberg, C. Greenough (IMA), K. Paterson, V. Sassone, K. van Rijsbergen (IMA), C. Turner (EPSRC observer), vacancy.

**Education Committee:** Education Secretary (*Chair*), Vice-President (K.A. Brown), A. Borovik, A. Gillespie, S. Humble, D. Mond, J.C. Robson, C. Sangwin, G. Segal, J. Winter, F.A. Rogers (ACME link) vacancy.

**International Affairs Committee:** Programme Secretary (*Chair*), Publications Secretary, J.M. Ball (RS-ICSU), A. Laptev, N. Peake (IMA), M. Prest, C. Roney-Dougal, S.E. Sanders (UK representative to ICMI), G. Segal, President of the Edinburgh Mathematical Society, N. Walkey (RSS), J. Nicholson (JMC)

**Library Committee:** Librarian (J.E. Barrow-Green) (*Chair*), N. Bingham, R.W. Kaye, vacancy.

**2010 Prizes Committee:** President (*Chair*), K. Ball, J. Greenlees, S. Rees, H.M. Byrne, G.W. Gibbons, D.R. Heath-Brown, V.P. Smyshlyayev, G.M. Stallard.

**Programme Committee:** Programme Secretary (*Chair*), S. Donaldson, A. Laptev, I. Roulstone, B.J. Totaro, A.J. Wilkie, R.A. Wilson.

**Meetings Committee:** Members of Programme Committee, Regional Organisers: T. Brzezinski (South West & South Wales), C. Parker (Midlands), M. Edjvet (Midlands), M. Prest (Northern), vacancy (Northern).

**Publications Committee:** Publications Secretary (*Chair*), Vice-President (J.P.C. Greenlees), J. Anderson, S. Hall,

I. Leader, U. Tillmann, T. Ward, A.J. Wilkie, vacancy, vacancy, Publisher.

**Journals Editors Group:** Publications Secretary (*Convenor*), Editors for the *Bulletin*, *Journal and Proceedings*, 3 members of the *BJP* Advisory Board, Book Reviews and Obituaries Editors of the *Bulletin*, Managing Editor for the *Journal of Topology*, member of the *Journal of Topology* Editorial Board, Editors of *Journal of Computation and Mathematics*, member of the *JCM* Advisory Board, Publisher, Managing Editor.

**Research Meetings Committee:** N. Manton (*Chair*), Vice-President (J.P.C. Greenlees), M. Bambury (EPSRC observer), J. Bolton (Durham representative), J. Chapman, D. Buck, B. Hambly, I. Smith, I. Gordon, J. Woolf.

**Research Policy Committee:** Vice-President (K.A. Brown, *Chair*), Vice-President (J.P. C. Greenlees), P.J. Davies, D. Abrahams, M. Bridson, S. Chandler-Wilde, H.G. Dales, A. Etheridge, M. MacCallum.

**Women in Mathematics Committee:** G.M. Stallard (*Chair*), D.E. Buck, H. Byrne (IMA), P. Clarkson, F.C. Kirwan, A.H. Marshall, S. Pitts, S. Pott, J. Scott (EWM), B. Pelloni.

**Ad hoc COMMITTEES AND APPOINTMENTS**

**LMS-IMA Joint Working Group** (LMS members): President (*Chair*), Vice-President (J. Greenlees), Executive Secretary, *ad hoc* member.

**LMS-IMA David Crighton Medal Committee (2009)** (LMS members): President (*Chair*), K.J. Falconer, F.C. Kirwan.

**LMS Web Working Group:** S.A. Huggett (Programme Secretary, *Chair*), J. E. Barrow-Green (Librarian), A.V. Borovik, J. Greenlees (Vice President), I. Robinson (Web Master), R. Wilson. Also invited to meetings: P. Cameron, A. Drizen.

**Mathematics Promotion Unit (MPU) Steering Group:** J.P. C. Greenlees (Vice-President, *Chair*), General Secretary, Education Secretary, N. Steele (IMA), A. Stevens (IMA), M. du Sautoy, Executive Secretary, Mathematics Policy & Promotion Officer.

**Membership Working Group:** H. G. Dales (*Chair*), D. E. Buck, E. O. Harriss, S. A. Huggett (Programme Secretary), E. L. Mansfield, M. Mathieu, C.M. Roney-Dougal, W.B. Stewart (Treasurer).

**Newsletter Editorial Board:** A. Mann (General Editor), C. Roney-Dougal (Reviews Editor), S.A. Huggett (Reports Editor), S.M Oakes (Administrative Editor).

**Publishing Nominating Group:** J.D.S. Jones (Publication Secretary, *Chair*), C. J. K Batty, J. Brodzki, D.M.J. Calderbank, S. Hezlet (Publisher), F. C. Kirwan, I. B. Leader, S. A. R. Stevens.

**Diarist:** S.N. Chandler-Wilde.

**Representatives on external committees and boards**

**British Science Association (Corporate membership):** Education Secretary, Executive Secretary, Policy & Promotion Officer, I. Robinson, N. MacKay.

**British Science Association (Mathematics Section):** C.J. Budd.

**British Mathematical Colloquium (BMC) Scientific Committee,** S. Pott, C.A. Hobbs, vacancy.

**International Council for Industrial and Applied Mathematics (ICIAM):** Programme Secretary.

**Council for the Mathematical Sciences:** President, Vice-President (K. Brown) Executive Secretary.

**Council for the Mathematical Sciences (Bologna Group):** F.A. Rogers.

**Council for the Mathematical Sciences (EPSRC Liaison Group):** Vice-President (J.P.C.Greenlees), Vice-President (K. Brown), H.G. Dales, Executive Secretary.

