



LONDON
MATHEMATICAL
SOCIETY

**Report of the Trustees for the period
1 August 2010 – 31 July 2011**

London Mathematical Society
De Morgan House
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Charity registration number: 252660
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Members of Council during the period 1 August 2010 to 31 July 2011

President:	A.J. Macintyre
Vice-Presidents:	K.A. Brown J.P.C. Greenlees
Treasurer:	W.B. Stewart
General Secretary:	J.M.E. Hyland
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Executive Team during the period 1 August 2010 to 31 July 2011

Executive Secretary:	F.C. Nixon
Publisher:	S.P. Hezlet
Head of Accounting and Finance:	E. Belay
Group Head, Council & Committees:	A.C. Bennett
Group Head, Conferences & Building:	D. Clark
Group Head, Society & Grants:	I. Robinson

Auditors:	Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD
Investment Advisers:	Morgan Stanley, 20 Cabot Square, Canary Wharf, London E14 4QW
Bankers:	National Westminster Bank plc, 208 Piccadilly, London W1A 2DG
Solicitors:	Bates Wells & Braithwaite, 2-6 CannonStreet, London EC4M 6YH

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 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 overwhelmingly 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, by promoting mathematics and its impact on everyday life to the general public, and by encouraging policies that will benefit mathematics. More detailed descriptions of the activities and the beneficial outcomes are contained in the Review of Activities in 2010/11 (below).

Members of the general public are able to participate without charge in all Society 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 deciding on criteria for grant awards; publications are sold at prices that keep them competitive in the academic publishing world.

Governance and policy

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.

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 normally in advance of their first Council meeting (January) at which the work of Council, its strategies and plans, the operation of the financial systems, the administration of the Society and the responsibilities of a trustee are covered. All Council members, at their first Council meeting each year, are required to return a Declaration of Interests form.

Council met six times in the period, in October and November 2010 and in February, March, May and July 2011. (F&GPC met five times in the period, in September 2010 and in February, March, May and June 2010) A Council Strategic Retreat was held on 4-5 February 2011.

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 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 outlining the work to be undertaken and stating the exact or maximum amount. Such agreements must be approved by Council in advance of the work being undertaken.

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.

In the year from August 2010 to July 2011 Council appointed Bates Wells & Braithwaite as legal advisers for the Society, specialists in charity law. During this period Council also reviewed and/or approved a number of policies: Payments to Trustees, Conflict of Interest/Loyalty, Website Control Policy, Society Risk Register, Reserves Fund Policy, Memorandum of Understanding for Nominations Committee.

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. Given the current economic climate the Society will be considering over the coming year where Society resources might best be used to further the Society's aims.

Council continues to be 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 (a 4% return in real terms after allowing for average service sector wage inflation). The investment climate has changed and for the foreseeable future it may be sensible to accept a lower than 4% return in order to reduce risks. A close review is kept of the investment policy and the performance of the investment managers. Publications income has increased and the Society will continue to seek new opportunities for the expansion of the Society's publishing programme for the future. However, Council has recently noted the potential risk to Publications income from Open Access (see the section on Risk management below).

In the period 2010/11 income (excluding gains on investment assets) exceeded expenditure by £432.9K, against an expected budget of £74.3K. 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.

During the year, the value of the Society's assets rose from £11.7M to £12.6M.

The main sources of income were: publication income (71%), investment income (13.5%), Conference facilities and rental income (7.3%), Grants and Contracts (4.5%) and members' subscriptions (3%). Expenditure (including support costs) broken down by objective was:

Advancing mathematics (membership, links with the mathematics community, library, prizes)	9.9%
Enabling mathematics (grants, appointments and courses)	24.2%
Disseminating mathematics (publishing)	29.6%
Disseminating mathematics (meetings and lectures)	4%
Promoting mathematics (decision and policy makers, education, public, media)	11.2%

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.

Over the last year the Society has moved to making the majority of its payments online via the BACS system. There has also been a review of the approved signatories for payments and associated payment limits for signatories and the LMS credit card. The Society also reviewed its foreign payments transfers and implemented a new system which minimised the cost of transfer fees and allowed a more favourable exchange rate. In the coming year the Society will be reviewing the audit contract.

LMS Publishing Limited was dissolved during the year and has been removed from Company House Register.

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

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.

The most significant amendment to the Risk Register this year has been the addition of the potential threat to Publications income from Open Access, which in the worst case scenario could have a devastating effect on the income which the Society derives from its learned journals. This income contributes to the Society meeting its charitable objects. Council is maintaining a watching brief on this situation.

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 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. Council recently agreed to add £120k to the Building and Development Fund to allow the Society to re-adjust if (for any reason) De Morgan House became unusable.

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. Due to the scale and future risks to academic publishing (a key part of the Society's income) Council continues to operate from the basis 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. Following approval from the Charity Commission these are now invested and accounted for on an aggregated 'total return' basis.

After seeking legal advice the Society obtained the agreement of the Charity Commission to amend the regulations governing the Senior Berwick and Berwick Prizes, amongst others removing the criterion that recipients must be members of the Society (to open up the pool of worthy candidates), and allowing previous winners of other prizes to become eligible nominees for the Berwick Prizes.

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. As the Society has consistently shown a surplus the actual draw-down has been less than 3.5%.

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 maximise investment income while maintaining the real value of the investments. Over the coming year the Society will review the investment management contract.

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 average of 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 2000.

External and public relations

The Society is a founder member of the Council for the Mathematical Sciences (CMS), together with the Institute for Mathematics and its Applications and the Royal Statistical Society. The CMS is chaired by Professor Frank Kelly FRS. 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 the Engineering and Physical Sciences Research Council (EPSRC) and meets at other times of the year with officers of its Mathematical Sciences Programme. It also meets annually with the Higher Education Funding Council for England (HEFCE).

The Society is a member of the Science Council, the UK Parliamentary and Scientific Committee, British Science Association, Joint Mathematical Council, Campaign for Science and Engineering (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.

Over the last year the Society has worked with the Department for Education (DfE) on matters regarding the Review of the National Curriculum and the teaching of mathematics in schools. In addition position statements and responses have been submitted to the following reports and consultations: the International Review of Mathematical Sciences 2010 (IRM); the Education White Paper, 'The Importance of Teaching'; the Science & Technology Select Committee inquiry into Peer Review of Scientific Results and Papers; the review of the UK Professional Standards Framework for Higher Education.