**European Mathematical Society (Council):** President, Chair of the International Affairs Committee, vacancy.

**Heads of Departments of Mathematical Sciences (Committee):** E. Winstanley.

**International Centre for Mathematical Sciences (Board):** K.J. Falconer.

**International Centre for Mathematical Sciences (Programme Committee):** A.M. Stuart, vacancy.

**International Mathematical Union (IMU) – UK representative:** J.M. Ball

**International Commission on Mathematical Instruction (ICMI) – UK representative:** S.E. Sanders.

**Isaac Newton Institute (Management Committee):** J.W. Bruce.

**Isaac Newton Institute (Scientific Steering Committee):** C.M. Series, J.M. Ball.

**Isaac Newton Institute (Nominations Committee 2008):** E. Rees.

**Isaac Newton Institute (Correspondents):** N. Manton.

**Joint Mathematical Council:** E. Winstanley.

**QAA Benchmark Review Group:** C.J. Budd.

**Royal Society Scientific Unions Committee:** J.M. Ball.

**Science Council (Council):** President, Executive Secretary.

**Science Council (Education Reference Group):** F.A. Rogers.

**Science Council (Science in Health Group):** Vacancy.

**Undergraduate Mathematics Teaching Conference:** N. MacKay.

**Staff in post in the period 1 August 2009 to 31 July 2010****Executive Secretary's Office**

Executive Secretary

P.R. Cooper (*to 31 December 2009*)  
F. Nixon (*from 14 June 2010*)  
I.J. Goddard (*Interim – to 2 July 2010*)

PA to the Executive Secretary

L. Marshall

**Publications**

Publisher

Dr S. Hezlet

Assistant Editor

B. Holmes

Editorial Assistant

P. Acheampong

Managing Editor

Dr O. Törnkvist

**Society & Grants Group**

Group Head

I. Robinson

Grants Administrator†

S. Daly

Grants &amp; Activities Administrator†

E. Fisher (*from 18 January 2010*)

Short-course Facilitator†

Dr R. Ahmad\*

**Council & Committees Group**

Group Head

M. Smith (*to 31 December 2009*)A.C. Bennett (*from 24 May 2010*)

Education &amp; Research Officer

D. Turton (*from 28 September 2009*)

Grants &amp; Activities Administrator†

E. Fisher (*from 18 January 2010*)

Mathematics Policy &amp; Promotion Officer†

C. Davis

**Conferences & Building Group**

Group Head

D. Clark

Receptionist &amp; Facilities Coordinator

L. Parker

Facilities Assistant†

A. Waidson

**Accounts Officer**

E. Belay

**Administrative Editor, LMS Newsletter†**

S.M. Oakes\*

**MARM Facilitator†**

Dr D. Johnson\*

† Part-time posts

\* staff not based at De Morgan House

### **The Society's grant schemes to support mathematics**

#### **General policy on grant-making**

The grant schemes are funded from the Society's resources received from its endowments, investments and publishing activities and are one of the primary mechanisms through which the Society achieves its central purpose, namely to 'promote and extend mathematical knowledge'. The principles for its grant-giving are:

- As a charity the Society is able, and wishes, to take advantage of different opportunities and to work within a different regulatory framework from other funding bodies, such as the EPSRC. Its grant schemes are focused accordingly.
- The Society's funds are under pressure, and it is not able to make awards as often or as fully as it would like.
- The Society does not normally meet the full cost of an activity. Rather it aims to give added value to an event largely funded by other means, or to bridge the gap between cost and the resources that might reasonably be made available by a university department.
- It does not pay Full Economic Costs.
- It does not make grants to cover departmental overheads, secretarial costs, etc., which could be seen as part of normal departmental provision.
- The Society does not normally make grants to cover room hire, although consideration will be given to cover room hire charges at De Morgan House
- Applicants are expected to make economical travel arrangements where possible.
- The Society expects that organisers of conferences and activities who are seeking grants from the Society will invite both male and female speakers (or explain why this is not appropriate or possible) and give consideration to the provision of mechanisms to enable participation by people with children or family responsibilities, in line with the Society's policy on Women in Mathematics
- The Society will not allow its limits for individual grant schemes to be exceeded by artificially subdividing an application into a number of separate requests under different headings.
- The Society considers it to be the responsibility of the institution to which the grant is paid to check receipts in accordance with its normal financial procedures.

The Society's committees assessing applications for grants are made up of mathematicians with a wide spread of research interests. Under most schemes, proposals are judged by the committees themselves, although they may seek advice. The committees judge each application on its merits.

For schemes 1–7, any mathematician working in the UK is eligible to apply for a grant but for some schemes if they are not a member of the Society, then the application must be countersigned by a member who is prepared to support the application.

#### **Summary of grant schemes**

##### *Conference Grants (Scheme 1)*

Grants are made to the organisers of conferences to be held in the United Kingdom. Priority is given to the support of meetings where an LMS grant can be expected to make a significant contribution to the viability and success of the meeting. Support of larger meetings of high quality is not ruled out, but for such meetings an LMS grant will normally cover only a modest part of the total cost.

##### *Visitors (Scheme 2)*

To provide a grant to a mathematician based within the UK to support partially a visitor to the UK; the visitor should give lectures in at least three separate institutions.

##### *Support of joint research groups (Scheme 3)*

The scheme is to provide support for groups of mathematicians, working in at least three different locations (of which at least two must be in the United Kingdom), who have a common research interest and who wish to engage in collaborative activities.

*Research in Pairs (Scheme 4)*

To provide a small grant to a mathematician within the UK to help support a visit for collaborative research.

*International Short Visits (Scheme 5)*

To provide a grant to a mathematician within the UK to support a visit for collaborative research either to or from a country in Africa, or countries in which mathematics is in a similar position.

*Computer Science Small Grants (Scheme 7)*

The aim of the scheme is to provide small grants within the United Kingdom to help support a visit for collaborative research at the interface of Mathematics and Computer Science.

*Postgraduate Research Conferences (Scheme 8)*

The aim of this scheme is to support research conferences, organised by and for research students, to be held in the United Kingdom.

*Support for Mathematics in Africa*

The Society provides a grant to the African Institute for Mathematical Sciences (AIMS), Cape Town, South Africa, which is used to help students from countries in Africa to attend by covering their travel costs. The Society also awards grants to contribute to the travel costs of postgraduates attending conferences organised, or supported, by the African Mathematics Millennium Science Initiative (AMMSI).

*Young British and Russian Mathematicians*

Each year, the scheme will allow up to three young Russian mathematicians to spend a few weeks in Britain giving a series of survey lectures on the work of their Russian seminar, and up to three young British mathematicians to spend a few weeks in Russia giving a series of survey lectures on the work of their school.

*LMS Workshop-Symposia*

The Society supports research workshops, which may be held anywhere in the UK and are an opportunity for a small group of active researchers to work together for a concentrated period on a specialised topic. Applications to support development of research in an area not ready for a larger-scale application are welcomed; applications for partial support for larger events will only exceptionally be supported.

*LMS Grace Chisholm Young Fellowship*

These fellowships, named after Grace Chisholm Young, aim to provide some support when a mathematical career is interrupted by family responsibilities, relocation of partner, or other similar circumstance, making possible some continuous mathematical activity and so enabling the fellow to be in a position to apply for posts when circumstances allow. Each holder will be based in a specific Mathematics Department in a University or Research Institute in the UK; the host is expected to provide an email address, use of library and IT facilities and access to research literature. The normal duration of a fellowship will be one year.

*LMS Childcare Grants*

The Society recognises that parents are sometimes prevented from attending conferences and meetings and making research visits because there is no provision for the extra costs incurred in looking after children either at home or (when necessary) at the place visited. It is the LMS view that institutions should make provision for childcare costs but, while this is not largely the case, the Society is willing to make a supplementary grant as a contribution to the costs.

*Small Educational Grants*

These support such activities as popular lectures, exhibitions, masterclasses, mathematical competitions, etc., that help to encourage joint mathematical ventures between higher education institutions and schools, or the development of projects that would improve the 'Public Image of Mathematics'.

Further information on all the Society's grant schemes, including detailed criteria and application forms to download, is on the LMS website [www.lms.ac.uk/grants/](http://www.lms.ac.uk/grants/).



**Reserve Funds*****General Fund***

The General Fund 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 continuing charitable activities in future years. In view of the fall in expected investment returns, the recognised need for the Society's activities to continue at present levels in a very uncertain funding climate, Council is of the view that the present level of the General Fund should (if possible) be increased by perhaps 25%, to the level of £10m.

General Fund	<b>£7,945,953</b>
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***Building & Development Reserve Fund***

This reserve, originally built up for the Society to purchase or rent its own property was utilised in part in the purchase of a leasehold property. The agreed purposes and recommended levels as from the next financial year would be:

Rehousing and re-establishing the administration for one year were DMH to be lost through fire etc.	£74,239
Costs of venue hire for all LMS meetings held in DMH	£13,171
Costs of re-establishing our work	£10,189
Dilapidations, were the Society to leave DMH	£22,973
External redecoration	£33,444
Internal redecoration	£43,238
Major modifications and developments, unexpected repairs/replacement	£273,492
	<b>£470,746</b>

***Printing & Publication Reserve Fund***

This fund was originally established to cover forward publication commitments against the possibility of no matching income for the continuing costs of the Society's LMS periodicals. More recently it was agreed that it would also hold excess of income over expected surpluses (and conversely meet the shortfalls when the surplus does not match the anticipated level). The agreed purposes and recommended levels are:

Repaying subscriptions income if we ceased to trade, and other commitments	£1,708,979
Buffer against over/under shooting the budget	£164,094
New ventures. Based on the costs of launching and producing a new journal, but its failing to gain subscriptions	£820,472
Insurance against breach of copyright and libel (including legal fees)	£273,491
	<b>£2,967,036</b>

***Grants Payable Reserve Fund***

This fund is set aside for grant awards to mathematical projects or activities which span a number of years. Such grants are reviewed annually and be paid once the recipient of the grant has provided a progress report with satisfactory performance of the project.

Grants awarded and approved by Council to be paid in future accounting periods	<b>£138,000</b>
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***Special Activities Reserve Fund***

Gifts and bequests received by the Society to be used for diverse activities in support of the Society's objectives	<b>£29,481</b>
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## **Independent Auditors' Report to the Trustees of The London Mathematical Society**

We have audited the financial statements of The London Mathematical Society for the year ended 31 July 2010 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 43 of the Charities Act 1993. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

### **Respective Responsibilities of Trustees and Auditors**

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law in respect of trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the charity's affairs as at 31 July 2010 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Devonshire House  
60 Goswell Road  
London EC1M 7AD

**Kingston Smith LLP**  
Chartered Accountants  
and Registered Auditors

Date:

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2009/10

STATEMENT OF FINANCIAL ACTIVITIES  
For the year ended 31<sup>st</sup> July 2010

	Notes	Unrestricted			2010	2009 (restated)
		General Funds £	Designated Funds £	Restricted Funds £	Total Funds £	Total Funds £
<b>Incoming resources</b>						
<b>Incoming resources from generated funds:</b>						
Voluntary income						
Gifts, Donations, Legacies		9,812	-	-	9,812	9,223
Activities for Generating funds						
Conference facilities		93,608	-	-	93,608	107,936
Advertising in Newsletter		13,952	-	-	13,952	13,482
Investment income	2	387,176	649	6,342	394,167	410,897
<b>Incoming resources from Charitable activities:</b>						
Membership subscriptions		77,087	-	-	77,087	75,790
Publications – LMS Periodicals	6a	913,802	-	-	913,802	775,499
Publications – Ventures and Royalties	6c,d	211,911	376,227	-	588,138	544,273
Grants and contracts	19	23,316	-	152,169	175,485	179,787
<b>Other incoming resources</b>						
Sundry income		22,091	-	-	22,091	686
<b>Total Incoming Resources</b>		<b>1,752,755</b>	<b>376,876</b>	<b>158,511</b>	<b>2,288,142</b>	<b>2,117,573</b>
<b>Resources expended</b>						
<b>Cost of generating funds:</b>						
Costs of DMH Conference facilities	3	173,539	-	-	173,539	155,721
Services for tenants		55,625	-	-	55,625	45,804
Investment Management fees		48,211	-	-	48,211	33,861
<b>Charitable activities</b>						
Advancing the interests of Mathematics	4	191,949	-	7,000	198,949	199,674
Enabling Mathematicians to undertake research & collaboration	5	364,960	44,000	162,282	571,242	558,622
Disseminating Mathematical knowledge						
Costs of publications	6b,c,d	340,149	250,933	-	591,082	515,004
Conference and meeting programmes	7	60,075	-	-	60,075	58,121
Promoting Mathematical research and its benefits	8	161,081	-	-	161,081	160,082
<b>Governance</b>	9	195,683	-	-	195,683	163,079
<b>Total resources expended</b>		<b>1,591,272</b>	<b>294,933</b>	<b>169,282</b>	<b>2,055,487</b>	<b>1,889,968</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>161,483</b>	<b>81,943</b>	<b>(10,771)</b>	<b>232,655</b>	<b>227,605</b>
Transfers between funds	17,18	(109,819)	95,706	14,113	-	-
<b>Net incoming resources after transfers</b>		<b>51,664</b>	<b>177,649</b>	<b>3,342</b>	<b>232,655</b>	<b>227,605</b>
Gains/(Losses) on investment assets	21	68,763	-	235	68,998	(1,670,691)
<b>Net movement in funds</b>		<b>120,427</b>	<b>177,649</b>	<b>3,577</b>	<b>301,653</b>	<b>(1,443,086)</b>
Fund balances at 1 <sup>st</sup> August 2009		7,825,526	3,427,614	178,123	11,431,263	12,874,349
<b>Fund balances at 31<sup>st</sup> July 2010</b>		<b>7,945,953</b>	<b>3,605,263</b>	<b>181,700</b>	<b>11,732,916</b>	<b>11,431,263</b>