The Society also nominated eminent mathematicians to HEFCE as chair and/or members of the Research Excellence Framework (REF) panels for the 2014 REF exercise, as well as corresponding with the Home Office regarding the impact which the new immigration rules are having on overseas visiting lecturers funded through Society grants.

The Society has submitted formal responses, as part of the Council for Mathematical Sciences (CMS), on: EPSRC Mathematics Research Fellowships; HEFCE's REF impact criteria; EPSRC's proposed cuts in funding to Mathematical Physics; and the Science & Technology Select Committee inquiry into the 2010 Comprehensive Spending Review. Work is ongoing via the CMS regarding EPSRC's current Shaping Capability agenda.

The Society and the IMA have continued their close collaborations throughout the year. These include the award of the Christopher Zeeman Prize, the presentation for which will take place on the evening of 21 March 2012 at the Royal Society. 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 HE STEM project. Joint press statements have been issued by the two Societies over the last year, including such topics as early and multiple entries to the GCSE examination in mathematics, 'A' level results, and the Abel Prize.

Over the last year the Society has sent letters of support against the proposed closures of the Erwin Schrodinger Institute of Vienna, the Geometry Section of VU Amsterdam, and the Feza Gursey Institute, Turkey. Correspondence has also been undertaken in support of the Mathematical Society of Japan following the devastating tsunami in March 2011.

Staff management

The Executive Secretary is responsible for staff-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. A new Employee Handbook has been drafted and will be implemented over the coming year. In addition the Executive Secretary and management team have provided a review of all activities undertaken by the staff at De Morgan House to meet the charitable objects of the Society. This will be further considered over the coming year with a view to ensuring that all activities are appropriate and that there is in place an effective organisational structure to deliver such activities.

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 has increased over the period bringing the busiest year since the operation began in 2006. The facilities provide a return to the Society and the long-term profitability will be kept under review.

There were several changes during the period in the letting of office space, with one tenant moving floors within the building and negotiating a new lease, one tenant vacating at the end of their lease, one tenant remaining in situ and negotiating a new lease, two new tenants secured for the second and third floors, and two rooms currently under offer at the time of preparing this report. This will leave only one room available for letting and the building almost at full occupancy.

A programme of redecorations is being carried out from the ground to fourth floors and is ongoing.

Review of activities against charitable objects

Below is a report on the Society's activities during 2010/11 specific to the charitable objects, together with proposed plans for the future.

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

General Overview

In December 2010, as a means of furthering its charitable objects, the Society launched a new website (www.lms.ac.uk) and has been working over the past year to develop the site, in addition to introducing a new organisational database. The new website will allow greater access to online facilities and encourage members, decision-makers and the public to engage more fully with the work of the Society.

At the end of 2010 the Society launched, via its new website, an online survey on *Community attitudes on membership of the London Mathematical Society* and invited both members and non-members to participate. 778 people completed the survey, 26% of whom were not members of the Society. 25% of the current LMS membership submitted their views. Council will be considering the feedback received through the survey and will use this to inform future planning discussions.

Over the year Society meetings were held in Birmingham, Leeds and Nottingham as well as in Oxford (where the Mary Cartwright Lecture took place), at the British Mathematical Colloquium in Leicester, and also in London at which the Fields Medallist, Cedric Villani, gave a talk.

In August 2010 the Society was represented at the International Congress of Mathematicians in Hyderabad, India and prior to that sent a delegation to the General Assembly of the International Mathematical Union (IMU) held in Bangalore (the Society is the UK adhering body for the IMU). Many interested mathematicians from the UK and around the world visited the LMS stand in Hyderabad to discuss the Society and mathematics in the wider world. A formal Society meeting was also held there for which the theme was *Mechanisms for strengthening mathematics in developing countries*, followed by a reception. Over 100 mathematicians and those interested in mathematics from around the world attended. A number of overseas members took the opportunity to sign the Members' book.

The Society has continued its support for the *Mentoring African Research in Mathematics* programme through provision of the administration and management of the project and part-funding a facilitator whose role is to provide a link for all mentors and investigate new sources of funding for the project as the Nuffield Foundation and Leverhulme Trust funding ends in December 2012. The Society is also considering ways of supporting the Mathematics of Planet Earth 2013 initiative, the internationally co-ordinated global programme to promote mathematics, which is aimed at making 2013 a special year of emphasis on the Mathematics of Planet Earth, interpreted as broadly as possible.

Below is a table showing membership numbers for the Society over the last five years.

	July 2007	July 2008	July 2009	July 2010	July 2011
Ordinary Members (inc. reciprocity)	2333	2320	2252	2162	2115
Associate Members	134	145	143	147	120
Institutional Members	17	14	13	10	10
Honorary Members	28	28	29	28	30

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 N Kopell (Boston University, USA) and Y Manin (Northwestern University, USA)
- 54 new members joined the Society during the year.

Targets and objectives for the future:

- to continue to review membership eligibility criteria with a view towards openness, in line with public benefit criteria, and to launch a membership initiative
- to introduce by the end of 2011 an online payments system for members' subscriptions
- to continue to develop the Society's website to meet the needs of the community of mathematicians and members of the public seeking information on the Society and mathematics
- to improve visibility of and access to the Society's archive materials through digitised content on the website.

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

General Overview

Another successful LMS Women in Mathematics Day was held this year. This is an annual event organised by the Society for women in mathematics to meet together for a day of talks and discussion groups. The event is aimed in particular at postgraduates, final year undergraduates and those at an early stage in their career, and provides a valuable opportunity to meet and talk with women who are active and successful in mathematics. While women are especially encouraged to attend this day, men are certainly not excluded. Over 50 people attended the event and there was a successful poster competition. Members of the Society's Finance and General Purposes Committee joined the participants for lunch and to view the poster exhibition.

The Society also provided funding for the Young Researchers in Mathematics Conference, held at the University of Warwick. This is a national conference specifically for post-graduate students, planned, organised and run by the students themselves. In addition the Society approved a grant for the Prospects of Mathematics event aimed at final year undergraduates interested in pursuing a PhD in Mathematics. These meetings are important events that encourage students to pursue research in mathematics.

Four LMS-EPSRC Short Courses for postgraduates were held in the last year, attracting over 120 participants. The purpose of the Short Courses is to provide training at the research frontier. An important feature of the programme is the wide range of mathematical topics. These topics are either of very general interest or are in areas where it is of strategic importance to boost the national strength. Course participants are given the rare opportunity at the start of their research apprenticeships/careers of attending lectures delivered by distinguished and world-renowned academics. Most course organisers arrange for international speakers to attend which makes the Short Course Scheme particularly attractive and unique in its format. Such training prepares the students for engagement in the international research arena, ensuring that the UK is able to both maintain and further develop its place globally with respect to world-class research.

Below is a table showing the value of the grants awarded by the Society over the last five years. The Society's grant-giving policies and summaries of its grant schemes are detailed in Appendix D. The Society's grant giving reduced over the last year due to a decrease in the number of applications received; Council had not reduced the budget. Over the coming year Council, through its Programme Committee, will be reviewing the types of grants advertised with a view to ensuring that the funds available most effectively meet the current needs of the mathematics community.

	2006-07	2007-08	2008-09	2009-10	2010-2011
Conference (Scheme 1)	£134,629	£159,972	£165,761	£161,865	£121,481
Visitors to the UK (Scheme 2)	£34,752	£23,100	£31,396	£28,973	£29,427
Joint Research Groups (Scheme 3)	£29,797	£24,466	£28,675	£27,831	£29,593
Research in Pairs (Scheme 4)	£14,417	£18,655	£14,660	£17,766	£21,920
International Short Visits (Scheme 5)	£5,100	£3,777	£5,875	£14,084	£6,992
Computer Science Grants (Scheme 7)	£2,490	£0	£2,742	£3,437	£4,617
Postgraduate Conferences (Scheme 8)	N/A	N/A	£9,355	£16,064	£13,450
Education Grants	£1,239	£3,570	£4,188	£7,146	£5,790
Women in Mathematics	£1,800	£714	£969	£637	£3,275
Young British/Russians	-	-	£1,500	£3,000	£1,500
Supporting Maths in Africa	-	-	£17,662	£13,500	£6,000
LMS Workshop- Symposia	-	-	-	-	£15,900
Total	£224,224	£234,254	£282,783	£294,303	£259,945

Key objectives and achievements over the period:

- a total of £244k disbursed from the Society's own resources in grants to support mathematical activities, with a success rate (by number) of 93% for most grants.
- applicants notified of grant decisions in a timely manner.
- new grants introduced to promote new academic mathematics appointments in higher education institutions under the Conference Grants Scheme, with 6 grants awarded over the year.
- the agreement for the Young British and Russian Mathematicians Scheme was renewed for a further five years.

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
- to promote the International Mathematical Union Volunteer Lecturer Programme by inviting applications under the LMS International Short Visits Scheme
- to establish a working relationship with the Young Researchers in Mathematics Committee, and to support a pilot scheme to provide a network of meetings for young researchers.

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

General Overview

Below is a table showing figures over the last five years for publications income and the number of Society meetings held for which the Society provided grants.

	2006-07	2007-08	2008-09	2009-10	2010-11
LMS periodicals income	£689,727	£818,681	£775,499	£913,802	1,151,632
Income from joint ventures and royalties	£441,495	£490,544	£544,273	£588,138	612,000
Society meetings held (inc. joint)	9	8	8	8	10

The Society has recently developed and launched a new, web-based article management system for authors, reviewers and editors, with user-friendly operation and streamlined workflows. This will assist in managing the large volume of papers which are processed each year in the production of the internationally renowned journals in the Society's portfolio.

During the last year Council approved a long-term review of LMS publications which commenced in July 2011.

The 2011 LMS Invited Lecturer Emmanuel Candes visited Cambridge in March. The lectures were filmed by the Isaac Newton Institute (INI) and as of June 2011 had received 31,000 views on the INI website.

Following the agreement with the New Zealand Mathematical Society to introduce the Aitken Lectureship, to run in conjunction with the Forder Lectureship, the inaugural Aitken Lecturer was announced as Professor Geoff Whittle (Wellington). Professor Whittle will visit the UK to give a series of lectures in autumn 2011.

Key objectives and achievements over the period:

- increase in net income from publications by 26.94% despite the adverse economic climate
- the number of pages published by the *Proceedings* increased again, by 26%; this journal is now published monthly rather than bi-monthly
- income of sales of the retro-digitized online archive of *Mathematika* exceeded expectations
- in response to the international debate over open access and the pressure from public funding bodies to encourage authors to adopt the open access model where available, the Society now offers a paid open access option on all of its journals; the option is there for mathematicians who are able to apply for funding as part of their research grants.

Targets and objectives for the future:

- carry out the strategic review of LMS publications which started in July 2011 and will continue through 2012
- to keep abreast of technological advances in publishing and offer modern tools to authors, reviewers and readers;
- 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.

General Overview

Over the last year the Society has published three major research policy documents entitled: *UK Government Funding for Mathematical Sciences Research*; *Doctoral Training in Mathematics in the UK*; and *Research and Teaching in Symbiosis* (<http://www.lms.ac.uk/content/policy-consultations>). These were produced in consultation with other mathematical bodies and also the wider mathematical community, the latter via a blog on the new LMS website.

The three research policy documents were made available to the Engineering and Physical Sciences Research Council (EPSRC) and to the assessment panel of the International Review of Mathematical Sciences (IRM). As well as reference to these LMS policy documents further mention of the LMS was made by the IRM panel in its formal report with regard to the excellent work undertaken by the LMS Women in Mathematics Committee.

The Society has undertaken extensive public affairs work over the last year in promoting mathematics to decision-makers and policy advisers within what has been a challenging political and economic climate. See the section above on **External and public affairs** for further details.

Below is a table showing the number of press releases and policy statements issued over the last five years.

	2006-07	2007-08	2008-09	2009-10	2010-211
Press releases issued	9	6	10	10	9
Policy statements issued (inc. joint)	11	11	13	3	8

Key objectives and achievements over the period

- produced three papers for use by the International Review of Mathematics panel
- responded to the Education White Paper and the review of the National Curriculum
- responded to the House of Commons Science and Technology select committee inquiry on Peer Review
- produced a discussion document on the Impact in the Mathematical Sciences in REF 2014
- gave further consideration to the support for and effectiveness of the Council for Mathematical Science (CMS), together with other Founder Members

Targets and objectives for the future

- to work with Council to devise an ongoing strategy for promoting mathematics to all parties interested in mathematics
- to bring to the attention of decision makers and policy advisers the vital matters of mathematics education, research and advancement and thereby enhance the Society's visibility in policy matters

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

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-2011
Popular lectures attendance	400	400	440	440	450	950	650
Education Grants	£1,962.50	£2,400	£1,239	£3,570	£4,240	£7,146	£5,790

General Overview

A successful LMS Education Day was held in May this year, in conjunction with the Heads of Mathematics Departments (HoDoMs), where the two matters under discussion were the current state of play and future directions for A-level mathematics, and the training of mathematics lecturers.