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2009/10

**BALANCE SHEET**  
as at 31<sup>st</sup> July 2010

	Notes	2010 £	£	2009 (restated) £	£
<b>Fixed Assets</b>					
<b>Fixed Asset Investments</b>					
Quoted Investments	13	8,783,286		8,766,475	
			8,783,286		8,766,475
<b>Tangible Fixed Assets</b>					
Leasehold Property	14	1,658,244		1,703,061	
Fixtures, Fittings and Equipment	14	16,702		13,454	
			1,674,946		1,716,515
			10,458,232		10,482,990
<b>Current Assets</b>					
Medals in stock		4,082		4,082	
Debtors	15	397,338		417,303	
Cash at bank and in hand		569,345		416,365	
Bank Deposits		825,306		571,618	
		1,796,071		1,409,368	
<b>Liabilities:</b>					
<b>Creditors: Amounts falling due within one year</b>					
Creditors	16	397,375		341,308	
Deferred Income	16	124,012		119,787	
		521,387		461,095	
<b>Net current assets/(liabilities)</b>			1,274,684		948,273
<b>Net Assets</b>			<b>£11,732,916</b>		<b>£11,431,263</b>
Represented by :					
General Funds	18	7,945,953		7,825,526	
Designated Funds	18	3,605,263		3,427,614	
Restricted Funds	17	181,700		178,123	
			<b>£11,732,916</b>		<b>£11,431,263</b>

Approved on behalf of Council and authorised for issue on:

Treasurer..... Date .....

*The notes on pages 21 to 36 form part of these financial statements*

# TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2009/10

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> July 2010

### 1. Accounting Policies

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

#### a) Accounting Convention

The financial statements comply with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005 and the Charities Act 1993 and are prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### b) Subsidiary Undertaking and Consolidation

These accounts present information about The London Mathematical Society only. The Society's wholly owned subsidiary company, LMS Publishing Limited, has been dormant throughout the financial year. Consolidated financial statements have not been prepared on the grounds that the assets of the subsidiary are immaterial.

#### c) Investments

All 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 portfolio is invested in a range of equity, cash and fixed-interest investments in both UK and overseas markets. The key objective of the Society's portfolio is to produce a real return (capital growth) of at least 4% pa, and to provide an investment income determined by 'total return policy' of 3.5% pa (based on Yale model).

The Society in its total return policy treats all returns on investments as investment income which is analysed in the notes to the financial statements according to the various categories of investment from information provided by the investment managers. 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. .

#### d) 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.

#### e) Publications

- i) Income from the Society's contracts with printers for the production, distribution and sales of its journals is determined as that proportion of the income (i.e. subscriptions less costs of printing, distribution, sales and commission) relating to the number of issues published before the Balance Sheet date. (*Proceedings* 4 issues out of 6, *Journal* and *Bulletin* 3 issues out of 6, *Compositio* 3 issues out of 6.) A proportionate adjustment has been made for unexpired subscriptions received direct by the Society relevant to subsequent publications. No account has been taken of costs incurred or sales proceeds received in respect of publication after the Balance Sheet date.

# TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2009/10

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> July 2010

### 1. Accounting Policies (continued)

- ii) No valuation for accounting purposes is taken of any stocks of publications unsold at the Balance Sheet date.
- iii) The cost of publishing rights and subscribers' lists are written off in the year of acquisition.
- iv) Publications income from LMS periodicals is dealt with on an accrued basis; all other publications income is treated on a cash basis.
- v) Royalties are taken into the Statement of Financial Activities as declared due by the relevant printers and publishers.

#### f) **General Fund**

The Unrestricted reserves are analysed between the General Fund and other Designated Funds. The General Fund, detailed in note 19 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 continuing charitable activities in future years.

#### g) **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, developments or repairs. The value of these reserves is recalculated annually to allow for increase in the costs of covering the relevant risks.
- (ii) **Printing & Publication Reserve Fund**  
This reserve is to meet the costs of (a) consequential costs were the Society to cease publishing, (b) unpredictable annual fluctuations in the surplus, (c) costs of breaches of copyright or libel actions against the Society, (d) exploration and start-up costs of new ventures. The value of these reserves is recalculated annually to allow for increase in the costs of covering the relevant risks.
- (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) **Special Activities Reserve Fund**  
This fund contains gifts and bequests received by the Society to be used for diverse activities in support of the Society's objectives.
- (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

#### h) **Restricted Funds**

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

- (i) **A. J. Cunningham Research Fund**  
To support the cost of publication of work on the factorisation of large numbers.

# TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2009/10

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> July 2010

### 1. Accounting Policies (continued)

- (ii) The J. H. C. Whitehead Prize Fund  
To support the cost of the Annual prizes awarded for lecturing and mathematical work.
- (iii) Lord Rayleigh's Fund  
To support the general activities of the Society.
- (iv) The Berwick Prize Fund  
To support the Annual prize for mathematical work published by the Society.
- (v) 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.
- (vi) Fröhlich  
To support the cost of the Annual prizes awarded for lecturing and mathematical work.
- (vii) Grants and Contracts  
The Society has been awarded contracts and grants for some of its activities. These comprise: a contract with the EPSRC for running short instructional courses and grants from the Nuffield Foundation and Leverhulme Trust to support mentoring activities with mathematicians in Africa. It also shares the costs of some activities with sister societies. The income and expenditure relating these are handled through this Fund.

#### i) **Joint Ventures**

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

#### j) **Members' Subscriptions**

Subscription income from members is recognised in the year to which it relates. No account is taken of members' subscriptions in arrears at the balance sheet date. No time apportionment of subscriptions is calculated as members who join or leave during the year are not entitled to partial payments or refunds.

#### k) **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.

#### l) **Recognition of liabilities – Prior year Adjustments**

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. This represents a change in accounting policy for the Society. Previously these amounts were taken to the Designated Funds. Resources expended on grants shown in the SoFA recognise both liabilities and provisions for grant commitments. 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.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> July 2010

1. Accounting Policies (continued)

m) **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 1(g) (iii)).

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) **Support costs**

Expenses not separately shown under direct charitable expenditure in the Statement of Financial Activities represent costs associated with the promotion of the main objects of the Society including collection of subscriptions, the making of grants and maintenance of the library. These have been apportioned to the various charitable activities on the basis set out in note 10. They include irrecoverable VAT which has been apportioned to activities on the basis set out in note 11.

p) **Pension costs**

The pension costs charged in the financial statements represent the contributions payable by the Society for the defined contribution personal pension plan during the year in accordance with FRS17.

The USS is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not identified. The Society therefore accounts for the costs on a defined contribution basis as permitted by FRS17.

q) **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 on the same basis as support costs.

2. Investment Income

	Unrestricted	Designated	Restricted	2010	2009
	£	£	£	£	£
a) Investment income receivable:					
Fixed interest	89,922	-	-	89,922	97,257
Equities dividends	50,761	-	-	50,761	80,052
Other investments income	173,679	-	5,087	178,766	153,835
<b>Net investment income receivable</b>	<b>314,362</b>	<b>-</b>	<b>5,087</b>	<b>319,449</b>	<b>331,144</b>
b) Interest receivable:					
Investment portfolio	871	-	-	871	6,456
Treasury Reserve deposits	6,576	649	1,255	8,480	11,049
Other deposits	500	-	-	500	3,340
<b>Total interest receivable</b>	<b>7,947</b>	<b>649</b>	<b>1,255</b>	<b>9,851</b>	<b>20,845</b>
c) Rental income (including service charges)	64,867	-	-	64,867	58,908
<b>Total investment income</b>	<b>£387,176</b>	<b>£649</b>	<b>£6,342</b>	<b>£394,167</b>	<b>£410,897</b>



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For the year ended 31<sup>st</sup> July 2010

3. Costs of DMH conference facilities

	2010		2009	
	£	£	£	£
Costs of goods/refreshments	32,359		39,523	
Other expenditure	13,717		10,558	
		46,076		50,081
Apportioned support costs & irrecoverable VAT		127,463		105,640
<b>Total</b>		<b>£173,539</b>		<b>£155,721</b>

4. Charitable activities:

Advancing the interests of Mathematics

	2010		2009	
	£	£	£	£
Members' services:				
<i>Newsletter</i>	24,552		23,306	
Other costs	2,245		971	
Unrecoverable subscriptions	3,199		1,581	
		29,996		25,858
Activities to support Women in Mathematics		2,424		1,776
Activities to support Maths-Computer Sciences		346		329
Library, binding and archives		8,973		6,026
EMS, IMU, ICIAM subscriptions & ICM costs		8,051		7,774
Prizes		8,666		12,162
Apportioned support costs & irrecoverable VAT		140,493		145,749
<b>Total</b>		<b>£198,949</b>		<b>£199,674</b>

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For the year ended 31<sup>st</sup> July 2010

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

	2010		2009 (restated)	
	£	£	£	£
Awarded (committed) Grants				
Scheme 1 – 6 and 8	266,583		256,483	
Young British and Russian Mathematicians	3,000		739	
Support for Mathematics in Africa	13,500		17,662	
Computer Science grants	3,437		2,742	
Small Educational grants	7,146		4,188	
Child care and related grants	637		879	
	<u>294,303</u>		<u>282,693</u>	
Less: refunds	(17,612)		(21,280)	
		276,691		261,413
INI/ICMS/ACME Grants (Designated)		44,000		37,000
Mentoring African Research in Mathematics (Restricted)		70,014		53,112
Other (non-committed) Grants				
LMS Workshops/Durham Symposia	2,000		381	
Other grants (UK & international)	10,693		7,857	
	<u>12,693</u>		<u>8,238</u>	
<b>Training</b>				
Short courses		55,800		84,929
Apportioned support costs & irrecoverable VAT		112,044		113,930
<b>Total</b>		<u><u>£571,242</u></u>		<u><u>£558,622</u></u>

Movement in obligation grant commitments during the year

	£
Grant commitments recognised at the start of the year	112,622
New grants commitments charged to the SoFA in year	294,303
Grants paid during the year	(303,005)
Amount of grant commitments recognised as at 31 July 2010	<u><u>£103,920</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> July 2010

6. Charitable activities: Disseminating  
Mathematical Knowledge - Publications

	2010		2009	
	£	£	£	£
<b>a) Income from LMS periodicals</b>		<u>913,802</u>		<u>775,499</u>
<b>b) Payments for LMS periodicals</b>				
Secretarial, editing and other typesetting	24,680		21,265	
<i>Journal of Computation and Mathematics</i>	<u>4,294</u>		<u>-</u>	
		<u>(28,974)</u>		<u>(21,265)</u>
<b>Net LMS periodicals surplus before support costs and irrecoverable VAT</b>		<b>884,828</b>		<b>754,234</b>
Apportioned support costs & irrecoverable VAT		<u>(304,399)</u>		<u>(263,064)</u>
<b>Net LMS periodicals surplus after support costs and irrecoverable VAT</b>		<b>580,429</b>		<b>491,170</b>
<b>c) Ventures &amp; Royalties (net income)</b>				
<i>Nonlinearity</i>	103,040		92,144	
Russian journals (Turpion/RAS/LMS joint venture)	75,173		79,827	
TMMS (AMS/LMS joint venture)	9,620		9,103	
HMATH (AMS/LMS joint venture)	(2,342)		11,644	
LMS Books	3,374		1,788	
Book project (Cassells and Fröhlich)	1,196		-	
Royalties on the works of G.H. Hardy	16,966		9,555	
Royalties and licensing	<u>626</u>		<u>585</u>	
		<b>207,653</b>		<b>204,646</b>
<i>Compositio</i>				
Profit share & Management fee (see 6d)	125,293		108,962	
Costs of <i>Compositio</i> (LMS - only)	<u>-</u>		<u>-</u>	
		<b>125,293</b>		<b>108,962</b>
<i>Mathematika</i>		<b>(2,518)</b>		
<b>NET PUBLICATIONS SURPLUS</b>		<u><b>910,857</b></u>		<u><b>804,778</b></u>