The Society issued a position statement in April 2011 entitled *The Use of ICT in Teaching of Mathematics at HE Institutions*. (<http://www.lms.ac.uk/content/reports-and-policy-submissions>)

Key objectives and achievements over the period:

- the Popular Lecture held at the Institute of Education in London on 29 June had an audience of some 350 people
- The Maths Zone at the Big Bang Young Scientists and Engineers Fair held in March 2011 proved to be very popular
- The MPU produced two postcards and associated web content in conjunction with exhibitors at the Royal Society's Summer Science Exhibition in July 2011

Targets and objectives for the future:

- 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 and education in schools
- to use the LMS website and develop content regarding education which is of interest in the wider world of mathematics as well as for those involved in higher education.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For and behalf of Council of the London Mathematical Society:

.....
Professor Angus Macintyre
(President)

.....
Date

Membership of Committees at 31 July 2011

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, F. A. Rogers, A. Truman, Executive Secretary.

Nominating Committee: C.M. Series (*Chair*), A. Etheridge, P. Kropholler, M. Liebeck, M. A. Singer, A. M. Stuart, A. Truman, C. M. Roney-Dougal (Council).

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

Education Committee: Education Secretary (*Chair*), Vice-President (K.A. Brown), P. A. Andrews, A. Borovik, A. Gillespie, A. D. Gardiner, S. Humble, J. Levesley (HoDoMS), D. Mond, G. B. Segal, J. Winter, F.A. Rogers (ACME link).

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

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

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

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

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

Publications Committee: Publications Secretary (*Chair*), Vice-President (J.P.C. Greenlees), J. Anderson, S. Hall, P. Hurst, P. Jørgensen, I. Leader, C.M. Roney-Dougal, U. Tillmann, T. Ward, Publisher.

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.

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), V. Blackstone (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, M. Marletta, 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, B. Pelloni, S. Pitts, S. Pott, J. Scott (EWM).

Ad hoc COMMITTEES AND APPOINTMENTS at 31 July 2011

Education White Paper Task Force: J. M. E. Hyland (Chair), P. A. Andrews, A. V. Borovik, C. J. Budd, A. D. Gardiner, N. McKay, C. Robson.

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

LMS–IMA Christopher Zeeman Medal Committee (2011) (LMS members): President (*Chair*), D. E. Buck, T. Korner.

LMS Web Working Group: S.A. Huggett (Programme Secretary, *Chair*), J. E. Barrow-Green (Librarian), A.V. Borovik, P. Cameron, A. Drizen, J. Greenlees (Vice President), Executive Secretary, I. Robinson (Operational Webmaster), R. Wilson (Council Webmaster).

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

National Curriculum Task Force: J. M. E. Hyland (Chair), P. A. Andrews, A. V. Borovik, C. J. Budd, A. D. Gardiner, N. McKay, C. Robson.

National Curriculum Writing Team: A. D. Gardiner, T. Barnard, R. Browne, D. Rayner, R. Emanuel, M. Ledwick

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

Council Diarist: R. A Wilson.

Representatives on external committees and boards at 31 July 2011

British Science Association (Mathematics Section): Education Secretary

British Mathematical Colloquium (BMC) Scientific Committee, S. Pott, C. Hobbs, vacant.

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 (EPSRC Liaison Group): Vice-President (J. Greenlees), Vice-President (K. Brown), H.G. Dales, Executive Secretary.

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

Heads of Departments of Mathematical Sciences (Committee): M. Hyland.

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

International Centre for Mathematical Sciences (Programme Committee): D. Rand, A. Stuart.

International Commission on Mathematical Instruction (ICMI) – UK representative: P. Andrews

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

Isaac Newton Institute (Scientific Steering Committee): J. Ball, M-F, Roy

Isaac Newton Institute (Correspondents): vacant

Joint Mathematical Council: E. Winstanley

Parliamentary & Scientific Committee: President, P. T. Saunders

Royal Society Scientific Unions Committee: J. Ball.

Science Council (Council): President, Executive Secretary.

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

Staff in post in the period 1 August 2010 to 31 July 2011**Executive Secretary's Office**

Executive Secretary	F.C. Nixon
PA to the Executive Secretary	L. Marshall
Head of Accounting and Finance	E. Belay
Accounts Assistant	B. Graczyk (<i>from 6 April 2011</i>)
Administrative Editor, LMS Newsletter†	S.M. Oakes*
MARM Facilitator†	J. Elgin* (<i>from 1 April 2011</i>)
	D. Johnson (<i>to 30 June 2011</i>)

Publications

Publisher	S.P. Hezlet
Assistant Editor	B. Holmes
Editorial Assistant	P. Acheampong
Managing Editor	O. Törnkvist

Council & Committees Group

Group Head	A.C. Bennett
Education & Research Officer	D. Turton
Grants & Activities Administrator†	E. Fisher
Mathematics Policy & Promotion Officer†	J. Johnston

Society & Grants Group

Group Head	I. Robinson
Grants Administrator†	S. Daly
Grants & Activities Administrator†	E. Fisher
Short-course Facilitator†	R. Ahmad*

Conferences & Building Group

Group Head	D. Clark
Receptionist & Facilities Coordinator	L. Parker
Facilities Assistant†	A. Waidson

† 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.

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.

Under this scheme grants are made for meetings held to promote the new appointments of lecturers at UK universities.

Visitors to the UK (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.

British Colloquium for Theoretical Computer Science

The Society supports the annual meeting which provides a forum in which researchers in the theoretical computer science can meet, present research findings, and discuss developments in the field.

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 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 <http://www.lms.ac.uk/content/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 and that it should aim to do so over a 7 year period.