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

- (I) *Nonlinearity* – the journal is managed on a day-to-day basis at the Institute of Physics Publishing Ltd, Dirac House, Temple Back, Bristol BS1 6BE. The LMS holds a 50% share of the journal.
- (II) The following three translation journals are managed jointly by the Department of Mathematics, Russian Academy of Sciences, Turpion Ltd and the LMS. The main business address is Pion Ltd, 207 Brondesbury Park, London NW2 5JN. LMS is responsible for the quality of the translation work.  
*Russian Mathematical Surveys* - 25% share  
*Sbornik* - 25% share (the actual proportion in the accounts is 1/6 owing to a redefinition of 'surplus' agreed in 1994)  
*Izvestiya* - 25% share (the actual proportion in the accounts is 1/6 owing to a redefinition of 'surplus' agreed in 1994)
- (III) The following Book Series and journal are managed on a day-to-day basis at the American Mathematical Society, 201 Charles Street, Providence, RI 02904 - 2294, USA.  
*History of Mathematics Book Series (HMATH)* - 50% share  
*Transactions of the Moscow Mathematical Society (TMMS)* - 50% share
- (IV) *Compositio Mathematica* – the journal is wholly owned by Foundation Compositio Mathematica and managed by the LMS. The LMS receives a share of the net profits, together with a management fee.
- (V) *Mathematika* – the journal is wholly owned by UCL and managed by the LMS. Cambridge University Press (CUP) is the publisher of the journal and pays to the LMS a share of the annual profit.

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For the year ended 31<sup>st</sup> July 2010

6. Charitable activities: Disseminating Mathematical Knowledge – Publications (continued)

d) *Compositio* management account

	2010	2009
	£	£
<i>Income</i>	376,227	339,637
<i>Expenditure</i>		
Direct costs	(121,495)	(125,731)
Profit share (60%) to <i>Compositio</i> Foundation	(129,439)	(104,944)
	<u>( 250,934)</u>	<u>(230,675)</u>
<b>Net <i>Compositio</i> surplus before LMS fees and Profit share</b>	<b>125,293</b>	<b>108,962</b>
Management fee to LMS	(39,000)	(39,000)
Profit share (40%) to LMS	(86,293)	(69,962)
	<u>-</u>	<u>-</u>
<b>Balance C/fwd on <i>Compositio</i> Fund</b>	<b>-</b>	<b>-</b>

7. Charitable activities: Disseminating Mathematical knowledge – conference and meeting programmes

	2010		2009	
	£	£	£	£
Society meetings and regional workshops	25,953		27,743	
Spitalfields Days	1,500		594	
Hardy Lecturer	3,365		-	
Mary Cartwright Lecture	493		1,423	
Forder Lecturer	-		-	
Invited Lectures	4,753		5,250	
Women in Mathematics Conference	5,556		-	
		<u>41,620</u>		<u>35,010</u>
Apportioned support costs & irrecoverable VAT		18,455		23,111
<b>Total</b>		<u><b>£60,075</b></u>		<u><b>£58,121</b></u>

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For the year ended 31<sup>st</sup> July 2010

8. Charitable activities: Promoting Mathematical research & its benefits

	2010		2009	
	£	£	£	£
<b>Policy</b>				
CMS	4,170		7,897	
MPU, media relations, data collection/analysis	5,063		4,551	
Annual dinner	2,978		3,079	
Exhibition, PR, Annual Report	1,085		5,486	
Subscriptions to UK organisations	2,555		2,866	
		15,851		23,879
<b>Education and young people, public engagement</b>				
Holgate Lecturers	1,800		1,200	
Popular Lectures	8,711		6,658	
Other educational activities	3,840		83	
		14,351		7,941
<b>Promoting Women in Mathematics activities</b>		153		
Apportioned support costs & irrecoverable VAT		130,726		128,262
<b>Total</b>		<b>£161,081</b>		<b>£160,082</b>

9. Governance

	2010		2009	
	£	£	£	£
<b>Professional services</b>				
Solicitors fees	1,444		2,000	
Accountancy fees	1,015		1,367	
Audit fees	10,100		10,000	
Other professional fees	35		35	
		12,594		13,402
<b>Officers, Council and committees</b>				
Internal committees	25,435		17,952	
External meetings (representatives & attendance)	4,107		2,608	
Retreat	4,002		-	
Catering, accommodation and other costs	15,315		14,083	
		48,859		34,643
<b>Costs in relation to LMS-IMA unification proposals</b>				
Legal fees	8,158		15,500	
Consultation and roadshow expenses	-		13,946	
		8,158		29,446
<b>Election of Trustees</b>		2,002		964
Apportioned support costs & irrecoverable VAT		124,070		84,624
<b>Total</b>		<b>£195,683</b>		<b>£163,079</b>

The apportioned support costs are higher than last year due to recruitment costs, and overlap of Executive Secretaries.

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For the year ended 31<sup>st</sup> July 2010

10. Support costs allocation by activity

	Direct staff costs	Premises & Office costs	Information Technology	General Management & Finance	Total 2010	Total 2009
	£	£	£	£	£	£
DMH conference facilities	40,187	49,241	1,612	33,523	124,563	103,241
Services for tenants	4,451	34,730	152	14,133	53,466	43,891
Advancing the interest of Mathematics	74,437	20,891	2,647	40,172	138,147	142,269
Enabling Mathematicians to undertake research and collaboration	69,078	7,862	1,917	32,015	110,872	113,127
Disseminating Mathematical Knowledge – Publications	187,959	20,189	28,794	65,369	302,311	261,669
Disseminating Mathematical Knowledge – Conference and meeting programmes	11,924	1,146	373	4,791	18,234	22,750
Promoting Mathematics research and its benefits	95,100	5,858	2,061	26,336	129,355	127,011
Governance	83,759	5,743	2,266	28,753	120,521	82,509
<b>Total 2010</b>	<b>£566,895</b>	<b>£145,660</b>	<b>£39,822</b>	<b>£245,092</b>	<b>£997,469</b>	<b>£896,467</b>
<b>Total 2009</b>	<b>£541,960</b>	<b>£135,751</b>	<b>£25,353</b>	<b>£193,403</b>		

**Basis of apportionment**

Support costs include (a) Direct staff costs (salaries, benefits, training, H&S, recruitment, etc.), (b) Office and Building Costs (rent, rates, services, cleaning, maintenance, telephones, postage, equipment, stationery, etc.) and (c) IT (computer hardware and software, network, internet access, websites, maintenance, software development, etc.). The costs of these are attributed to 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.