General Fund	£8,756,709
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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.	£194,239
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
	£590,746

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
	£2,967,036

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	£94,000
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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	£30,174
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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 2011 which comprise [the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses] and the related notes. The financial reporting framework that has been applied in their preparation is applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. 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 auditor

As explained more fully in the 'Trustees' Responsibilities Statement, the trustees are responsible for the preparation of financial statements which give a true and fair view. 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 applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2011 and of its incoming/outgoing resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Annual Report is inconsistent in any material respects with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Kingston Smith LLP
Statutory auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

Date:

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31st July 2011

	Notes	Unrestricted		Restricted	2011	2010
		General	Designated	Funds	Total	Total
		Funds	Funds	Funds	Funds	Funds
		£	£	£	£	£
Incoming resources						
Incoming resources from generated funds:						
Voluntary income						
Gifts, Donations, Legacies		8,957	-	-	8,957	9,812
Activities for Generating funds						
Conference facilities		115,675	-	-	115,675	93,608
Rental income		63,443	-	-	63,443	64,867
Advertising in Newsletter		10,073	-	-	10,073	13,952
Investment income	2	329,432	693	6,263	336,388	329,300
Incoming resources from Charitable activities:						
Membership subscriptions		73,501	-	-	73,501	77,087
Publications – LMS Periodicals	6a	1,151,632	-	-	1,151,632	913,802
Publications – Ventures and Royalties	6c,d	254,122	357,878	-	612,000	588,138
Grants and contracts	19	8,257	-	104,361	112,618	175,485
Other incoming resources						
Sundry income		611	-	-	611	22,091
Total Incoming Resources		2,015,703	358,571	110,624	2,484,898	2,288,142
Resources expended						
Cost of generating funds:						
Costs of DMH Conference facilities	3	160,259	-	-	160,259	173,539
Services for tenants		46,412	-	-	46,412	55,625
Investment Management fees		41,098	-	-	41,098	48,211
Charitable activities						
Advancing the interests of Mathematics	4	197,862	-	5,000	202,862	198,949
Enabling Mathematicians to undertake research & collaboration	5	334,460	44,000	117,931	496,391	571,242
Disseminating Mathematical knowledge						
Costs of publications	6b,c,d	359,943	247,491	-	607,434	591,082
Conference and meeting programmes	7	81,361	-	-	81,361	60,075
Promoting Mathematical research and its benefits	8	229,313	-	-	229,313	161,081
Governance	9	186,864	-	-	186,864	195,683
Total Resources Expended		1,637,572	291,491	122,931	2,051,994	2,055,487
Net incoming/(outgoing) resources before transfers		378,131	67,080	(12,307)	432,904	232,655
Transfers between funds	17,18	(28,183)	9,613	18,570	-	-
Net incoming resources after transfers		349,948	76,693	6,263	432,904	232,655
Gains/(Losses) on investment assets	21	460,808	-	7,081	467,889	68,998
Net movement in funds		810,756	76,693	13,344	900,793	301,653
Fund balances at 1 st August 2010		7,945,953	3,605,263	181,700	11,732,916	11,431,263
Fund balances at 31st July 2011		£8,756,709	£3,681,956	£195,044	£12,633,709	£11,732,916

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

BALANCE SHEET
as at 31st July 2011

	Notes	2011		2010	
		£	£	£	£
Fixed Assets					
Fixed Asset Investments					
Quoted Investments	13	9,282,096		8,783,286	
		<hr/>	9,282,096	<hr/>	8,783,286
Tangible Fixed Assets					
Leasehold Property	14	1,613,427		1,658,244	
Fixtures, Fittings and Equipment	14	16,401		16,702	
		<hr/>	1,629,828	<hr/>	1,674,946
			<hr/>	<hr/>	<hr/>
			10,911,924		10,458,232
Current Assets					
Medals in stock		4,082		4,082	
Debtors	15	319,476		397,338	
Cash at bank and in hand		400,550		569,345	
Bank Deposits		1,540,014		825,306	
		<hr/>	2,264,122	<hr/>	1,796,071
		<hr/>		<hr/>	
Liabilities:					
Creditors: Amounts falling due within one year					
Creditors	16	421,461		397,375	
Deferred Income	16	120,876		124,012	
		<hr/>	542,337	<hr/>	521,387
		<hr/>		<hr/>	
Net current assets/(liabilities)			1,721,785		1,274,684
Net Assets			<hr/>	<hr/>	<hr/>
			£12,633,709		£11,732,916
			<hr/>	<hr/>	<hr/>
Represented by :					
General Funds	18	8,756,709		7,945,953	
Designated Funds	18	3,681,956		3,605,263	
Restricted Funds	17	195,044		181,700	
		<hr/>	£12,633,709	<hr/>	£11,732,916
			<hr/>	<hr/>	<hr/>

Approved on behalf of Council and authorised for issue on:

Treasurer..... Date

The notes on pages 24 to 39 form part of these financial statements

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

1. Accounting Policies (continued)

e) **Publications**

- i) Income from the Society's contracts with printers 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 printing, distribution, sales and commission) relating to the number of issues published before the Balance Sheet date. (*Proceedings* 7 issues out of 12, *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.
- ii) Publications income from LMS periodicals is recorded based on an estimated accrued basis; all other publications income is treated on a cash basis which is considered to be the most appropriate and prudent approach given the information available.
- iii) No valuation for accounting purposes is taken of any stocks of publications unsold at the Balance Sheet date.
- iv) The cost of publishing rights and subscribers' lists are written off in the year of acquisition.
- 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 18 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.

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

1. Accounting Policies (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

1. Accounting Policies (continued)

l) 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.

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.

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

2. Investment Income

	Unrestricted	Designated	Restricted	2011	2010
	£	£	£	£	£
a) Investment income receivable:					
Fixed income (bond) interest	43,169	-	-	43,169	89,922
Equities dividends	94,877	-	-	94,877	50,761
Other interest receivable	693	-	-	693	871
Proportion of total returns drawn down relating to investment gains	177,519	-	4,922	182,441	178,766
Net investment income receivable	316,258	-	4,922	321,180	320,320
b) Interest receivable:					
Treasury Reserve deposits	13,116	693	1,341	15,150	8,480
Other deposits	58	-	-	58	500
Total interest receivable	13,174	693	1,341	15,208	8,980
Total investment income	£329,432	£693	£6,263	£336,388	£329,300

3. Costs of DMH conference facilities

	2011		2010	
	£	£	£	£
Costs of goods/refreshments	34,939		32,359	
Other expenditure	14,867		13,717	
		49,806		46,076
Apportioned support costs & irrecoverable VAT		110,453		127,463
Total		£160,259		£173,539