The costs of services that cannot be directly attributed to an activity – such as general accounting and financial controls, line management, etc. – comprise the category 'General Management and Finance' and are attributed to each area of activity on the same basis as the original elements (a)–(c).

11. Irrecoverable VAT allocation by activity

	2010	2009
	£	£
DMH conference facilities	2,900	2,399
Services for tenants	2,159	1,913
Advancing the interest of Mathematics	2,346	3,480
Enabling Mathematicians to undertake research and collaboration	1,172	803
Disseminating Mathematical Knowledge - Publications	2,088	1,395
Disseminating Mathematical Knowledge - Conference and meeting programmes	221	361
Promoting Mathematics research and its benefits	1,372	1,251
Governance	3,549	2,115
<b>Total</b>	<b>£15,807</b>	<b>£13,717</b>

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 support costs.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> July 2010

12. Employment Costs

	2010	2009
	£	£
Total employment costs of all staff including taxable benefits for the year comprise:		
Salaries and Wages	569,298	529,003
Employer's National Insurance Contributions	46,555	43,312
Employer's Pension Contributions	71,016	64,877
	<hr/>	<hr/>
<b>Total</b>	<b>£686,869</b>	<b>£637,192</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	2010	2009
	No.	No.
£60,000 - £70,000	2	-
£90,000 - £100,000	-	1

The pension payments for the above members of staff amounted to £9,456 (2009: £12,877). These contributions were paid into a defined benefits pension scheme.

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

	2009/2010		2008/2009	
	Total	FTE	Total	FTE
Management and administration	14.8	10.2	14.3	9.5
Publishing and editorial	4.0	3.8	4.0	3.6
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>18.8</b>	<b>14</b>	<b>18.3</b>	<b>13.1</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> July 2010

13. Fixed Asset Investments	2010			2009
	£	£	£	£
Quoted investments				
	<i>Investment assets in the UK</i>	<i>Investment assets outside the UK</i>	<i>Total</i>	
Equities				
Core equities	186,727	2,007,316	2,194,043	2,173,197
3rd party active	-	366,672	366,672	285,020
3rd party passive	102,803	307,097	409,900	370,354
Fixed income (bonds)	163,690	2,666,965	2,830,655	3,648,962
High Yield	587,307	-	587,307	131,915
EM Debt	185,895	-	185,895	-
Commodities	-	265,929	265,929	252,349
Gold	-	-	-	317,209
Alternative Investments				
Hedge funds	-	1,131,395	1,131,395	878,069
Private equity	325,297	-	325,297	260,565
Cash and foreign exchange hedging	261,083	225,110	486,193	448,835
<b>Total Market value at 31<sup>st</sup> July 2010</b>	<b>1,812,802</b>	<b>6,970,484</b>	<b>8,783,286</b>	<b>8,766,475</b>
Reconciliation of opening and closing market values:				
Market value at 1 <sup>st</sup> August 2009			8,766,475	10,475,823
Additions at cost			11,134,944	14,305,817
Disposals proceeds			(11,187,131)	(14,344,474)
Realised and Unrealised gains (note 21)			68,998	(1,670,691)
<b>Total Market value at 31<sup>st</sup> July 2010</b>			<b>8,783,286</b>	<b>8,766,475</b>
<i>Analysis by Fund:</i>				
Restricted Funds			124,684	122,363
Unrestricted Funds			8,658,602	8,644,112

% value of  
portfolio

Details of material investments are as follows:

Aurora Offshore Funds – (Hedge Fund)	6.53%
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31<sup>st</sup> July 2010

14. Tangible Fixed Assets	Leasehold Property	Fixtures Fittings and Equipment	Total
	£	£	£
<b>Cost</b>			
Brought forward at 1 <sup>st</sup> August 2009	2,175,353	258,582	2,433,935
Additions	-	13,807	13,807
Disposal Adjustments	-	(171,374)	(171,374)
	<u>2,175,353</u>	<u>101,015</u>	<u>2,276,368</u>
<b>Depreciation</b>			
Brought forward at 1 <sup>st</sup> August 2009	472,292	245,128	717,420
Charge for the year	44,817	8,742	53,559
Disposal Adjustments		(169,557)	(169,557)
	<u>517,109</u>	<u>84,313</u>	<u>601,422</u>
<b>Net book value</b>			
At 31 <sup>st</sup> July 2010	<u><u>£1,658,244</u></u>	<u><u>£16,702</u></u>	<u><u>£1,674,946</u></u>
At 31 <sup>st</sup> July 2009	<u><u>£1,703,061</u></u>	<u><u>£13,454</u></u>	<u><u>£1,716,515</u></u>

- Part of the leasehold property is let out and the rental derived is included within note 2(c).
- Disposals include £171,374 of assets removed from the register as they are under the capitalisation threshold.

15. Debtors	2010	2009
	£	£
Publications	179,586	216,878
Conference facilities	16,897	23,366
Other debtors	164,306	165,571
Income tax/VAT recoverable	432	-
Prepayments and accrued interest	36,117	11,488
	<u><u>£397,338</u></u>	<u><u>£417,303</u></u>

16. Creditors and Deferred Income	2010	2009 (restated)
	£	£
<b>Creditors: amounts falling due within one year</b>		
Accruals	60,712	46,432
Grant creditors	103,920	112,622
Other creditors	232,743	182,254
	<u><u>£397,375</u></u>	<u><u>£341,308</u></u>
<b>Deferred income:</b>		
Unexpired publications' subscriptions:		
Balance brought forward	119,787	109,052
Amount released in year	(119,787)	(109,052)
Income deferred to future years	124,012	119,787
Balance carried forward	<u><u>£124,012</u></u>	<u><u>£119,787</u></u>

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For the year ended 31<sup>st</sup> July 2010