4. Charitable activities:

Advancing the interests of Mathematics

	2011		2010	
	£	£	£	£
Members' services:				
<i>LMS Newsletter</i>	20,845		24,552	
Other costs	1,446		2,245	
Unrecoverable subscriptions	1,663		3,199	
		23,954		29,996
Activities to support Women in Mathematics		3,308		2,424
Activities to support Maths-Computer Sciences		268		346
Library, binding and archives		5,207		8,973
EMS, IMU, ICIAM subscriptions & ICM costs		37,896		8,051
Prizes		7,668		8,666
Apportioned support costs & irrecoverable VAT		124,561		140,493
Total		£202,862		£198,949

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

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

	2011		2010	
	£	£	£	£
Awarded (committed) Grants				
Scheme 1 – 5 and 8	222,863		266,583	
Young British and Russian Mathematicians	1,500		3,000	
Support for Mathematics in Africa	6,000		13,500	
Computer Science grants	4,617		3,437	
Small Educational grants	5,790		7,146	
LMS Workshops - Symposia	15,900		-	
Child care and related grants	3,275		637	
	<u>259,945</u>		<u>294,303</u>	
Less: cancellation and refunds	(30,313)		(17,612)	
		229,632		276,691
INI/ICMS/ACME Grants (Designated)		44,000		44,000
Mentoring African Research in Mathematics (Restricted)		31,791		70,014
Other (non-committed) Grants				
Durham Symposia	3,269		2,000	
Other grants (UK & international)	16,400		10,693	
	<u>19,669</u>		<u>12,693</u>	
Training				
Short courses		49,237		55,800
Apportioned support costs & irrecoverable VAT		122,062		112,044
Total		<u><u>£496,391</u></u>		<u><u>£571,242</u></u>

Movement in obligation grant commitments during the year

	£
Grant commitments recognised at the start of the year	103,920
New grants commitments charged to the SoFA in year	262,754
Grants paid during the year	(246,568)
Grants not taken up ('out of date')	(11,064)
Amount of grant commitments recognised as at 31 July 2011	<u><u>£109,042</u></u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 20116. Charitable activities: Disseminating
Mathematical Knowledge - Publications

	2011		2010	
	£	£	£	£
a) Net Income from LMS periodicals		<u>1,151,632</u>		<u>913,802</u>
b) Payments for LMS periodicals				
Other Costs	26,852		24,680	
<i>Journal of Computation and Mathematics</i>	<u>4,894</u>		<u>4,294</u>	
		<u>(31,746)</u>		<u>(28,974)</u>
Net LMS periodicals surplus before support costs and irrecoverable VAT		1,119,886		884,828
Apportioned support costs & irrecoverable VAT		<u>(325,866)</u>		<u>(304,399)</u>
Net LMS periodicals surplus after support costs and irrecoverable VAT		794,020		580,429
c) Ventures & Royalties (net income)				
<i>Nonlinearity</i>	116,494		103,040	
Russian journals (Turpion/RAS/LMS joint venture)	87,053		75,173	
TMMS (AMS/LMS joint venture)	15,665		9,620	
HMATH (AMS/LMS joint venture)	(12,768)		(2,342)	
LMS Books	4,243		3,374	
Book project (Cassells and Fröhlich)	7,718		1,196	
Royalties on the works of G.H. Hardy	3,714		16,966	
Royalties and licensing	<u>119</u>		<u>626</u>	
		222,238		207,653
<i>Compositio</i>				
Profit share & Management fee (see 6d)	110,387		125,293	
Costs of <i>Compositio</i> (LMS - only)	<u>(334)</u>		<u>-</u>	
		110,053		125,293
<i>Mathematika</i>		29,887		(2,518)
NET PUBLICATIONS SURPLUS		<u>1,156,198</u>		<u>910,857</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.

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

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

d) *Compositio* management account

	2011	2010
	£	£
<i>Income</i>	357,878	376,227
<i>Expenditure</i>		
Direct costs	(118,060)	(121,495)
Profit share to <i>Compositio</i> Foundation	(129,431)	(129,439)
	<u>(247,491)</u>	<u>(250,934)</u>
Net <i>Compositio</i> surplus before LMS fees and Profit share	110,387	125,293
Management fee to LMS	(39,000)	(39,000)
Profit share to LMS	<u>(71,387)</u>	<u>(86,293)</u>
Balance C/fwd on <i>Compositio</i> Fund	-	-

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

	2011		2010	
	£	£	£	£
Society meetings and regional workshops	23,368		25,953	
Spitalfields Days	283		1,500	
Hardy Lecturer	-		3,365	
Mary Cartwright Lecture	1,447		493	
Forder Lecturer	1,830		-	
Invited Lectures	6,866		4,753	
Women in Mathematics Conference	<u>1,264</u>		<u>5,556</u>	
		35,058		41,620
Apportioned support costs & irrecoverable VAT		<u>46,303</u>		<u>18,455</u>
Total		<u>£81,361</u>		<u>£60,075</u>

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

8. Charitable activities: Promoting Mathematical research & its benefits

	2011		2010	
	£	£	£	£
Policy				
CMS	5,567		4,170	
MPU, media relations, data collection/analysis	11,731		5,063	
Annual dinner	3,441		2,978	
Exhibition, PR, Annual report on Activities	6,375		1,085	
Subscriptions to UK organisations	4,096		2,555	
		31,210		15,851
Education and young people, public engagement				
Holgate Lecturers	1,800		1,800	
Popular Lectures	9,282		8,711	
Education day	1,750		-	
Other educational activities	1,234		3,840	
Knowledge Transfer	1,250		-	
		15,316		14,351
Promoting Women in Mathematics activities		128		153
Apportioned support costs & irrecoverable VAT		182,659		130,726
Total		£229,313		£161,081

9. Governance

	2011		2010	
	£	£	£	£
Professional services				
Solicitors fees	3,972		1,444	
Audit and accountancy fees	10,140		11,115	
Other professional fees	35		35	
		14,147		12,594
Officers, Council and committees				
Internal committees	23,515		25,435	
External meetings (representatives & attendance)	5,495		4,107	
Retreat	3,875		4,002	
Catering, accommodation and other costs	17,842		15,315	
		50,727		48,859
Costs in relation to LMS-IMA unification proposals				
Legal fees		-		8,158
Election of Trustees		1,779		2,002
Apportioned support costs & irrecoverable VAT		120,211		124,070
Total		£186,864		£195,683