17. Restricted Funds

	<i>Balance at 1.08.09</i>	<i>Other &amp; Investment Income</i>	<i>Expenditure</i>	<i>Investment (gain/losses)</i>	<i>Transfers</i>	<i>Balance at 31.07.10</i>
	<i>£</i>	<i>£</i>	<i>£</i>		<i>£</i>	<i>£</i>
<b><i>Prize (Capital) funds</i></b>						
Berwick Fund	28,699	646	-	-	-	29,345
De Morgan Medal & Larmor Fund	27,061	609	-	-	-	27,670
<b><i>Prize (Income) funds</i></b>						
Berwick Fund	18,947	788	(1,000)	36	-	18,771
De Morgan Medal & Larmor Fund	29,663	1,233	(1,000)	57	-	29,953
Lord Rayleigh's Fund	10,360	431	-	20	-	10,811
J.H.C. Whitehead Fund	-	-	(4,000)	-	4,000	-
Fröhlich Fund	13,403	557	(1,000)	26	-	12,986
<b><i>Other funds</i></b>						
A.J. Cunningham Research Fund	49,990	2,078	-	96	-	52,164
Grants and Contracts	-	152,169	(162,282)	-	10,113	-
<b>Total Funds</b>	<b>178,123</b>	<b>158,511</b>	<b>(169,282)</b>	<b>235</b>	<b>14,113</b>	<b>181,700</b>

- a) The transfer of £4,000 from the General Fund to Restricted Funds is to cover a shortfall in income for the Whitehead prizes.
- b) The transfer of £10,113 from the General Fund to the Grants and Contracts represents LMS's contribution to short courses. (see note 19).

18. Unrestricted Funds

	<i>Balance at 1.08.08</i>	<i>Prior year Adj.</i>	<i>Balance at 01.08.09</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gain/(loss) on investments</i>	<i>Transfer</i>	<i>Balance at 31.07.10</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>General Fund:</b>								
(see note 1(f))	9,225,337	66,173	7,825,526	1,752,755	(1,591,272)	68,763	(109,819)	7,945,953
<b>Designated Funds:</b>								
a) Building & Development								
Reserve Fund	350,746	-	410,746	-	-	-	60,000	470,746
b) Printing & Publication								
Reserve Fund	2,967,036	-	2,967,036	-	-	-	-	2,967,036
c) Grants Payable								
Reserve Fund	183,610	(146,610)	21,000	-	(44,000)	-	161,000	138,000
d) Special Activities								
Reserve Fund	28,060	-	28,832	649	-	-	-	29,481
e) Compositio Fund								
	-	-	-	376,227	(250,933)	-	(125,294)	-
	<u>3,529,452</u>		<u>3,427,614</u>	<u>376,876</u>	<u>(294,933)</u>	<u>-</u>	<u>95,706</u>	<u>3,605,263</u>
	<b>£12,754,789</b>		<b>£11,253,140</b>	<b>£2,129,631</b>	<b>£(1,886,205)</b>	<b>£68,763</b>	<b>£(14,113)</b>	<b>£11,551,216</b>

- a) The £60,000 transfer from the General Fund to the Building & Development Fund is part of the repayment of £300,000 (£60k x 5 years), commencing from 2005/06.
- c) The transfer of £161,000 from the General Fund is in respect of grants awarded with conditions for payment being a specific level of service or specific output to be delivered
- e) The transfer of £125,294 from the Compositio fund to General Fund represents the management fee and the LMS's profit share relating to the journal.

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19. Grants and Contracts Management account

	2010		2009	
	£	£	£	£
<b>a)EPSRC short course contracts (Restricted)</b>				
<i>Income</i>				
Short course actual income from EPSRC	40,192		57,480	
Short course b/f estimated income due	(33,100)		(18,000)	
Short course c/f estimated income due	38,746		33,100	
Income for Facilitator & Admin from EPSRC	23,950		26,822	
		69,788		99,402
<i>Expenditure</i>				
Short course actual expenditures	(60,448)		(105,487)	
Student fees	27,083		44,544	
Short course b/f estimated expenditures	40,036		16,050	
Short course c/f estimated expenditures	(62,622)		(40,036)	
Facilitator's and Admin costs	(23,950)		(26,822)	
		(79,901)		(111,751)
<b>LMS's Contribution to Short Courses</b>		<b>£(10,113)</b>		<b>£(12,349)</b>
<b>b)Nuffield Foundation/Leverhulme Trust grant (Restricted)</b>				
<i>Income</i>	76,825		59,635	
<i>Expenditure</i>	(76,825)		(59,635)	
		-		-
<b>c)UKRC grant for WIM Conference (Restricted)</b>				
<i>Income</i>	5,556		-	
<i>Expenditure</i>	(5,556)		-	
		-		-
<b>d)IMA&amp;RSS contributions to the CMS (Unrestricted)</b>				
<i>Income</i>	10,248		15,750	
<i>Expenditure</i>	(17,526)		(26,723)	
<b>LMS's Contribution to the CMS</b>		<b>£(7,278)</b>		<b>£(10,973)</b>
<b>e)IMA contribution to the MPU (Unrestricted)</b>				
<i>Income</i>	5,000		5,000	
<i>Expenditure</i>	(26,344)		(28,331)	
<b>LMS's Contribution to the MPU</b>		<b>£(21,344)</b>		<b>£(23,331)</b>

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20. Analysis of net assets between funds

	Unrestricted funds		Restricted	Total	Total
	General	Designated	Funds	Funds	Funds
	£	£	£	£	£
<b>Fund balances are represented by</b>					<i>(restated)</i>
Tangible fixed assets	1,674,946	-	-	1,674,946	1,716,515
Investments	5,082,819	3,575,782	124,685	8,783,286	8,766,475
Current assets	1,709,575	29,481	57,015	1,796,071	1,409,368
Current liabilities	(521,387)	-	-	(521,387)	(461,095)
<b>Total net assets</b>	<b>£7,945,953</b>	<b>£3,605,263</b>	<b>£181,700</b>	<b>£11,732,916</b>	<b>£11,431,263</b>

21. Gains and losses on investment assets

	Unrestricted	Restricted	2010	2009
	funds	funds	£	£
Realised (loss)/gain on sale of investments	(84,808)	(1,939)	(86,747)	(1,929,008)
Unrealised (loss)/gain in market value of investments	153,571	2,174	155,745	258,317
	<b>£68,763</b>	<b>£235</b>	<b>£68,998</b>	<b>£(1,670,691)</b>

22. 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 £18,553 (2009: £12,359) for 20 Trustees (2009:20).

During the year £400 was paid to Dr Dorothy Buck for her time giving the 2010 Popular lecture at Institute of Education and Birmingham University. As this work falls outside of her duties as a trustee, a written agreement was produced between the Society and Dr Buck.

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

23. Investment in LMS Publishing Limited

The Society beneficially owns the entire share capital of LMS Publishing Limited, a company incorporated in the UK. The company has been dormant during the year under review.