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

10. Support costs allocation by activity

	Direct staff costs	Premises & Office costs	Information Technology	General Management & Finance	Total 2011	Total 2010
	£	£	£	£	£	£
DMH conference facilities	34,505	49,510	6,314	18,520	108,849	124,563
Services for tenants	6,663	29,490	1,658	6,173	43,984	53,466
Advancing the interest of Mathematics	49,887	22,966	6,668	43,214	122,735	138,147
Enabling Mathematicians to undertake research and collaboration	63,889	18,734	6,958	30,866	120,447	110,872
Disseminating Mathematical Knowledge – Publications	186,070	50,165	42,938	44,448	323,621	302,311
Disseminating Mathematical Knowledge – Conference and meeting programmes	12,499	11,119	3,810	17,285	44,713	18,234
Promoting Mathematics research and its benefits	108,265	24,240	9,195	37,041	178,741	129,355
Governance	47,605	15,338	5,957	49,387	118,287	120,521
Total 2011	£509,383	£221,562	£83,498	£246,934	£1,061,377	£997,469
Total 2010	£566,895	£145,660	£39,822	£245,092		

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, HR and Executive Secretary's general 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

	2011	2010
	£	£
DMH conference facilities	1,604	2,900
Services for tenants	641	2,159
Advancing the interest of Mathematics	1,826	2,346
Enabling Mathematicians to undertake research and collaboration	1,615	1,172
Disseminating Mathematical Knowledge - Publications	2,245	2,088
Disseminating Mathematical Knowledge - Conference and meeting programmes	1,590	221
Promoting Mathematics research and its benefits	3,918	1,372
Governance	1,924	3,549
Total	£15,363	£15,807

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.

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

12. Employment Costs

	2011	2010
	£	£
Total employment costs of all staff including taxable benefits for the year comprise:		
Salaries and Wages	590,443	569,298
Employer's National Insurance Contributions	48,629	46,555
Employer's Pension Contributions	84,273	71,016
	<hr/>	<hr/>
Total	£723,345	£686,869
	<hr/> <hr/>	<hr/> <hr/>

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

	2011	2010
	No.	No.
£60,000 - £70,000	1	2
£100,000 - £110,000	1	-

The pension payments for the above members of staff amounted to £26,536 (2010: £9,456). These contributions were paid into a defined benefits pension scheme.

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

	2010/2011		2009/2010	
	Total	FTE	Total	FTE
Management and administration	15.3	10.8	14.8	10.2
Publishing and editorial	4.0	4.0	4.0	3.8
	<hr/>	<hr/>	<hr/>	<hr/>
Total	19.3	14.8	18.8	14
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

13. Fixed Asset Investments	2011		£	2010
	£	£		
Quoted investments			£	£
	<i>Investment assets in the UK</i>	<i>Investment assets outside the UK</i>	<i>Total</i>	
Equities				
Core equities	153,351	1,495,414	1,648,765	2,194,043
3rd party active	465,125	1,095,134	1,560,259	366,672
3rd party passive	-	494,998	494,998	409,900
Private equity	-	354,800	354,800	325,297
Fixed income (bonds)				
Bond portfolio	122,527	3,219,190	3,341,717	2,830,655
EM Debt	-	360,627	360,627	185,895
High Yield	-	-	-	587,307
Commodities	-	178,325	178,325	265,929
Alternative Investments				
Hedge funds	119,820	1,013,799	1,133,619	1,131,395
Cash and foreign exchange hedging	165,134	43,852	208,986	486,193
Total Market value at 31st July 2011	1,025,957	8,256,139	9,282,096	8,783,286

Reconciliation of opening and closing market values:

Market value at 1 st August 2010	8,783,286	8,766,475
Additions at cost	8,517,234	10,470,814
Disposals proceeds	(7,829,946)	(11,187,131)
Realised and Unrealised gains (note 21)	467,889	68,998
Movement in cash	(656,367)	664,130
Total Market value at 31st July 2011	9,282,096	8,783,286

Analysis by Fund:

Restricted Funds	136,688	124,684
Unrestricted Funds	9,145,408	8,658,602

% value of portfolio

Details of material investments are as follows:

Global Select corporate Bond XXVIII	6.95%
Neuberger Berman High Yield Bond Fund	5.18%
Global Brands Morgan Stanley	5.02%
Aurora Offshore Funds – (Hedge Fund)	9.49%

TRUSTEES' ANNUAL REPORT AND ACCOUNTS 2010/11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

14. Tangible Fixed Assets	Leasehold Property	Fixtures Fittings and Equipment	Total
	£	£	£
Cost			
Brought forward at 1 st August 2010	2,175,353	101,015	2,276,368
Additions	-	9,272	9,272
	<u>2,175,353</u>	<u>110,287</u>	<u>2,285,640</u>
Carried forward at 31 st July 2011	2,175,353	110,287	2,285,640
Depreciation			
Brought forward at 1 st August 2010	517,109	84,313	601,422
Charge for the year	44,817	9,573	54,390
	<u>561,926</u>	<u>93,886</u>	<u>655,812</u>
Carried forward at 31 st July 2011	561,926	93,886	655,812
Net book value			
At 31 st July 2011	<u>1,613,427</u>	<u>16,401</u>	<u>1,629,828</u>
At 31 st July 2010	<u>£1,658,244</u>	<u>£16,702</u>	<u>£1,674,946</u>
<ul style="list-style-type: none"> • Part of the leasehold property is let out and the rental derived is shown on the SOFA under 'Activities for Generating Funds'. 			
15. Debtors	2011		2010
	£		£
Publications	163,584		179,586
Conference facilities	25,809		16,897
Other debtors	103,231		164,306
Income tax/VAT recoverable	803		432
Prepayments and accrued interest	26,049		36,117
	<u>319,476</u>		<u>£397,338</u>
16. Creditors and Deferred Income	2011		2010
Creditors: amounts falling due within one year	£		£
Accruals	55,432		60,712
Grant creditors	109,042		103,920
Other creditors	256,987		232,743
	<u>£421,461</u>		<u>£397,375</u>
Deferred income:			
Unexpired publications' subscriptions:			
Balance brought forward	124,012		119,787
Amount released in year	(124,012)		(119,787)
Income deferred to future years	120,876		124,012
Balance carried forward	<u>£120,876</u>		<u>£124,012</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st July 2011

17. Restricted Funds

	<i>Balance at 1.08.10</i>	<i>Other & Investment Income</i>	<i>Expenditure</i>	<i>Investment (gain/losses)</i>	<i>Transfers</i>	<i>Balance at 31.07.11</i>
	<i>£</i>	<i>£</i>	<i>£</i>		<i>£</i>	<i>£</i>
<i>Prize (Capital) funds</i>						
Berwick Fund	29,345	690	-	-	-	30,035
De Morgan Medal & Larmor Fund	27,670	650	-	-	-	28,320
<i>Prize (Income) funds</i>						
Berwick Fund	18,771	741	-	1,066	-	20,578
De Morgan Medal & Larmor Fund	29,953	1183	-	1,701	-	32,837
Lord Rayleigh's Fund	10,811	427	-	614	-	11,852
J.H.C. Whitehead Fund	-	-	(5,000)	-	5,000	-
Fröhlich Fund	12,986	513	-	737	-	14,236
<i>Other funds</i>						
A.J. Cunningham Research Fund	52,164	2059	-	2,963	-	57,186
Grants and Contracts	-	104,361	(117,931)	-	13,570	-
Total Funds	<u>£181,700</u>	<u>£110,624</u>	<u>£(122,931)</u>	<u>£7,081</u>	<u>18,570</u>	<u>£195,044</u>

- a) The transfer of £5,000 from the General Fund to Restricted Funds is to cover a shortfall in income for the Whitehead prizes.
- b) The transfer of £13,570 from the General Fund to the Grants and Contracts represents LMS's contribution to short courses and grants. (see note 19).

18. Unrestricted Funds

	<i>Balance at 01.08.10</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gain/(loss) on investments</i>	<i>Transfer</i>	<i>Balance at 31.07.11</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
General Fund: (see note 1(f))	<u>7,945,953</u>	<u>2,015,703</u>	<u>(1,637,572)</u>	<u>460,808</u>	<u>(28,183)</u>	<u>8,756,709</u>
Designated Funds:						
a) Building & Development Reserve Fund	470,746	-	-	-	120,000	590,746
b) Printing & Publication Reserve Fund	2,967,036	-	-	-	-	2,967,036
c) Grants Payable Reserve Fund	138,000	-	(44,000)	-	-	94,000
d) Special Activities Reserve Fund	29,481	693	-	-	-	30,174
e) Compositio Fund	-	357,878	(247,491)	-	(110,387)	-
	<u>3,605,263</u>	<u>358,571</u>	<u>(291,491)</u>	<u>-</u>	<u>9,613</u>	<u>3,681,956</u>
	<u>£11,551,216</u>	<u>£2,374,274</u>	<u>£(1,929,063)</u>	<u>£460,808</u>	<u>£(18,570)</u>	<u>£12,438,665</u>

- a) The transfer of £120,000 from the General Fund is to increase the level of Building and development reserve for rehousing and re-establishing the administration for one year were DMH to be lost through fire etc.
- e) The transfer of £110,387 from the Compositio fund to General Fund represents the management fee and the LMS's profit share relating to the journal.

19. Grants and Contracts Management account

	2011		2010	
	£	£	£	£
a)EPSRC short course contracts (Restricted)				
<i>Income</i>				
Short course actual income from EPSRC	33,908		40,192	
Short course b/f estimated income due	(38,746)		(33,100)	
Short course c/f estimated income due	42,755		38,746	
Income for Facilitator & Admin from EPSRC	24,702		23,950	
		62,619		69,788
<i>Expenditure</i>				
Short course actual expenditures	(116,222)		(60,448)	
Student fees	14,113		27,083	
Short course b/f estimated expenditures	62,622		40,036	
Short course c/f estimated expenditures	(9,750)		(62,622)	
Facilitator's and Admin costs	(24,702)		(23,950)	
		(73,939)		(79,901)
LMS's Contribution to Short Courses		£(11,320)		£(10,113)
b)Nuffield Foundation/Leverhulme Trust grant (Restricted)				
<i>Income</i>				
	38,228		76,825	
<i>Expenditure</i>				
	(38,228)		(76,825)	
		-		-
c) IMU grant (Restricted)				
<i>Income</i>				
	2,250		-	
<i>Expenditure</i>				
	(4,500)		-	
LMS's Contribution		£(2,250)		-
d)UKRC grant for WIM Conference (Restricted)				
<i>Income</i>				
	1,264		5,556	
<i>Expenditure</i>				
	(1,264)		(5,556)	
		-		-
d)IMA&RSS contributions to the CMS (Unrestricted)				
<i>Income</i>				
	12,125		10,248	
Prior year adjustment (credit to IMA and RSS)	(8,868)		-	
<i>Expenditure</i>				
	(19,067)		(17,526)	
LMS's Contribution to the CMS		£(15,810)		£(7,278)
e)IMA contribution to the MPU (Unrestricted)				
<i>Income</i>				
	5,000		5,000	
<i>Expenditure</i>				
	(36,431)		(26,344)	
LMS's Contribution to the MPU		£(31,431)		£(21,344)

20. Analysis of net assets between funds

	Unrestricted funds		Restricted	Total	Total
	General	Designated	Funds	Funds	Funds
	2011	2010	2011	2011	2010
	£	£	£	£	£
Fund balances are represented by					
Tangible fixed assets	1,629,828	-	-	1,629,828	1,674,946
Investments	5,493,625	3,651,782	136,689	9,282,096	8,783,286
Current assets	2,175,593	30,174	58,355	2,264,122	1,796,071
Current liabilities	(542,337)	-	-	(542,337)	(521,387)
Total net assets	£8,756,709	£3,681,956	£195,044	£12,633,709	£11,732,916

21. Gains and losses on investment assets

	Unrestricted	Restricted	2011	2010
	funds	funds	£	£
	£	£	£	£
Realised (loss)/gain on sale of investments	404,753	5,118	409,871	(86,747)
Unrealised (loss)/gain in market value of investments	56,055	1,963	58,018	155,745
Realised and Unrealised gains (Fixed Assets investments: Note 13)	£460,808	£7,081	£467,889	£68,998
Proportion of the total returns drawn down relating to gains (investment income: Note 2)	£177,519	£4,922	£182,441	£178,766
	£638,327	£12,003	£650,330	£247,764

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 £16,973 (2010: £18,553) for 20 Trustees (2010:20).

During the year £400 was paid to Dr Colva Roney-Dougal for her time giving the 2011 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 Roney-Dougal.

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 company was dissolved during the year and has been removed from the Register at Companies House.